ENERGROUP TECHNOLOGIES CORP
Form 10KSB
March 28, 2005

U. S. Securities and Exchange Commission

Washington, D. C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No.
002-97007-D

ENERGROUP TECHNOLOGIES CORPORATION
(Name of Small Business Issuer in its Charter)

UTAH	82-0420774
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

4685 HIGHLAND DR., SUITE 202
Salt Lake City, Utah 84117
(Address of Principal Executive Offices)
Issuer's Telephone Number: (801) 278-9424

None; Not Applicable.
(Former Name or Former Address, if changed since last Report)

Securities Registered under Section 12(b) of the Exchange Act:	None
Name of Each Exchange on Which Registered:	NASD
Securities Registered under Section 12(g) of the Exchange Act:	$0.001 par value common stock

Check whether the Issuer (1) filed all reports required to be filed by

Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No (2) Yes X No

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State Issuer's revenues for its most recent fiscal year: December 31, 2004- $0.

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days.

March 2, 2005 - $161. There are approximately 161,459 shares of common voting stock of the Company not held by affiliates. Because there has been no "public market" for the Company's common stock during the past three years, the Company has arbitrarily valued these shares at par value of $0.001 per share.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PAST FIVE YEARS)

None, Not applicable.

(APPLICABLE ONLY TO CORPORATE ISSUERS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

March 1, 2005
3,641,959

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Item 13 of this Report.

Transitional Small Business Issuer Format Yes X No

PART I

Item 1. Description of Business.

Business Development.

Organization and Charter Amendments.

Energroup Technologies Corporation, (the "Company"), was incorporated under

the laws of the State of Utah on March 21, 1985, under the name of Great Lakes Funding, Inc.

The Company's initial authorized capital was $50,000.00, consisting of 50,000,000 shares of one mill ($0.001) par value common voting stock.

On January 9, 1986, the Articles of Incorporation were amended to change the name from Great Lakes Funding, Inc., to Energroup Technologies Corporation.

On October 1, 1999, the Articles of Incorporation were amended to reflect a 20 to 1 reverse split of the Company's issued and outstanding common stock, while retaining the current authorized capital and par value, with appropriate adjustments in the stated capital accounts and capital surplus accounts; provided, however, that no stockholder, computed on a per stock certificate or record basis on the effective date hereof, currenly owning 100 or more shares was reduced to less than 100 shares as a result of the reverse split and that no stockholder owning less than 100 shares, on the per stock certificate or record basis on the effective date hereof, was affected by the reverse split.

Material Changes in Control Since Inception and Related Business History.

Business.

The Company was engaged in the manufacturing of interfacing devices used in microprocessors-based control systems for heating, ventilation and air conditioning systems. These operations proved unsuccessful, and the Company ceased such operations over ten years ago.

Other than the above-referenced matters and seeking and investigating potential assets, property or businesses to acquire, the Company has had no material business operations for over ten years. The Company may begin the search for the acquisition of assets, property or business that may benefit the Company and its stockholders, once the Board of Directors sets guidelines of industries in which the Company may have an interest.

The Company is unable to predict the time as to when and if it may actually participate in any specific business endeavor, and will be unable to do so until it determines the particular industries to the Company.

Risk Factors.

In any business venture, there are substantial risks specific to the particular enterprise which cannot be ascertained until a potential acquisition, reorganization or merger candidate has been identified; however, at a minimum, the Company's present and proposed business operations will be highly speculative and be subject to the same types of risks inherent in any new or unproven venture, and will include those types of risk factors outlined below.

Extremely Limited Assets; No Source of Revenue. The Company has virtually no assets and has had no revenue for over the past ten years or to the date hereof. Nor will the Company receive any revenues until it completes an acquisition, reorganization or merger, at the earliest. The Company can provide no assurance that any acquired business will produce any material revenues for the Company or its stockholders or that any such business will operate on a profitable basis. Although management intends to apply any proceeds it may receive through the issuance of stock or debt to a suitable acquisition, subject to the criteria identified above, such proceeds will not otherwise be designated for any more specific purpose. The Company can provide no assurance that any use

or allocation of such proceeds will allow it to achieve its business objectives.

Absence of Substantive Disclosure Relating to Prospective Acquisitions. Because the Company has not yet identified any assets, property or business that it may acquire, potential investors in the Company will have virtually no substantive information upon which to base a decision whether to invest in the Company. Potential investors would have access to significantly more information if the Company had already identified a potential acquisition or if the acquisition target had made an offering of its securities directly to the public. The Company can provide no assurance that any investment in the Company will not ultimately prove to be less favorable than such a direct investment.

Unspecified Industry and Acquired Business; Unascertainable Risks. To date, the Company has not identified any particular industry or business in which to concentrate its acquisition efforts. Accordingly, prospective investors currently have no basis to evaluate the comparative risks and merits of investing in the industry or business in which the Company may acquire. To the extent that the Company may acquire a business in a high risk industry, the Company will become subject to those risks. Similarly, if the Company acquires a financially unstable business or a business that is in the early stages of development, the Company will become subject to the numerous risks to which such businesses are subject. Although management intends to consider the risks inherent in any industry and business in which it may become involved, there can be no assurance that it will correctly assess such risks.

Uncertain Structure of Acquisition. Management has had no preliminary contact or discussions regarding, and there are no present plans, proposals or arrangements to acquire any specific assets, property or business. Accordingly, it is unclear whether such an acquisition would take the form of an exchange of capital stock, a merger or an asset acquisition.

Risks of "Penny Stock." The Company's common stock may be deemed to be "penny stock" as that term is defined in Reg. Section 240.3a51-1 of the Securities and Exchange Commission. Penny stocks are stocks (i) with a price of less than five dollars per share; (ii) that are not traded on a "recognized" national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); or (iv) in issuers with net tangible assets less than $2,000,000 (if the issuer has been in continuous operation for at least three years) or $5,000,000 (if in continuous operation for less than three years), or with average revenues of less than $6,000,000 for the last three years.

There has been no "established public market" for the Company's common stock during the last five years. At such time as the Company completes a merger or acquisition transaction, if at all, it may attempt to qualify for quotation on either NASDAQ or a national securities exchange. However, at least initially, any trading in its common stock will most likely be conducted on the OTC Bulletin Board of the NASD under the symbol "ENGR". Section 15(g) of the Securities Exchange Act of 1934, as amended, and Reg. Section 240.15g-2 of the Securities and Exchange Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in the Company's common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stock." Moreover, Reg. Section 240.15g-9 of the Securities and Exchange Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for

the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for investors in the Company's common stock to resell their shares to third parties or to otherwise dispose of them.

The Company's Form 211 Application was accepted March 17, 2005 by the NASD and is now listed on the OTC Bulletin Board under the symbol "ENRG".

Principal Products or Services and their Markets.

None; Not applicable.

Competition.

None; Not applicable.

Sources and Availability of Raw Materials and Names of Principal Suppliers.

None; Not applicable.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements of Labor Contracts.

None; Not applicable.

Need for any Governmental Approval of Principal Products of Services.

None; Not applicable.

Effect of Existing or Probable Governmental Regulations on Business.

The integrated disclosure system for small business issuers adopted by the Securities and Exchange Commission in Release No. 34-30968 and effective as of August 13, 1992, substantially modified the information and financial requirements of a "Small Business Issuer," defined to be an issuer that has revenues of less than $25 million; is a U.S. or Canadian issuer, is not an investment company, and if a majority-owned subsidiary, the parent is also a small business issuer, provided, however, an entity is not a small business issuer if it has a public float (the aggregate market value of the issuer's outstanding securities held by non-affiliates) of $25 million or more. The Company is deemed to be a "small business issuer."

The Securities and Exchange Commission, state securities commissions and the North American Securities Administrators Association, Inc. ("NASAA") have expressed an interest in adopting policies that will streamline the registration process and make it easier for a small business issuer to have access to the public capital markets.

Sarbanes-Oxley Act.

On July 30, 2002, President Bush signed into law the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Sarbanes-Oxley Act imposes a wide variety of new regulatory requirements on publicly-held companies and their insiders. Many of these requirements will affect us. For example:

* Our chief executive officer and chief financial officer must now certify the accuracy of all of our periodic reports that contain financial statements;

* Our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures; and

* We may not make any loan to any director or executive officer and we may not materially modify any existing loans.

The Sarbanes-Oxley Act has required us to review our current procedures and policies to determine whether they comply with the Sarbanes-Oxley Act and the new regulations promulgated thereunder. We will continue to monitor our compliance with all future regulations that are adopted under the Sarbanes-Oxley Act and will take whatever actions are necessary to ensure that we are in compliance.

Research and Development.

None; Not applicable.

Cost and Effects of Compliance with Environmental Laws.

None; Not applicable.

Number of Employees.

None; Not applicable.

Item 2. Description of Property.

The Company has no assets, property or business; its principal executive office address and telephone number are the business office address and telephone number of its majority shareholder, Duane S. Jenson, and are currently provided at no cost. Because the Company has had no business, its activities have been limited to keeping itself in good standing in the State of Utah. These activities have consumed an insignificant amount of management's time; accordingly, the costs to Mr. Jenson of providing the use of his office and telephone have been minimal.

Item 3. Legal Proceedings.

The Company is not a party to any pending legal proceeding. To the knowledge of management, no federal, state or local governmental agency is presently contemplating any proceeding against the Company. No director, executive officer or affiliate of the Company or owner of record or beneficially of more than five percent of the Company's common stock is a party adverse to the Company or has a material interest adverse to the Company in any proceeding.

Item 4. Submission of Matters to a Vote of Security Holders.

During the year ended December 31, 2004, no matter was submitted to a vote of the Company's securities holders, whether through the solicitation of proxies or otherwise.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

Equity Compensation Plans.

The Company does not currently have nor does it intend on implementing an Equity Compensation Plan.

Market Information.

The Company's common stock was listed on the OTC Bulletin Board of the National Association of Securities Dealers ("NASD") on March 17, 2005 under the symbol "ENRG". There is currently no established "public market" for shares of common stock of the Company. Management does not expect any public market to develop unless and until the Company completes an acquisition or merger. In any event, no assurance can be given that any market for the Company's common stock will develop or be maintained.

Holders.

The number of record holders of the Company's common stock as of the date of this Report is approximately 163.

Purchasers of Equity Securities by the Small Business Issuer and Affiliated Purchasers.

None; not applicable.

Dividends.

The Company has not declared any cash dividends with respect to its common stock and does not intend to declare dividends in the foreseeable future. The future dividend policy of the Company cannot be ascertained with any certainty, and until the Company completes any acquisition, reorganization or merger, as to which no assurance may be given, no such policy will be formulated. There are no material restrictions limiting, or that are likely to limit, the Company's ability to pay dividends on its common stock.

Sales of "Unregistered" and "Restricted" Securities Over The Past Three Years.

On September 24, 1999, the Company issued 1,698,000 "unregistered" and "restricted" common shares to Jenson Services, Inc., in consideration of payment of $1,698 of expenses incurred on behalf of the Company. These shares were issued at par value, one mill ($0.001).

On September 24, 1999, the Company issued 500,000 "unregistered" and "restricted" common shares to James Doolin, President and Director. These shares were in consideration of services rendered and issued at par value, one mill ($0.001).

On September 24, 1999, the Company issued 500,000 "unregistered" and "restricted" common shares to Alycia Anthony, Secretary and Director. These shares were in consideration of services rendered and issued at par value, one mill ($0.001).

On November 1, 1999, the Company issued 782,500 "unregistered" and "restricted" common shares to Jenson Services, Inc., in consideration of payment of $782.50 of expenses incurred on behalf of the Company. These shares were issued at par value, one mill ($0.001).

Item 6. Management's Discussion and Analysis or Plan of Operation.

Plan of Operation.

The Company has not engaged in any material operations or had any revenues from operations during the last two fiscal years. The Company's plan of operation for the next 12 months is to continue to seek the acquisition of assets, properties or businesses that may benefit the Company and its stockholders. Management anticipates that to achieve any such acquisition, the Company will issue shares of its common stock as the sole consideration for such acquisition.

During the next 12 months, the Company's only foreseeable cash requirements will relate to maintaining the Company in good standing or the payment of expenses associated with reviewing or investigating any potential business venture. As of December 31, 2004, it had no cash or cash equivalents. If additional funds are required during this period, such funds may be advanced by management or stockholders as loans to the Company. Because the Company has not identified any such venture as of the date of this Report, it is impossible to predict the amount of any such loan. However, any such loan should not exceed $25,000 and will be on terms no less favorable to the Company than would be available from a commercial lender in an arm's length transaction. As of the date of this Report, the Company is not engaged in any negotiations with any person regarding any such venture.

Results of Operations.

Other than maintaining its good corporate standing in the State of Utah, compromising and settling its debts and seeking the acquisition of assets, properties or businesses that may benefit the Company and its stockholders, the Company has had no material business operations in the two most recent calendar years.

At December 31, 2004, the Company's had no assets. See the Index to Financial Statements, Item 7 of this Report.

The Company has received no revenues in either of its two most recent calendar years. See the Index to Financial Statements, Item 7 of this Report.

Liquidity.

The Company has no cash or cash equivalents on hand. If additional funds

are required, such funds may be advanced by management or stockholders as loans to the Company. Because the Company has not identified any acquisition or venture, it is impossible to predict the amount of any such loan.

Item 7. Financial Statements.

Independent Auditors' Report

Balance Sheet -- December 31, 2004

Statements of Operations for the years ended December 31, 2004 and 2003 and for the period from Reactivation [December 4, 1998] through December 31, 2004

Statements of Stockholders' Deficit for the period from Reactivation [December 4, 1998] through December 31, 2004.

Statements of Cash Flows for the years ended December 31, 2004 and 2003 and for the period from Reactivation [December 4, 1998] through December 31, 2004

Notes to Financial Statements

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Financial Statements and Report of Independent Registered Public Accounting Firm
December 31, 2004

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
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Notes to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Energroup Technologies Corporation [a development stage company]

We have audited the accompanying balance sheet of Energroup Technologies Corporation [a development stage company] as of December 31, 2004, and the related statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2004 and 2003, and for the period from Reactivation [December 14, 1998] through December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energroup Technologies Corporation [a development stage company] as of December 31, 2004, and the results of its operations and cash flows for the years ended December 31, 2004 and 2003 and for the period from Reactivation through December 31, 2004, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has accumulated losses from operations, no assets, and a net working capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Mantyla McReynolds

Salt Lake City, Utah
February 15, 2005

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Balance Sheet
December 31, 2004

ASSETS

Assets	$
Total Assets	$

LIABILITIES AND STOCKHOLDERS' DEFICIT

Liabilities:	
Current Liabilities:	
Accrued liabilities	$ 10
Payable to shareholders - NOTE 4	13,07
Total Current Liabilities	13,17
Total Liabilities	13,17
Stockholders' Deficit:	
Capital Stock -- 50,000,000 shares authorized having a par value of $.001 per share; 3,641,959 shares issued and outstanding - NOTE 4	3,64
Additional Paid-in Capital	318,57
Accumulated Deficit	(318,73
Accumulated Deficit during development stage	(16,65
Total Stockholders' Deficit	(13,17
Total Liabilities and Stockholders' Deficit	$

See accompanying notes to financial statements.
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ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Statements of Operations

For the Years Ended December 31, 2004 and 2003, and for the Period from Reactivation [December 14, 1998] through December 31, 2004

	2004	2003	Reactiva throu Decemb 31, 20
Revenues	$ 0	$ 0	$
General & Administrative Expenses	3,366	2,505	1
Operating Loss	(3,366)	(2,505)	(1
Net Loss Before Income Taxes	(3,366)	(2,505)	(1
Current Year Provision for Income Taxes	100	100	
Net Loss	$ (3,466)	$ (2,605)	$ (1
Loss Per Share	$ (.01)	$ (.01)	$
Weighted Average Shares Outstanding	3,641,959	3,641,959	3,1

See accompanying notes to financial statements.

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Statements of Stockholders' Deficit
For the Years Ended December 31, 2004 and 2003 and for the Period from Reactivation [December 14, 1998] through December 31, 2004

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit

Balance, December 14, 1998, (Reactivation date)	3,051,425	$ 3,051	$ 315,681	$ (318,732) $
Net loss for the Period Ended December 31, 1998				0
Balance, December 31, 1998	3,051,425	3,051	315,681	(318,732)
Reverse split, one for twenty, September 30, 1999	(2,889,966)	(2,890)	2,890	
Issued stock to shareholder for debt at par, September 30, 1999	1,698,000	1,698	0	
Issued stock to Directors for services at par, September 30, 1999	1,000,000	1,000	0	
Issued stock to shareholder for debt at par, October 31, 1999	782,500	783	0	
Net loss for the Year Ended December 31, 1999				(3,807)
Balance, December 31, 1999	3,641,959	3,642	318,571	(322,539)
Net loss for the Year Ended December 31, 2000				(2,492)
Balance, December 31, 2000	3,641,959	3,642	318,571	(325,031)
Net loss for the Year Ended December 31, 2001				(1,654)
Balance December 31, 2001	3,641,959	3,642	318,571	(326,685)
Net loss for the Year Ended December 31, 2002				(2,627)
Balance, December 31, 2002	3,641,959	3,642	318,571	(329,312)
Net loss for the Year Ended December 31, 2003				(2,605)
December 31, 2003	3,641,959	3,642	318,571	(331,917)
Net loss for the Year Ended December 31, 2004				(3,466)
December 31, 2004	3,641,959	$ 3,642	$ 318,571	$ (335,383) $

See accompanying notes to financial statements.

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Statements of Cash Flows
For the Years Ended December 31, 2004 and 2003, and for the Period from Reactivation
[December 14, 1998] through December 31, 2004

	2004	2003	Reacti thr Dece 31,
Cash Flows from Operating Activities			
Net Loss	$ (3,466)	$ (2,605)	$ (
Adjustments to reconcile net income to net cash provided by operating activities:			
Issued shares to directors for services	0	0	
Increase in liability to shareholder	3,466	2,605	
Increase in current liabilities	0	0	
Net Cash Used for Operating Activities	0	0	
Net Increase/(Decrease) in Cash	0	0	
Beginning Cash Balance	0	0	
Ending Cash Balance	$ 0	$ 0	$
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for interest	$ 0	$ 0	$
Cash paid during the year for income taxes	0	0	
Issued common stock for shareholder debt	0	0	

See accompanying notes to financial statements.

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Notes to Financial Statements
December 31, 2004

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

Energroup Technologies Corporation was formed in August of 1983 as Facility Maintenance Management, Inc. In August 1985, the Company began to develop, manufacture and sell sensory and output products

used in energy management control systems. The Company discontinued its efforts in late 1987 but began reactivation activities on December 14, 1998. The Company is now in the development stage and is seeking new business opportunities.

The financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles. The following summarizes the more significant of such policies:

(b) Income Taxes

The Company applies the provisions of Statement of Financial Accounting Standards No. 109 [the Statement], Accounting for Income Taxes. The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

(c) Net Loss Per Common Share

Loss per common share is based on the weighted-average number of shares outstanding.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

(d) Statement of Cash Flows

For purposes of the statements of cash flows, the Company considers cash on deposit in the bank to be cash. The Company had $0 cash at December 31, 2004.

(e) Use of Estimates in Preparation of Financial Statements

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

NOTE 2 LIQUIDITY/GOING CONCERN

The Company has accumulated losses since Reactivation through December 31, 2004 amounting to $16,651, has no assets, and has a net working capital deficiency at December 31, 2004. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management plans include finding a well-capitalized merger candidate to recommence its operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Notes to Financial Statements
December 31, 2004
[Continued]

NOTE 3 INCOME TAXES

Below is a summary of deferred tax asset calculations on net operating loss carry forward amounts. Loss carry forward amounts expire through 2024. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset will not be realized. The income tax provision for the current year represents state franchise taxes paid to bring the Company current.

Description	NOL Balance	Tax	Rate
Federal Income Tax	$15,522	$2,328	15%
State Income Tax	11,556	578	5%
Valuation allowance		(2,906)	
Deferred tax asset 12/31/04		$0	

The allowance has increased $520 from $2,386 as of December 31, 2003. The amount shown on the balance sheet for income taxes payable represents the annual minimum franchise tax amount due to the State of Utah.

NOTE 4 COMMON STOCK/RELATED PARTY TRANSACTIONS

On September 24, 1999, the Company's Board of Directors effected a reverse split of the outstanding common stock on the basis of one for twenty, effective September 30, 1999, while retaining the current authorized capital and par value. No stockholder received less than 100 post split shares; appropriate adjustments were made to the stated

capital accounts and capital surplus accounts.

Additional post split shares have been issued in the following manner:

Description	Number of Shares
Issued to consultant for services at par	2,480,500
Issued to directors for services at par	1,000,000
Total post-split shares issued	3,480,500

ENERGROUP TECHNOLOGIES CORPORATION
[A Development Stage Company]
Notes to Financial Statements
December 31, 2004
[Continued]

NOTE 4 COMMON STOCK/RELATED PARTY TRANSACTIONS [continued]

A shareholder has paid general and administrative expenses on behalf of the Company, through December 31, 2004 and 2003, of $3,466 and $2,605, respectively. The Company has recorded a liability to the shareholder of $13,070, as of December 31, 2004. The balance is payable on demand and is non-interest bearing.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None; Not applicable.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers.

The following table sets forth the names of all current directors and executive officers of the Company. These persons will serve until the next annual meeting of the stockholders or until their successors are elected or appointed and qualified, or their prior resignation or termination.

Name	Positions Held	Date of Election or Designation	Date of Termination or Resignation
Stephen R. Fry	President	01/03	*
	Director	01/03	*
James P. Doolin	President	09/99	01/03
	Director	09/99	01/03
Barry Richmond	Vice President	02/86	*
	Director	03/86	*
Thomas J. Howells	Secretary	04/01	*
	Director	04/01	*

* These persons presently serve in the capacities indicated.

Business Experience.

Stephen R. Fry, President and a director is 32 years of age. Mr. Fry received bachelor degrees from the University of Utah in Communications and Spanish in June 1995. Mr. Fry has owned Diamond Executive Detail, a Utah LLC since 1995.

Barry Richmond, Vice President and a director is 52 years of age. Mr. Richmond is currently a Colonel for the United States Army.

Thomas J. Howells, Secretary and a director is 32 years of age. Mr. Howells graduated from Westminster College of Salt Lake City, Utah, with a bachelors degree in Business in 1995 and Master of Business Administration in 2004. Mr. Howells has been an employee of Jenson Services, Inc., a Utah Corporation since 1995.

Committees

There are no established committees. The Company does not currently have a financial expert serving on an audit committee as one does not currently exist.

Significant Employees.

The Company has no employees who are not executive officers, but who are expected to make a significant contribution to the Company's business.

Family Relationships.

None; Not Applicable.

Involvement in Certain Legal Proceedings.

Except as stated above, during the past five years, no director, person nominated to become a director, executive officer, promoter or control person of the Company:

(1) was a general partner or executive officer of any business against which any bankruptcy petition was filed, either at the time of the bankruptcy or two years prior to that time;

(2) was convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) was subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or

(4) was found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Code of Ethics.

The Company is in the process of adopting a Code of Ethics for our executive officers. We expect to adopt such a Code of Ethics at our next Board of Directors meeting.

Compliance with Section 16(a) of the Exchange Act.

Form 3, Statement of Beneficial Ownership, have been filed with the Securities and Exchange Commission; there have been no changes in their beneficial ownership of shares of common stock of the Company since the filing of their Form 3 on February 18, 2000.

Item 10. Executive Compensation.

The following table sets forth the aggregate compensation paid by the Company for services rendered during the periods indicated:

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year or Period Ended	Salary ($)	Bonus ($)	Other Annual Compen-	Rest- ricte Stock	Secur- ities Under- dlying Options	LTIP Pay- outs	All Other Comp- ensat'n
Stephen R. Fry President, Director	12/31/04	0	0	0	0	0	0	0
	12/31/03	0	0	0	0	0	0	0
	12/31/02	0	0	0	0	0	0	0
James Doolin, FORMER President, Director	12/31/03	0	0	0	0	0	0	0
	12/31/02	0	0	0	0	0	0	0
Barry Richmond Vice Pres./ Director	12/31/04	0	0	0	0	0	0	0
	12/31/03	0	0	0	0	0	0	0
	12/31/02	0	0	0	0	0	0	0
Thomas Howells Secretary Director	12/31/04	0	0	0	0	0	0	0
	12/31/03	0	0	0	0	0	0	0
	12/31/02	0	0	0	0	0	0	0

On September 24, 1999 the Company authorized the issuance of 500,000 shares of its "unregistered" and "restricted" securities to be issued to James Doolin, a former President and Director and Alycia Anthony, a former Secretary and Director. Other than the aforementioned, no cash compensation, deferred compensation or long-term incentive plan awards were issued or granted to the Company's management during the calendar years ending December 31, 2004, 2003, or 2002, or the period ending on the date of this Report.

Compensation of Directors.

There are no standard arrangements pursuant to which the Company's directors are compensated for any services provided as director. No additional amounts are payable to the Company's directors for committee participation or special assignments.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no employment contracts, compensatory plans or arrangements, including payments to be received from the Company, with respect to any director or executive officer of the Company which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of employment with the Company or any subsidiary, any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

Security Ownership of Certain Beneficial Owners.

The following table sets forth the shareholdings of those persons who beneficially own more than five percent of the Company's common stock as of the date of December 31, 2004, with the computations being based upon 3,641,959 shares of common stock being outstanding.

Name	Number of Shares Beneficially Owned	Percentage of Class (1)
Jenson Services, Inc.*	2,480,500	68%
James Doolin	500,000	14%
Alycia Anthony	500,000	14%
	3,480,500	96%

* Duane Jenson is the President of Jenson Services, Inc., and may be deemed the beneficial owner of Jenson Services, Inc.

Security Ownership of Management.

The following table sets forth the shareholdings of the Company's directors and executive officers as of 12/31/2004:

Name and Address	Number of Shares Beneficially Owned	Percentage of Class *
Steve Fry 808 East 1300 South Salt Lake City, UT 84105	0	0
Thomas J. Howells* 468 Highland Dr., Suite 202	0	0

Salt Lake City, UT 84117		
Barry Richmond Po Box 62 Nineveh, IN 46131	13,709	0%
All directors and executive officers as a group (3 persons)	513,709	14%

* Mr. Howells is employed by Jenson Services, Inc., the Company's majority shareholder, however he is not deemed a beneficial owner of the Jenson Services shares. See the caption "Security Ownership of Certain Beneficial Shares" above.

Changes in Control.

To the knowledge of the Company's management, there are no present arrangements or pledges of the Company's securities which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions.

Transactions with Management and Others.

For a description of transactions between members of management, five percent stockholders, "affiliates", promoters and finders, see the caption "Sales of "Unregistered" and "Restricted" Securities Over the Past Three Years" of Item I.

Item 13. Exhibits and Reports on Form 8-K.

Reports on Form 8-K.

None; Not Applicable.

Exhibits

EX 31.1 Certification of Steve Fry, the Company's President, pursuant to section 302 of the Sarbanes-Oxley Act of 2002

EX 31.2 Certification of Thomas J. Howells, the Company's Secretary, pursuant to section 302 of the Sarbanes-Oxley Act of 2002

EX 32 Certification of Steve Fry and Thomas Howells pursuant to section 906 of the Sarbanes-Oxley Act of 2002

Item 14. Principal Accounting Fees and Services.

The Following is a summary of the fees billed to the Company by its principal accountants during the fiscal years ended December 31, 2004 and 2003:

Fee category	2004	2003
Audit fees	$ 2,708	$ 2,330
Audited-related fees	$ 0	$ 0
Tax fees	$ 0	$ 175
All other fees	$ 0	$ 0
Total fees	$ 2,708	$ 2,505

Audit Fees. Consists of fees for professional services rendered by our principal accountants for the audit of the Company's annual financial statements and review of the financial statements included in the Company's Forms 10-KSB or services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-related fees. Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees."

Tax fees. Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All other fees. Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees," and "Tax fees" above.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors.

The Company has not adopted an Audit Committee, therefore, there is no Audit Committee policy in this regard. However, the Company does not require approval in advance of the performance of professional services to be provided to the Company by its principal accountant. Additionally, all services rendered by our principal accountant are performed pursuant to a written engagement letter between us and the principal accountant.

SIGNATURES

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

ENERGROUP TECHNOLOGIES CORPORATION

Date: 3/24/05

By/S/Stephen R. Fry
Stephen R. Fry
President and Director

In accordance with the Exchange Act, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

ENERGROUP TECHNOLOGIES CORPORATION

Date: 3/24/05 By/S/Stephen R. Fry
Stephen R. Fry
President and Director

Date: 3/24/05 By/S/Thomas J. Howells
Thomas J. Howells
Secretary and Director

width: 2%"> 134,000 28,563 1.0 Jibrayil Yusuf 164,909 16,580 148,329 1.0

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2012. This table should be read in conjunction with the financial statements and the notes thereto included elsewhere in this prospectus.

	September 30, 2012
	(unaudited)
Common Stock	150,000,000 shares authorized, par value $0.001 per share; 16,333,670 shares issued and outstanding
Additional paid in capital	$ 2,733,183
Deficit accumulated during development stage	$ 2,942,523
Total stockholders' deficit	$ 193,006

LEGAL PROCEEDINGS

As of the date of this prospectus we are not aware of any material claims, lawsuits, disputes with third parties or regulatory proceedings that would have any material effect on our company.

JOBS ACT

The JOBS Act provides that as long as a company qualifies as an "emerging growth company" it will, among other things:

-be exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act reporting that its independent registered public accounting firm provide an attestation report on the effectiveness of its internal control over financial reporting;

-be exempt from the "say on pay" and "say on golden parachute" advisory requirements of the Dodd-Frank Wall Street Reform and Customer Protection Act (the "Dodd-Frank Act"), and certain disclosure requirements of the Dodd-Frank Act relating to compensation of its chief executive officer and be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Securities Exchange Act of 1934; and

-instead provide a reduced level of disclosure concerning executive compensation and be exempt from any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor's report on the financial statements.

It should be noted that notwithstanding our status as an emerging growth company, we would be eligible for these exemptions as a result of our status as a "smaller reporting company" as defined in the Securities Exchange Act of 1934.

Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to take advantage of the benefits of this extended transition period and, therefore, will be subject to the same, new or revised accounting standards as other public companies that are not emerging growth companies.

BUSINESS

Innovus Pharmaceuticals, Inc. (the "***Company***", "***Innovus Pharma***", "***FasTrack***", "***we***", "***us***" and "***our***") is focused on near ter revenue opportunities through the commercialization of its proprietary product pipeline, currently consisting of therapies aimed at pain relief and bleeding of the gums. Additionally, the Company is actively seeking to in-license and/or acquire new and innovative pharmaceutical compounds that offer definable pathways to regulatory approval, partnering and commercialization.

Our business model is designed to create multiple opportunities for success while minimizing the risks associated with reliance on any single technology platform or product type, and to bridge the critical gap between promising new product candidates and product opportunities that are ready for commercialization. Consistent with our long-term strategy, we intend to consider various corporate development transactions designed to place our product candidates into larger organizations or with partners having existing commercialization, sales and marketing resources, and a need for innovative products. Such transactions could involve the sale, partnering or other monetization of particular product opportunities or businesses.

In parallel, as our business strategy advances and corresponding valuations are established, we plan to pursue new product opportunities and acquisitions with strong value enhancement potential. Our long-term goal is to improve our balance sheet and cash flow. This strategy may include debt financing and/or acquisitions of small revenue generating companies and products.

Our Proprietary Product and Technology Portfolios

The lead product in our pipeline is Apeaz,™ a topical cream that has been developed for pain relief. It is intended to deliver different ingredients to various layers of the skin and muscle, and optimize effect. The product had previously been sold in the U.S. and internationally, and had sales of approximately $500,000. However, all sales for the product were abandoned in 2008, when the U.S. distributor went out of business, and the previous owner of Apeaz™ decided to focus on another segment of its business. In October 2012, the Company applied for a National Drug Code (NDC) for Apeaz™ with the U.S. Food and Drug Administration (the "FDA"). The NDC process typically takes 30-60 days. The NDC is required to be issued by the FDA before the Company could commence to manufacture and sell Apeaz™ in the U.S.

In addition, we have Regia,™ which is a plant-derived, anti-microbial agent for reducing the bleeding of gums when used in OTC products such as mouthwash. The same active is currently included in a mouthwash commercialized in France. We have an issued US patent which expires in May 2028 and patent applications pending in selected international markets. In October 2012, the Company's patent application to the European Union was allowed. Our intention is to out-license the patent portfolio for Regia™ to potential development partners.

On October 4, 2012, we entered into a Settlement Agreement with Apricus Biosciences, Inc. (“Apricus Bio”) pursuant to which we sold to Apricus Bio our remaining fifty percent (50%) share of the future commercial right of PrevOnco™, the Phase 2/3 compound for liver cancer, in exchange for the return of 135,888 shares of our common stock which Apricus Bio had acquired through the conversion of promissory notes issued by the Company and a one-time cash payment to us of $25,000. In addition, we agreed to terminate our licensing right to Apricus Bio’s NexACT® technology and any claim to any PrevOnco™ backup compounds. Dr. Esber continues to serve on the boards of directors of the Company and Apricus Bio and certain shareholders of Apricus Bio remain shareholders of the Company. With exception of the above, the transaction resulted in termination of relationship in operating and business activities between the two companies. Refer to Footnote 4 of our audited financial statements for the years ended December 31, 2011 and 2010 for additional historical information.

When we have sufficient resources, we intend to explore and pursue new product opportunities based on drugs with expired or near-expired patents. Our strategy is to follow the 505(b)(2) regulatory approval pathway, which typically has a shorter development cycle with less pre-clinical and clinical studies required by the regulatory agencies. In June 2011, we conducted feasibility studies on two active drug ingredients identified by us. One study, completed in September 2011, focused on a new minoxidil formulation for treating hair loss. Minoxidil is the active ingredient in Rogaine®, a widely marketed topical product for treating male and female hair loss. The study results showed that our proprietary formulation significantly enabled the absorption of minoxidil into the human cadaver skin model. If we continue to pursue either of these two programs, we will do so without incorporating Apricus Bio’s NexACT technology.

Within our Rx portfolio is a development platform based on SSAO inhibitors. SSAO is known as vascular adhesion protein-1 or VAP-1, and is a dual function molecule with enzymatic and cell adhesion activities. These inhibitors are designed to reduce inflammation by blocking the white blood cells and reducing the levels of inflammatory mediators. A prior owner had developed a treatment for Lupus based on the SSAO platform, but that product failed in late-stage clinical studies. In 2009, FasTrack acquired the SSAO patent portfolio because of the possibility that the SSAO platform had potential for other developers to identify the right medical indication. Because the SSAO platform has unproven safety and efficacy profiles, to develop a product based on this platform would require significant resources and longer development time. We do not have these resources presently and no assurance can be given that even if proper resources were available, we would seek to develop or if development were pursued, a successful SSAO platform would be accomplished. To facilitate the SSAO development we may seek a partnership relationship.

Prior Transactions

Innovus Pharma, formerly known as North Horizon, Inc., was incorporated under the laws of the State of Utah on January 15, 1959. It changed the corporate domicile to the State of Nevada in 2007. Initially, North Horizon had authorized capital of 100,000,000 shares of common stock, par value of $.001 per share. Years ago it sold 100,000 shares of common stock to the public. It entered the cosmetic business, but this venture was unsuccessful. Other ventures ensued, but none were successful. For the past several years, there were no active business ventures, however, the management maintained North Horizon as a corporate entity and filed requisite reports with the U.S.

Securities and Exchange Commission. Innovus Pharma has authorized capital of 150,000,000 shares of common stock, par value of $.001 per share.

In October 2011, North Horizon changed its name to Innovus Pharmaceuticals, Inc., and subsequently consummated a combination transaction with FasTrack Pharmaceuticals, Inc., whereby FasTrack became our wholly-owned subsidiary.

We are obligated to file certain interim and periodic reports including an annual report with audited financial statements. Our trading symbol is "INNV." The financial statements included in this prospectus are for the combined entity including FasTrack Pharma.

Manufacturing

At the present time, we do not have any customers or backlog.

We intend to contract with third parties for the manufacture of our compounds for investigational purposes, for preclinical and clinical testing and for commercial sale of any FDA-approved products. All of our compounds are small molecules, generally constructed using industry standard processes and use readily accessible raw materials.

Regulatory Requirements

On December 12, 2011, we filed a Report on Form 8-K describing and reporting the closing of the Agreement between North Horizon and FasTrack. The report was filed within four business days of the closing of the transaction. (See Item 5.01(a)(8) of Form 8-K.) Amendments to Rule 144 effective on February 15, 2008, limited the resale of most securities of a shell company until one year after the filing of the required information about FasTrack. These requirements may be perceived as limiting or eliminating the advantages of using "reverse" reorganizations or mergers of going public. In these transactions the management and shareholders of the acquired company become the controlling shareholders of the public company. Pursuant to applicable regulations a shell company may not use Form S-8 until 60 days after the company is no longer considered to be a shell company.

Amendments to Rule 144 effective on February 15, 2008 limited the tradeability of the issued and outstanding securities of a shell company, including shares issued in any transaction involving an acquisition of another business entity or prospect. Our shareholders are subject to these provisions.

Our shares are also considered penny stocks. Section 15g-2 of the regulations under the Exchange Act requires broker-dealers transacting trades in penny stocks to provide potential investors with a disclosure statement detailing the risks of investing in penny stocks and to have the investor sign a receipt of the disclosure statement before any transactions may occur in the investor’s account. Also, broker-dealers must approve the account of an investor purchasing penny stocks. Our shares of common stock are classified as a “penny stock.”

Government Regulation

The U.S. Food and Drug Administration (“***FDA***”) and other federal, state, local and foreign regulatory agencies impose substantial requirements upon the clinical development, approval, labeling, manufacture, marketing and distribution of drug products. These agencies regulate, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of our product candidates. The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Moreover, failure to comply with applicable FDA or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

The FDA regulates, among other things, the research, manufacture, promotion and distribution of drugs in the United States under the Federal Food, Drug and Cosmetic Act ("***FFDCA***") and other statutes and implementing regulations. The process required by the FDA before prescription drug product candidates may be marketed in the United States generally involves the following:

- completion of extensive nonclinical laboratory tests, animal studies and formulation studies, all performed in accordance with the FDA's Good Laboratory Practice regulations;
- submission to the FDA of an Investigational New Drug application ("***IND***"), which must become effective before human clinical trials may begin;
- for some products, performance of adequate and well-controlled human clinical trials in accordance with the FDA's regulations, including Good Clinical Practices, to establish the safety and efficacy of the product candidate for each proposed indication;
- submission to the FDA of a New Drug Application ("***NDA***");
- satisfactory completion of an FDA preapproval inspection of the manufacturing facilities at which the product is produced to assess compliance with current Good Manufacturing Practice, or cGMP, regulations; and

- FDA review and approval of the NDA prior to any commercial marketing, sale or shipment of the drug.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Nonclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animals and other animal studies. The results of nonclinical tests, together with manufacturing information and analytical data, are submitted as part of an IND to the FDA. Some nonclinical testing may continue even after an IND is submitted. The IND also includes one or more protocols for the initial clinical trial or trials and an investigator's brochure. An IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions relating to the proposed clinical trials as outlined in the IND and places the clinical trial on a clinical hold. In such cases, the IND sponsor and the FDA must resolve any outstanding concerns or questions before any clinical trials can begin. Clinical trial holds also may be imposed at any time before or during studies due to safety concerns or non-compliance with regulatory requirements. An independent institutional review board, or IRB, at each of the clinical centers proposing to conduct the clinical trial must review and approve the plan for any clinical trial before it commences. An IRB considers, among other things, whether the risks to individuals participating in the trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the consent form signed by the trial participants and must monitor the study until completed.

Our product pipeline is comprised of candidates in various stages of development. On the Rx side, to develop a product to Phase 2 based on the 505b(2) regulatory path would cost approximately $4 million and take 18 months per candidate. On the OTC side, we estimate that the cost and process to register Apeaz with the FDA and build-out sufficient inventory for launch would cost approximately $30,000 and take 3 to 6 months. See Clinical Trials and 505(b)(2) NDAs for further clarifications. No assurance can be given that the Company will be successful in any of its development or licensing efforts.

Clinical Trials

Clinical trials involve the administration of the product candidate to human subjects under the supervision of qualified medical investigators according to approved protocols that detail the objectives of the study, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor participant safety. Each protocol is submitted to the FDA as part of the IND.

Human clinical trials are typically conducted in three sequential phases, but the phases may overlap, or be combined.

- Phase 1 clinical trials typically involve the initial introduction of the product candidate into healthy human volunteers. In Phase 1 clinical trials, the product candidate is typically tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and pharmacodynamics.

- Phase 2 clinical trials are conducted in a limited patient population to gather evidence about the efficacy of the product candidate for specific, targeted indications, to determine dosage tolerance and optimal dosage and to identify possible adverse effects and safety risks.

- Phase 3 clinical trials are undertaken to evaluate clinical efficacy and to test for safety in an expanded patient population at geographically dispersed clinical trial sites. The size of Phase 3 clinical trials depends upon clinical and statistical considerations for the product candidate and disease, but sometimes can include several thousand patients. Phase 3 clinical trials are intended to establish the overall risk-benefit ratio of the product candidate and provide an adequate basis for product labeling.

Clinical testing must satisfy extensive FDA regulations. Reports detailing the results of the clinical trials must be submitted at least annually to the FDA and safety reports must be submitted for serious and unexpected adverse events. Success in early stage clinical trials does not assure success in later stage trials. The FDA, an IRB or our company may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk.

New Drug Applications

Assuming successful completion of the required clinical trials, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of an NDA. An NDA also must contain extensive manufacturing information, as well as proposed labeling for the finished product. An NDA applicant must develop information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in accordance with cGMP. The manufacturing process must be capable of consistently producing quality products within specifications approved by the FDA. The manufacturer must develop methods for testing the quality, purity and potency of the final product. In addition, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product does not undergo unacceptable deterioration over its shelf life. Prior to approval, the FDA will conduct an inspection of the manufacturing facilities to assess compliance with cGMP.

The FDA reviews all NDAs submitted before it accepts them for filing. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be resubmitted with the additional information and is subject to review before the FDA accepts it for filing. After an application is filed, the FDA may refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendation of an advisory committee, but it considers them carefully when making decisions. The FDA may deny approval of an NDA if the applicable regulatory criteria are not satisfied. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. The FDA may issue a complete response letter, which may require additional clinical or other data or impose other conditions that must be met in order to secure final approval of the NDA. If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. In addition, the FDA may require us to conduct Phase 4 testing which involves clinical trials designed to further assess a drug’s safety and effectiveness after NDA approval, and may require surveillance programs to monitor the safety of approved products which have been commercialized. Once issued, the FDA may withdraw product approval if ongoing regulatory requirements are not met or if safety or efficacy questions arise after the product reaches the market.

Section 505(b)(2) NDAs

There are two types of NDAs: the full NDA and the Section 505(b)(2) NDA. When possible, we intend to file Section 505(b)(2) NDAs that might, if accepted by the FDA, save time and expense in the development and testing of our product candidates. A full NDA is submitted under Section 505(b)(1) of the FFDCA, and must contain full reports of investigations conducted by the applicant to demonstrate the safety and effectiveness of the drug. A Section 505(b)(2) NDA may be submitted for a drug for which one or more of the investigations relied upon by the applicant were not conducted by or for the applicant and for which the applicant has no right of reference from the person by or for whom the investigations were conducted. A Section 505(b)(2) NDA may be submitted based in whole or in part on published literature or on the FDA's finding of safety and efficacy of one or more previously approved drugs, which are known as reference drugs. Thus, the filing of a Section 505(b)(2) NDA may result in approval of a drug based on fewer clinical or nonclinical studies than would be required under a full NDA. The number and size of studies that need to be conducted by the sponsor depends on the amount and quality of data pertaining to the reference drug that are publicly available, and on the similarity of and differences between the applicant's drug and the reference drug. In some cases, extensive, time-consuming, and costly clinical and nonclinical studies may still be required for approval of a Section 505(b)(2) NDA.

Because we may develop new formulations of previously approved chemical entities, our drug approval strategy is to submit Section 505(b)(2) NDAs to the FDA. The FDA may not agree that our product candidates are approvable as Section 505(b)(2) NDAs. If the FDA determines that Section 505(b)(2) NDAs are not appropriate and that full NDAs are required for our product candidates, the time and financial resources required to obtain FDA approval for product candidates could substantially and materially increase, and our products might be less likely to be approved. If the FDA requires full NDAs for product candidates, or requires more extensive testing and development for some other reason, our ability to compete with alternative products that arrive on the market more quickly than the product candidates would be adversely impacted.

Patent Protections

We currently have one patent issued for Regia™ in Morocco and one issued in the U.S.A., and an application allowed in Europe. We also have a series of patent applications pending in the U.S.A. and internationally for our SSAO technology platform.

An applicant submitting a Section 505(b)(2) NDA must certify to the FDA the patent status of the reference drug upon which the applicant relies in support of approval of its drug. With respect to every patent listed in the FDA's Orange Book, which is the FDA's list of approved drug products, as claiming the reference drug or an approved method of use of the reference drug, the Section 505(b)(2) applicant must certify that: (1) there is no patent information listed by the FDA for the reference drug; (2) the listed patent has expired; (3) the listed patent has not expired, but will expire on a particular date; (4) the listed patent is invalid, unenforceable, or will not be infringed by the manufacture, use, or sale of the product in the Section 505(b)(2) NDA; or (5) if the patent is a use patent, that the applicant does not seek approval for a use claimed by the patent. If the applicant files a certification to the effect of clause (1), (2) or (5), FDA approval of the Section 505(b)(2) NDA may be made effective immediately upon successful FDA review of the application, in the absence of marketing exclusivity delays, which are discussed below. If the applicant files a certification to the effect of clause (3), the Section 505(b)(2) NDA approval may not be made effective until the expiration of the relevant patent and the expiration of any marketing exclusivity delays.

If the Section 505(b)(2) NDA applicant provides a certification to the effect of clause (4), referred to as a paragraph IV certification, the applicant also must send notice of the certification to the patent owner and the holder of the NDA for the reference drug. The filing of a patent infringement lawsuit within 45 days of the receipt of the notification may prevent the FDA from approving the Section 505(b)(2) NDA for 30 months from the date of the receipt of the notification unless the court determines that a longer or shorter period is appropriate because either party to the action failed to reasonably cooperate in expediting the action. However, the FDA may approve the Section 505(b)(2) NDA before the 30 months have expired if a court decides that the patent is invalid, unenforceable, or not infringed, or if a court enters a settlement order or consent decree stating the patent is invalid or not infringed.

Notwithstanding the approval of many products by the FDA pursuant to Section 505(b)(2), over the last few years certain brand-name pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged in court, the FDA may be required to change its interpretation of Section 505(b)(2) which could delay or even prevent the FDA from approving any Section 505(b)(2) NDA that we submit. The pharmaceutical industry is highly competitive, and it is not uncommon for a manufacturer of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products. If successful, such petitions can significantly delay, or even prevent, the approval of the new product. Moreover, even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition.

Marketing Exclusivity

Market exclusivity provisions under the FFDCA can delay the submission or the approval of Section 505(b)(2) NDAs, thereby delaying a Section 505(b)(2) product from entering the market. The FFDCA provides five-year marketing exclusivity to the first applicant to gain approval of an NDA for a new chemical entity, or NCE, meaning that the FDA has not previously approved any other drug containing the same active moiety. This exclusivity prohibits the submission of a Section 505(b)(2) NDA for any drug product containing the active ingredient during the five-year exclusivity period. However, submission of a Section 505(b)(2) NDA that certifies that a listed patent is invalid, unenforceable, or will not be infringed, as discussed above, is permitted after four years, but if a patent infringement lawsuit is brought within 45 days after such certification, FDA approval of the Section 505(b)(2) NDA may automatically be stayed until 7 1/2 years after the NCE approval date. The FFDCA also provides three years of marketing exclusivity for the approval of new and supplemental NDAs for product changes, including, among other things, new indications, dosage forms, routes of administration or strengths of an existing drug, or for a new use, if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by FDA to be essential to the approval of the application. Five-year and three-year exclusivity will not delay the submission or approval of another full NDA; however, as discussed above, an applicant submitting a full NDA under Section 505(b)(1) would be required to conduct or obtain a right of reference to all of the preclinical and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Other types of exclusivity in the United States include orphan drug exclusivity and pediatric exclusivity. The FDA may grant orphan drug designation to a drug intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for this type of disease or condition will be recovered from sales in the United States for that drug. Seven-year orphan drug exclusivity is available to a product that has orphan drug designation and that receives the first FDA approval for the indication for which the drug has such designation. Orphan drug exclusivity prevents approval of another application for the same drug for the same orphan indication, for a period of seven years, regardless of whether the application is a full NDA or a Section 505(b)(2) NDA, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity. Pediatric exclusivity, if granted, provides an additional six months to an existing exclusivity or statutory delay in approval resulting from a patent certification. This six-month exclusivity, which runs from the end of other exclusivity protection or patent delay, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued “Written Request” for such a study.

Section 505(b)(2) NDAs are similar to full NDAs filed under Section 505(b)(1) in that they are entitled to any of these forms of exclusivity if they meet the qualifying criteria. They also are entitled to the patent protections described above, based on patents that are listed in the FDA’s Orange Book in the same manner as patents claiming drugs and uses approved for NDAs submitted as full NDAs.

Other Regulatory Requirements

Maintaining substantial compliance with appropriate federal, state and local statutes and regulations requires the expenditure of substantial time and financial resources. Drug manufacturers are required to register their establishments with the FDA and certain state agencies, and after approval, the FDA and these state agencies conduct periodic unannounced inspections to ensure continued compliance with ongoing regulatory requirements, including cGMPs. In addition, after approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further FDA review and approval. The FDA may require post-approval testing and surveillance programs to monitor safety and the effectiveness of approved products that have been commercialized. Any drug products manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including:

- meeting record-keeping requirements;
- reporting of adverse experiences with the drug;
- providing the FDA with updated safety and efficacy information;
- reporting on advertisements and promotional labeling;
- drug sampling and distribution requirements; and

- complying with electronic record and signature requirements.

In addition, the FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. There are numerous regulations and policies that govern various means for disseminating information to health-care professionals as well as consumers, including to industry sponsored scientific and educational activities, information provided to the media and information provided over the Internet. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label.

The FDA has very broad enforcement authority and the failure to comply with applicable regulatory requirements can result in administrative or judicial sanctions being imposed on us or on the manufacturers and distributors of our approved products, including warning letters, refusals of government contracts, clinical holds, civil penalties, injunctions, restitution, and disgorgement of profits, recall or seizure of products, total or partial suspension of production or distribution, withdrawal of approvals, refusal to approve pending applications, and criminal prosecution resulting in fines and incarceration. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label or unapproved uses may be subject to significant liability. In addition, even after regulatory approval is obtained, later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market.

Food and Drug Administration Amendments Act of 2007

In September 2007, the Food and Drug Administration Amendments Act of 2007, or FDAAA, became law. This legislation grants significant new powers to the FDA, many of which are aimed at improving drug safety and assuring the safety of drug products after approval. In particular, the new law authorizes the FDA to, among other things, require post-approval studies and clinical trials, mandate changes to drug labeling to reflect new safety information, and require risk evaluation and mitigation strategies for certain drugs, including certain currently approved drugs. In addition, the new law significantly expands the federal government's clinical trial registry and results databank and creates new restrictions on the advertising and promotion of drug products. Under the FDAAA, companies that violate these and other provisions of the new law are subject to substantial civil monetary penalties.

The FDA has not yet implemented many of the provisions of the FDAAA, so we cannot predict the impact of the new legislation on the pharmaceutical industry or our business. However, the requirements and changes imposed by the FDAAA may make it more difficult, and more costly, to obtain and maintain approval for new pharmaceutical products, or to produce, market and distribute existing products. In addition, the FDA's regulations, policies and guidance are often revised or reinterpreted by the agency or the courts in ways that may significantly affect our business and our products. It is impossible to predict whether additional legislative changes will be enacted, or FDA regulations, guidance or interpretations changed, or what the impact of such changes, if any, may be.

Our business activities are subject to general governmental regulations. In addition, we are obligated to file periodic reports as required by the Exchange Act. We are deemed to be a “smaller reporting company” as defined in Regulation S-K. The SEC adopted rules which phased out filings under Regulation SB and smaller reporting companies are now required to file reports under the provisions of Regulation S-K. A “Smaller Reporting Company” is defined as a company which has a public float held by non-affiliates of $75 million or less. Companies without a calculable equity float will qualify if their revenues were below $50 million in the previous year.

Principal Products or Services

See previous discussion on Our Business.

Competition

We are engaged in a highly competitive business. We expect competition from numerous companies, including large international enterprises, and others entering the market with product similar to ours. Most of these companies have superior research and development, manufacturing, patent, legal marketing, financial, technological, personnel and managerial resources. Acquisition of competing companies by large pharmaceutical or healthcare companies could further enhance our competitors' financial, marketing and other resources. Competitors may complete clinical trials, obtain regulatory approvals and commence commercial sales of their products before we could enjoy significant competitive advantages. Products developed by our competitors may be safer and more effective as compared to our products under development.

Facilities, Equipment and Employees

We currently have no corporate office. Our one employee operates from her private residence.

Effect of Governmental Regulations on Our Business

See previous discussion on regulatory requirements.

We are a "smaller reporting company" subject to reporting requirements of the SEC. We are subject to the provisions of the Sarbanes-Oxley Act of 2002. It created an accounting oversight board to oversee the conduct of auditors of public companies and to ensure auditor independence. This Act imposes the obligations on management for financial reporting and quality financial disclosures, and to expose possible conflicts of interest. It also creates guidelines for audit committees, oversight of the audits performed by public auditing firms, and requires management to make assessments of internal controls procedures and other matters. Compliance with the provisions of this statute will increase our legal and accounting costs.

We are subject to the rules regarding proxy solicitations including the provisions of Regulation 14A. We may be required to provide to shareholders an information statement complying with the provisions of Schedules 14A or 14C.

Jobs Act disclosures

Research and Development Costs During the Past Two Years

During the years ended December 31, 2011 and 2010 the Company has incurred research and development costs totaling $58,960 and $0, respectively.

Cost and Effects of Compliance with Environmental Laws

Currently we are not subject to material environmental laws, rules, or regulations that would have an adverse impact on our business operations or financial conditions.

Inflation

We believe that inflation has little impact on our business affairs.

Employees

We currently have one employee who serves as our President and Chief Executive Officer. Our one employee is not represented by a labor union, and has good relations with the Company. See "*Management*" for biographical information on our management team and directors. Subject to the availability of financing our intention is to expand our staff to five employees within 12 months in order to implement our growth strategy.

Reports

You may locate reports on the SEC's Internet site at www.sec.gov. The SEC's telephone number is 202-551-8090. Materials about us are available through the SEC Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Included in this memorandum are financial statements, audited and unaudited, of Innovus Pharma.

The 2011 results reflects only pre-merger former FasTrack entity, as a private company.

The Company’s unaudited financial statements for the three months and nine months ended September 30, 2012 and 2011, and the audited financial statements for the years ended December 31, 2011, and 2010, are included among the financial statements in this prospectus. The Company has not paid any dividends.

Innovus Pharma has not had changes in or disagreements with its accountants on any accounting or financial matters. The following is the Company’s management’s discussion and analysis of financial condition and results of operations.

At September 30, 2012, the Company had $33,145 in cash as compared to $25,014 at December 31, 2011. On January 13, 2012, the Board of Directors authorized to issue a total of $174,668 in convertible promissory notes (the "January Notes) to six individuals. One January Note for $74,668 was issued to an accredited investor to settle liabilities assumed from North Horizon and therefore this did not result in any cash inflow for us. Five January Notes for a total of $100,000 in a new cash infusion were issued to five individuals, three of who are members of the Company's Board of Directors. The January Notes bear an annual interest rate of 8% and are payable in cash at the earlier of January 13, 2013, or when the Company completes a financing of a minimum of $4 million (the "Financing"). The holders of the January Notes have the option to convert their principal and interest accrued into the Company’s securities (“New Financing Securities”) that will be issued to the investors in a future financing. In the event the Company defaults on repayment, or if the Company fails to complete a financing within one year of the note date, the annual interest rate would increase to 13% and the holders of the January Notes would have the option to convert the note to the Company’s common stock at $0.05 per share.

On June 26, 2012 the Company issued 134,000 shares of common stock to an unrelated investor at $0.75 per share for cash proceeds of $100,500. Also on June 26, 2012 the Company and an unrelated note holder reached a settlement on outstanding balance of $12,000, plus accrued interest of $435, of the convertible debenture whereas the fair value of the 16,580 shares of common stock issued approximated the carrying value of the outstanding convertible debenture at time of settlement. Accordingly, no gain or loss resulted from the settlement.

For the three months ended September 30, 2012 and 2011, the Company earned no revenues, and consequently, had no cost of sales. Gross profits for the first three months in 2012 and 2011 were $0. Operating expenses for the three months ended September 30, 2012 and 2011 totaled $73,231 and $87,450, respectively, resulting in a $14,219 decrease. This decrease was primarily the result of decreases in professional fees as a result of the completion of the reverse merger transaction in December 2011 and the filing of our first Form 10K in March 2012. The Company recognized interest expense of $4,288 and $5,153 for the three months ended September 30, 2012 and 2011, respectively, resulting in a change of $865. This change is primarily the result of decreased level of debt during 2012 compared to 2011. The Company recognized net losses in the amount of $77,519 and $92,603, for the three month periods ended September 30, 2012 and 2011, respectively. This decreased net loss results primarily from minor decreases in operating expenses and interest expense.

For the nine months ended September 30, 2012 and 2011, the Company earned no revenues, and consequently, no cost of sales. Operating expenses for the nine months ended September 30, 2012 and 2011 totaled $179,357 and $158,650, respectively, resulting in a $20,707 increase. This increase was primarily the result of increases in professional fees as a result of the completion of the reverse merger transaction in December 2011 and the filing of our first Form 10K in March 2012. The Company recognized interest expense of $12,743 and $14,203for the nine months ended September 30, 2012 and 2011, respectively, resulting in a decrease of $1,460. This change is primarily the result of decreased level of debt during 2012 compared to 2011. The Company recognized net losses in the amount of $192,100 and $172,853, for the nine month periods ended September 30, 2012 and 2011, respectively. This increased net loss results primarily from increases in operating expenses and interest expense.

For the years ended December 31, 2011 and 2010, the Company earned no revenues, and consequently, had no cost of sales. Gross profits for the 2011 and 2010 years was $0. The operating expenses for the years ended December 31, 2011 and 2010 totaled $2,188,535 and $53,601, respectively, marking a $2,134,934 increase. This increase was primarily the result of increases in research and development costs ($58,960), professional fees ($131,276), and compensation expense ($1,954,865), including fair value of warrants issued to an investment banker of $1,904,865. The Company recognized interest expense of $67,717 and $16,322 for the years ended December 31, 2011 and 2010, respectively, resulting in a change of $51,395. This change is primarily the result of increased level of debt during 2011 compared to 2010 and $48,920 discount recorded on the conversion of convertible notes. The Company recognized net losses in the amount of $2,256,252 and $69,923, for the years ended December 31, 2011 and 2010, respectively. This increased net loss results primarily from increased operating expenses and interest expense.

The Company has experienced net losses and negative cash flows from operations each year since its inception. Through September 30, 2012, the Company had an accumulated deficit of approximately $2,942,523. The Company’s operations have been financed mostly through advances from officers and directors and related parties. The Company has not yet had sufficient funds to significantly develop its technologies. As a result of its losses to date, expected losses in the future, limited capital resources and accumulated deficit, there is substantial doubt as to the Company’s ability to continue as a going concern. The Company’s continuation is based on the Company’s ability to generate or obtain sufficient cash to meet our obligations on a timely basis and ultimately to attain profitable operations. The Company anticipates that it will continue to incur significant losses at least until successful commercialization of one or more of its products. In light of management’s efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

Related Party Transactions

On March 4, 2011, FasTrack issued a promissory note to Baltimore Medical and Surgical Associates, PA, an entity controlled by Dr. Ziad Mirza, a director of FasTrack. On April 5, 2011, FasTrack paid the note’s principal and accrued interest.

On January 13, 2012, the Board of Directors authorized a total of $174,668 in promissory notes (the "***January Notes***") to six individuals. One January Note for $74,668 was issued to one accredited investor for the liabilities assumed from North Horizon, Inc. Five January Notes for a total of $100,000 were issued to five individuals for cash consideration of $100,000, three of whom are members of the Company's Board of Directors. The January Notes bear an annual interest rate of 8% and payable in cash at the earlier of January 13, 2013, or when the Company completes a financing of a minimum of $4 million (the "***Financing***"). The holders of the January Notes have the right to convert their principal and interest accrued into the Company's securities at the same terms as the investors in the Financing. In the event the Company defaults on repayment, the annual interest rate would increase to 13% and the holders of the January Notes would have the right to convert at $0.05 per share.

In January 2010, FasTrack’s Board of Directors approved $7,000 in payment to Dr. Bassam Damaj, our largest shareholder and the CEO of Apricus Bio. The payment was for overhead expenses. The agreement included a provision that if FasTrack could not pay cash, Dr. Damaj would receive 1% of Fastrack’s outstanding equity based on its outstanding shares as of January 15, 2011. On February 7, 2011, FasTrack issued 134,364shares (as converted post combination) of common stock to Dr. Damaj to satisfy the obligation.

On October 4, 2012, we entered into a Settlement Agreement with Apricus Biosciences, Inc. (“Apricus Bio”) pursuant to which we sold to Apricus Bio our remaining fifty percent (50%) share of the future commercial right of PrevOnco™, the Phase 2/3 compound for liver cancer, in exchange for the return of 135,888 shares of our common stock which Apricus Bio had acquired through the conversion of promissory notes issued by the Company and a one-time cash payment to us of $25,000. In addition, we agreed to terminate our licensing right to Apricus Bio’s NexACT® technology and any claim to any PrevOnco™ backup compounds. Dr. Esber continues to serve on the boards of directors of the Company and Apricus Bio and certain shareholders of Apricus Bio remain shareholders of the Company. With exception of the above, the transaction resulted in termination of relationship in operating and business activities between the two companies. Refer to Footnote 4 of our audited financial statements for the years ended December 31, 2011 and 2010 for additional historical information.

In January 2010, the Sorrento Board of Directors approved a payment of $7,000 to Dr. Damaj for 2010 overhead expenses. The agreement had a similar provision as the FasTrack agreement. Sorrento paid cash of $7,000 to satisfy the obligation.

From October 2009 to 2011, directors and officers of the Company have advanced cash or incurred FasTrack’s expenses. The amounts varied from $600 to $5,000. Substantially all such advances have been repaid.

Since October 2009 FasTrack and Sorrento entered into agreements with others that are deemed to be related parties. In October 2009 FasTrack acquired the right to PrevOnco from Bio-Quant for $276,020 paid for by 13,372,384 shares of FasTrack common stock (as converted post combination) and the issuance of a promissory note in the amount of $250,000. In October 2009 Sorrento purchased from Bio-Quant the rights of Apeaz and Regia for a purchase price of $120,858 paid for with 4,379 shares of Sorrento’s common stock valued at $11,000 and a promissory note.

In March 2010, FasTrack entered into an Agreement with NexMed in which FasTrack sold the development rights of PrevOnco™ to NexMed for cancellation of $204,896 of the FasTrack Promissory Note and a right to 50% of the net proceeds, defined as gross proceeds less 115% of the aggregate development expenses incurred by NexMed.

In March 2011, FasTrack acquired Sorrento’s over-the counter products. FasTrack assumed Sorrento’s liabilities in the amount of $142,808.

Because the three foregoing transactions are considered transaction with entities under common control, they have been recorded at historical carrying value (nil) and as equity transactions - deemed contributions or distribution.

In April 2011 FasTrack entered into an Agreement with Apricus Bio described herein.

The notes and accrued interest at the date of conversion (as described below) to Apricus Bio aggregated to $489,061, bore per annum interest of 4.25% and were due on April 4, 2013. These notes were secured by a first priority security interest in the assets of the Company. The notes are convertible upon the happening of either financing of more than $2,000,000 or a merger or acquisition transaction prior to the maturity date. Any outstanding amount will convert on the date of closing of the financing or the merger or acquisition at a price per share equal to ninety per cent (90%) of the price of the shares sold in the financing or exchange in the merger or acquisition. On December 22, 2011, the notes were convertible into 135,888 shares of the Company’s common stock, pursuant to the terms of the note agreement. The shares which have trading restrictions until December 12, 2012, were physically delivered to Apricus Bio in March 2012.

In the past, the principal shareholder of North Horizon, Inc., who was also one of its directors and its president advanced funds to pay in the amount of $26,601 for expenses North Horizon incurred in 2011.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements.

Recent Accounting Pronouncements

See Footnote 2 to our consolidated financial statements for the periods ended December 31, 2011 and 2010. The adoption of recently implemented accounting rules and policies did not have any impact on the Company's financial position, results of operations or cash flows.

MANAGEMENT AND BOARD OF DIRECTORS

The Company's directors are Vivian Liu, Dr. Ziad Mirza, and Dr. Henry Esber**.** The following is biographical information about our directors. The Company anticipates that in the near term new directors may be selected and appointed.

Vivian Liu, 51, is a director, President and Chief Executive Officer. Ms. Liu became President and Chief Executive Officer in January 2011. In 1995 Ms. Liu co-founded NexMed, Inc., which in 2010 was renamed to Apricus BioSciences, Inc. Apricus Bio trades on NASDAQ with the symbol “APRI.” Ms. Liu was NexMed’s President and Chief Executive Officer from 2007 to 2009. Prior to her appointment as President, Ms. Liu served in several executive capacities, including Executive Vice President, Chief Operating Officer, Chief Financial Officer, and Vice President of Corporate Affairs. She was appointed as a director of NexMed in 2007 and served as Chairman of the Board from 2009 to 2010. Ms. Liu has an M.P.A. from the University of Southern California, and has a B.A. from the University of California, Berkeley.

We agreed with Ms. Liu that she would not be paid a salary until the Company raised at least $500,000 in cash, after which she would commence to receive an annual salary of $150,000. Ms. Liu received 833,668 shares of the Company's common stock upon the closing of the reverse merger. The stock granted to Ms. Liu contains anti-dilution provision. Ms. Liu would be issued additional shares in such a way, that she would retain 2%, 4% and 6% ownership of the Company at December 31, 2011, 2012 and 2013, respectively, assuming continuous and uninterrupted employment with the Company. No additional shares were issued or issuable through December 31, 2011 as her ownership percentage exceeds 2%. If additional shares are to be issued, a compensatory charge will be recognized.

Henry Esber, Ph.D, 74, has served as a Director of FasTrack since January 2011. In 2000 Dr. Esber co-founded Bio-Quant, Inc., the largest pre-clinical discovery contract research organization in San Diego, California. From 2000 to 2010 he served as its Senior Vice President and Chief Business Development Officer. Dr. Esber has more than thirty-five years of experience in the pharmaceutical service industry. Dr. Esber currently serves on the Board of Directors of Apricus Bio and several private pharmaceutical companies. In the event that a potential conflict of interest arises between FasTrack and Apricus Bio, Mr. Esber will abstain from participating in the decision involving the conflict.

Ziad Mirza, M.D., 50, is a director of FasTrack and has served as Chairman of the Board of Directors since March 2010. He also served as FasTrack's Acting Chief Executive Officer from March 2010 to December 2010. He is the President and co-founder of Baltimore Medical and Surgical Associates. He is a Certified Medical Director of long term care through the American Medical Directors Association. He is as well a Certified Physician Executive from the American College of Physician Executives. He consults for pharmaceutical companies on clinical trial design. He has a medical degree from the American University of Beirut and completed his residency at Good Samaritan Hospital in Baltimore. He received an MBA from the University of Massachusetts. Dr. Mirza is a relative of Dr. Damaj, our largest shareholder.

The Company's intends to appoint three new independent directors, with at least one of the new appointees being an audit committee financial expert as defined in Item 407(d)(5) of the SEC's Regulation S-K.

Legal Proceedings

The Company is not involved in any legal proceedings.

Recent Sales of Unregistered Shares

On June 26, 2012 the Company issued 134,000 shares of common stock to an unrelated investor at $0.75 per share for cash proceeds of $100,500. Also on June 26, 2012 the Company and an unrelated note holder reached a settlement on outstanding balance of $12,000, plus accrued interest of $435, of the convertible debenture whereas the fair value of the 16,580 shares of common stock issued approximated the carrying value of the outstanding convertible debenture at time of settlement. Accordingly, no gain or loss resulted from the settlement.

Changes and Disagreements with Accountants

Neither the Company nor FasTrack has had any disagreements with its accountants on accounting and financial disclosures.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Stock ownership of Officers and Directors and Major Shareholders (5% or more). The number of shares owned includes direct and beneficial ownership. The percentages are based on 16,579,265 shares of common stock outstanding on a fully-diluted basis.

Name	Number of Shares Owned Beneficially	Percentage of Company	
Vivian Liu	833,669	5.03	Officer and Director (1)
Henry Esber	2,252,126	13.58	Director (1)
Ziad Mirza	403,346	2.4	Director (1)
Wallace Boyack	840,579	5.07	
Ramon Jadra	980,147	5.91	
Bassam Damaj & Family (2)	4,513,413	27.22	

(1) The officers and directors own 3,489,141 shares of common stock, which is 21% of the issued and outstanding shares.

(2) Dr. Bassam Damaj is a Director, President & Chief Executive Officer of Apricus Bio.

Change in Status - No Longer a Shell Company

Previously we were designated as a “shell company” as that term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934. As a result of the Closing of the reverse merger with FasTrack, FasTrack became our subsidiary and main operating business. FasTrack has assets which it is seeking to develop and pursue. With an operating business we are no longer a “shell company.”

More information about the Company is available because we file annual, quarterly, and current reports and other information with the SEC that states additional information about our company. These materials are available at the public reference facilities of the SEC's Washington, D.C. office, at 100 F Street, NE, Washington, D.C. 20549 and on the SEC Internet site at http://www.sec.gov.

Innovus Pharma Financial Statements

The audited financial statements of Innovus Pharmaceuticals, Inc., as of December 31, 2011, and December 31, 2010, are attached. Unaudited financial statements as of September 30, 2012 and 2011, are attached.

DESCRIPTION OF SECURITIES

Common Stock

We are authorized to issue up to 150,000,000 shares of Common Stock, par value $0.001 per share. As of the date of this Memorandum, there are approximately 16,198,292 shares of Common Stock issued and outstanding. The outstanding shares of Common Stock are validly issued, fully paid and nonassessable.

Holders of Common Stock are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of Common Stock do not have cumulative voting rights. Therefore, holders of a majority of the shares of Common Stock voting for the election of directors can elect all of the directors. Holders of Common Stock representing a majority of the voting power of the Company's capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of stockholders. A vote by the holders of a majority of the Company's outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to the Company's certificate of incorporation.

Holders of Common Stock are entitled to share in all dividends that our Board of Directors, in its discretion, declares from legally available funds. In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the Common Stock. The Common Stock has no pre-emptive, subscription or conversion rights and there are no redemption provisions applicable to the Common Stock.

DISCLOSURES OF COMMISSION'S POSITION ON INDEMNIFACTION FOR SECURITIES ACT LIABILITIES

Our bylaws provide that directors, officers and any person who acted at our request will be indemnified to the fullest extent authorized by the Nevada Revised Statutes against all expenses and liabilities reasonably incurred in connection with services for us or on our behalf if:

- such person acted in good faith,

- acted in an manner he or she reasonably believed to be in or not opposed to the best interest of the corporation and

- had no reason to believe in a criminal matter that the conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act might be permitted to directors, officers or persons under the provisions described above, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

LEGAL MATTERS

Wallace T. Boyack, P.C. at 2290 East 4500 South, Suite 130, Salt Lake City, UT 84117, telephone (801) 278-9925, has acted as our legal counsel.

EXPERTS

The financial statements of the Company as of December 31, 2011 and 2010, and for each of the two years in the period ended December 31, 2011 and the period from inception (October 31, 2008) through December 31, 2011 then ended included in this Prospectus have been so included in reliance on the report of EisnerAmper LLP (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 2 to the financial statements), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INTEREST OF NAMED EXPERTS AND COUNSEL

No expert or counsel was hired on a contingency basis. The auditing firm will not receive a direct or indirect interest in the company, nor will it act, or has acted as a promoter, underwriter, voting trustee, director, officer or employee of the company. Mr. Boyack is a shareholder owning 840,579 shares of common stock and prior to December 7, 2011, served as an officer and director of North Horizon for several years (prior to combination with FasTrack).

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement that we filed with the SEC in accordance with its rules and regulations. This prospectus does not contain all of the information in the registration statement. For further information regarding both the company and the securities in this offering, we refer you to the registration statement including all exhibits and schedules. You may inspect our registration statement without charge at the public reference facilities of the SEC's Washington, D.C. office, 100 F Street, NE, Washington, D.C. 20549 and on its Internet site at http://www.sec.gov.

You may also request a copy of the registration statement and these filings by contacting us electronically at innovuspharma.com.

We file periodic reports with the SEC. These reports and other information may also be inspected and copies obtain at the SEC's public reference facilities or at the SEC's web site.

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders

Innovus Pharmaceuticals, Inc.

We have audited the accompanying consolidated balance sheets of Innovus Pharmaceuticals, Inc. (the “Company”), Inc. as of December 31, 2011 and December 31, 2010 and the related consolidated statements of operations, changes in stockholders’ deficit and cash flows for the years then ended and for period from inception (October 31, 2008) to December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Innovus Pharmaceuticals, Inc. (the “Company”) as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended and for period from inception (October 31, 2008) to December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

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

/s/ EisnerAmper LLP

March 30, 2012

Edison, New Jersey

F-1

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Consolidated Balance Sheets

December 31

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	$25,014	$1,650
TOTAL ASSETS	$25,014	$1,650
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$1,687	$10,034
Convertible notes payable	-	200,952
Promissory notes - Dawson James	50,000	-
Accrued interest payable	-	23,569
Related-party payables	87,168	18,600
Total Current Liabilities	138,855	253,155
Contingent liability related to common shares, subject to rescission rights, issuable to FasTrack shareholders arising from Merger (14,722,077 shares)	28,926	
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock; 150,000,000 shares authorized, at $0.001 par value, 1,325,125 and 13,754,045 shares issued and outstanding, respectively	1,325	13,754
Additional paid-in capital	2,606,331	228,912
Deficit accumulated during the development stage	(2,750,423)	(494,171)
Total Stockholders' Equity (Deficit)	(142,767)	(251,505)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$25,014	$1,650

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

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Consolidated Statements of Operations

	For the Years Ended December 31,		From October 31, 2008 (Inception) through December 31,
	2011	2010	2011
REVENUES	$-	$-	$ -
OPERATING EXPENSES			
Research and development	58,960	-	78,960
Professional fees	131,276	-	131,276
Investment banking fees (including fair value of warrant - $1,904,865)	1,954,865	-	1,954,865
General and administrative	43,434	53,601	97,159
Total Operating Expenses	2,188,535	53,601	2,262,260
LOSS FROM OPERATIONS	(2,188,535)	(53,601)	(2,262,260)
OTHER EXPENSES			
INTEREST EXPENSE	(67,717)	(16,322)	(91,285)
TOTAL INTEREST EXPENSE	(67,717)	(16,322)	(91,285)
LOSS BEFORE INCOME TAXES	(2,256,252)	(69,923)	(2,353,545)
PROVISION FOR INCOME TAXES	-	-	-
NET LOSS	$(2,256,252)	$(69,923)	$ (2,353,545)
BASIC AND DILUTED LOSS PER SHARE	$(0.16)	$(0.01)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	13,785,487	13,681,876	

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

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Statements of Stockholders' Deficit

	Common Stock (Shares)	Common Stock (Amount)	Additional Paid-In Capital	Deficit Accumulated During The Development Stage	Total Stockholders' Deficit
Balance at October 31, 2008 (Inception)	-	$ 0	$ 0	$ 0	$ 0
Balance on December 31, 2008	-	-	-	-	-
Issuance of common stock - FasTrack asset purchase	13,372,284	13,372	12,648	-	26,020
Issuance of common stock - Sorrento business combination	-	-	11,000	-	11,000
Deemed distribution for the value of assets acquired from Apricus Bio	-	-	-	(396,878)	(396,878)
Net loss for the year ended December 31, 2009	-	-	-	(27,370)	(27,370)
Balance at December 31, 2009	13,372,284	$ 13,372	$ 23,648	$ (424,248)	$ (387,228)
Issuance of common stock for compensation of board members (Mirza and Nasser)	381,761	382	368	-	750
Deemed contribution for the value of assets sold to Apricus Bio	-	-	204,896	-	204,896
Net loss for the year ended December 31, 2010	-	-	-	(69,923)	(69,923)
Balance at December 31, 2010	13,754,045	$ 13,754	$ 228,912	$ (494,171)	$ (251,505

The accompanying notes are an integral part of these financial statements

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Statements of Stockholders' Deficit (continued)

	Common Stock (Shares)	Common Stock (Amount)	Additional Paid-In Capital	Deficit Accumulated During The Development Stage	Total Stockholders' Deficit
Balance at December 31, 2010	13,754,045	$ 13,754	$ 228,912	$ (494,171)	$ (251,505)
Issuance of common stock for services rendered	134,364	134	6,866	-	7,000
Issuance of common stock for compensation of officer	833,668	834	804	-	1,638
Forgiveness of interest by Apricus Bio	-	-	4,021	-	4,021
Contribution to capital arising from the conversion of the convertible promissory notes held by Apricus Bio at the date of the Merger and pursuant to the terms of the convertible note, which will result in the issuance of 135,888 shares of common stock in March 2012 to Apricus Bio	-	-	538,117	-	538,117
Issuance of shares for net liabilities assumed in the Merger	1,325,125	1,325	(63,050)	-	(61,725)
Issuance of warrants to investment banker for services	-	-	1,904,865	-	1,904,865
Reclassification of shares issuable to FasTrack shareholders pursuant to rescission offer	(14,722,077)	(14,722)	(14,204)	-	(28,926)
Net loss for the year ended December 31, 2011	-	-	-	(2,256,252)	(2,256,252)
Balance at December 31, 2011	1,325,125	$ 1,325	$ 2,606,331	$ (2,750,423)	$ (142,767)

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

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company

Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2011	2010	From October 31, 2008 (Inception) through December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$(2,256,252)	$(69,923)	$ (2,353,545)
Adjustments to reconcile net loss to net cash used by operating activities:			
Common stock issued for services	8,638	750	9,388
Value of warrants granted to investment banker	1,904,865	-	1,904,865
Non-cash interest expense (including a discount on conversion of Apricus Bio convertible notes of $48,920)	67,717	16,323	91,461
Promissory note issued for services rendered	50,000	-	50,000
Research and development expense recognized upon purchase of SSAO inhibitor assets	-	-	20,000
Expenses paid on behalf of the Company by Apricus Bio	-	25,990	25,990
Changes in operating assets and liabilities			
Change in related-party payable	25,168	-	25,168
Accounts payable	(8,172)	10,034	1,687
Net Cash Used in Operating Activities	(208,036)	(16,826)	(224,986)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of loans from officers	5,003	17,500	23,603
Repayments of loans from officers	(23,603)	-	(23,603)
Proceeds from convertible notes payable	250,000	-	250,000
Net Cash Provided by Financing Activities	231,400	17,500	250,000
NET CHANGE IN CASH	23,364	674	25,014
CASH AT BEGINNING OF PERIOD	1,650	976	-

CASH AT END OF PERIOD	$25,014	$1,650	$ 25,014
Interest paid	$nil	$nil	$nil
Taxes paid	$nil	$nil	$nil

See note 9 for supplemental information on non-cash financing activities

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

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

1. COMPANY INFORMATION AND HISTORY

Nature of Business

Innovus Pharmaceuticals, Inc. (formerly North Horizon, Inc.) (“the Company”), a corporation organized under the laws of the State of Utah, entered into a combination with FasTrack Pharmaceuticals, Inc. (“FasTrack”), a corporation organized under the laws of the State of Delaware. The combination was effective on December 7, 2011.

Innovus Pharmaceuticals, Inc. was organized as a Utah corporation in 1959. In 2007, it changed its domicile to Nevada, and from 2007 through September 30, 2011, maintained the Company as a corporate entity and filed requisite reports with the U.S. Securities and Exchange Commission. Prior to the business combination the Company was considered a non-operating public shell corporation.

FasTrack Pharmaceuticals, Inc., (“FasTrack”) was incorporated in the State of Delaware on October 31, 2008 and commenced operations on October 1, 2009. FasTrack is a specialty pharmaceutical company focusing on the development of innovative pharmaceutical products. FasTrack develops ethical therapeutic drugs based on its unique delivery platforms and knowhow. Upon its acquisition of the Sorrento Pharmaceuticals Inc. (“Sorrento”) assets and liabilities in March 2011, the FasTrack also began to focus on OTC opportunities. Sorrento was incorporated in the state of Delaware on October 31, 2008 and commenced operations on October 1, 2009.

FasTrack and Sorrento were formed by the shareholders of Bio-Quant, Inc. (“Bio-Quant”), a contract research organization for the pharmaceutical industry that has been in existence since 2000. In 2008, Bio-Quant decided to focus on its core business of pre-clinical testing services and therefore formed FasTrack and Sorrento, and, in 2009, sold its pharmaceutical assets to the two companies, for FasTrack to focus on the development of ethical therapeutic (“Rx”) and for Sorrento on Over-the Counter (“OTC”) products. Both FasTrack and Sorrento had limited operations during 2009 and 2010, as their funding was severely limited. In March 2011, the shareholders of FasTrack and Sorrento elected to combine operations in an effort to better position the combined entity for new investors. Pursuant to an asset purchase agreement between the two companies, FasTrack acquired Sorrento’s assets and liabilities. All

periods of the financial statements of FasTrack have been presented on a combined basis for the combination of FasTrack and Sorrento given the two companies merged as entities under common control.

Bio-Quant was acquired by Apricus Biosciences, Inc. (Nasdaq: APRI) (“Apricus Bio”) in December 2009. NexMed (U.S.A.), Inc., (“NexMed”) is a wholly owned subsidiary of Apricus Bio. As such, throughout the financial statements Bio-Quant, Apricus Bio and NexMed may be used interchangeably, but shall represent the same entity.

Innovus Pharmaceuticals, Inc. (“Innovus Pharma”) is focused on the development and in-licensing/acquisition of new and innovative pharmaceutical product opportunities that offer definable pathways to regulatory approvals, partnering and commercialization. We have a three-pronged approach in our business strategy:

INNOVUS PHARMACEUTICALS, INC.

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Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

- To internally develop new, 505(b)(2) topical pharmaceutical; and
- To in-license/acquire late stage revenue generating pharmaceutical products; and
- To leverage near term revenue opportunities afforded by our proprietary pipeline comprised of ethical therapeutic ("Rx") and over-the-counter ("OTC") products.

Our business model is designed to create multiple opportunities for success while minimizing the risks associated with reliance on any single technology platform or product type, and to bridge the critical gap between promising new product candidates and product opportunities that are ready for commercialization. Consistent with our long-term strategy, we intend to consider various corporate development transactions designed to place our product candidates into larger organizations or with partners having existing commercialization, sales and marketing resources, and a need for innovative products. Such transactions could involve the sale, partnering or other monetization of particular product opportunities or businesses.

In parallel, as our business strategy advances and corresponding valuations are established, we plan to pursue new product opportunities and acquisitions with strong value enhancement potential. Our long-term goal is to improve our balance sheet and cash flow with minimal dilution to our shareholders. This strategy may include debt financing and/or acquisitions of small revenue generating companies and products, which we believe would accelerate our shareholders' return on investment and provide us with additional cash flow to fund our own product development.

Our Proprietary Product and Technology Portfolios

In our portfolio of Rx products, we have a partial interest in the potential commercial value of PrevOnco, a Phase 2/3 second-line Orphan Drug therapy for patients with hepatocellular carcinoma or liver cancer. PrevOnco is based on lansoprazole, a drug widely used to treat gastro-esophageal reflux disease. Preclinical animal data have shown the drug to also be effective in shrinking the tumors commonly associated with liver cancer. In 2010, FasTrack sold the development rights of the product to NexMed. In exchange, we are entitled to receive up to 50% of the net commercial value of the product in the event Apricus Bio successfully licenses the product to a commercialization partner.

Pursuant to the overall terms of our PrevOnco agreements with Apricus Bio, we have the right to develop two products based on their proprietary NexACT [R] multi-route drug delivery technology. NexACT utilizes patented novel excipients or “penetration enhancers” that when incorporated into drug formulations, may improve their absorption and bioavailability. The technology is incorporated in Vitaros [R] , a topical treatment for erectile dysfunction approved for local marketing by Health Canada in October 2010.

We intend to pursue new product opportunities based on drugs with expired patents. Our strategy is to follow a 505(b)(2) regulatory approval pathway, which typically has a significantly shorter development cycle with less pre-clinical and clinical studies required by the regulatory agencies. We are actively exploring possible topical product candidates in dermatology. In June 2011, we entered into two research agreements with NexMed to conduct feasibility studies on two active drug ingredients identified by us. Assuming the availability of financing, we plan to conduct additional studies to optimize our proprietary minoxidil formulation and take it into human clinical trials.

INNOVUS PHARMACEUTICALS, INC.

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December 31, 2011 and 2010

Within our Rx portfolio is a development platform based on SSAO inhibitors. SSAO is known as vascular adhesion protein-1 or VAP-1, and is a dual function molecule with enzymatic and cell adhesion activities. These inhibitors are designed to reduce inflammation by blocking the white blood cells and reducing the levels of inflammatory mediators. A prior owner had developed a treatment for Lupus based on the SSAO platform, but that product failed in late-stage clinical studies. In 2009, FasTrack acquired the SSAO patent portfolio because of the possibility that the SSAO platform had potential for other developers to identify the right medical indication. Because the SSAO platform has unproven safety and efficacy profiles, to develop a product based on this platform would require significant resources and longer development time. We do not have these resources presently and no assurance can be given that even if proper resources were available, we would seek to develop or if development were pursued a successful SSAO platform would be accomplished. To facilitate the SSAO development we may seek a partnership relationship.

In our portfolio of OTC products, we have two opportunities for development and/or out-licensing. Apeaz is a potential treatment for pain relief. It is an arthritis cream intended to deliver different ingredients to various layers of the skin and muscle.

In addition, we have Regia, which is a plant-derived, anti-microbial agent for reducing the bleeding of gums when used in OTC products such as mouthwash. We have an issued US patent which expires on May 9, 2028 for Regia and applications pending in selected international markets. Our intention is to out-license the patent portfolio for Regia to potential development partners in the OTC space.

Merger between the Innovus and FasTrack

The merger agreement (the “Agreement”), dated December 7, 2011, stipulated that Innovus and FasTrack would undergo a combination whereby both companies would survive as legal entities, but FasTrack would become a wholly-owned subsidiary of Innovus. Pursuant to the Agreement, Innovus changed its name from North Horizon, Inc. to Innovus Pharmaceuticals, Inc.

As a result of the merger, the shareholders of FasTrack have actual and effective operating control of the consolidated entity after the transaction and the shareholders of former North Horizon continue as passive investors in the consolidated entity.

The transaction was accounted as a reverse acquisition under provisions of ASC Topic 805 “Business Combinations.” As a result, the accompanying consolidated financial statements are issued under the name of the “legal acquirer” - Innovus Pharmaceuticals, Inc. However, these financial statements are continuation of the “accounting acquirer” - FasTrack for all periods presented. Due to the fact that prior to the transaction Innovus Pharmaceuticals, Inc. had only nominal net assets and did not constitute a “business,” the transaction was deemed an equivalent of issuance of stock by the private company (FasTrack) for the net assets of the shell corporation (Innovus Pharmaceutical Inc.), accompanied by recapitalization. No goodwill or other intangible assets were recorded under recapitalization accounting. As a result of recapitalization, the historical equity of the accounting acquirer (FasTrack) prior to the transaction has been retroactively restated using the share exchange ratio determined in the transaction: 1 share of FasTrack was exchanged for 3,054 shares of Innovus.

As a result of the combination the shareholders of FasTrack received 15,238,938 shares of the combined entity’s post-split common stock (representing 92% ownership of Innovus on a fully diluted basis); the shareholders of North Horizon retained their holdings, totaling 1,325,125 shares (representing 8% ownership of Innovus).

INNOVUS PHARMACEUTICALS, INC.

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Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

On February 29, 2012, the Company made an offer for rescission to former FasTrack shareholders of the record date for the approval of the Reverse Merger. The Reverse Merger had been approved by the written consent of FasTrack shareholders holding a majority of the shares outstanding. Because FasTrack had not solicited any proxies from its shareholders for approval of the Reverse Merger, limited or no information had been provided to the FasTrack shareholders who had not signed the written consent. The Company sent to the former FasTrack shareholders the North Horizon Information Statement dated September 27, 2012 and a report on Form 8-K dated December 12, 2011, which provided information about North Horizon and FasTrack including a description of the business, future plans, risk factors, financial information, description of the transactions, biographical summaries of the new officer and directors, financial statements and pro-forma financial statement for North Horizon and FasTrack as of September 30, 2011. Former holders of FasTrack shares prior to consummation of the Reverse Merger must reject the rescission offer of $6 per share ($.002 after effect of conversion ratio) within thirty days of the date of receipt of the information, or at the latest April 14, 2012. The rescission offer is limited to the FasTrack shareholders who were shareholders as of the record date.

In addition, shares related to the convertible note of Apricus Bio, which was converted on December 21, 2011 were not yet issued as of December 31, 2011 due to administrative delays.

Shares subject to rescission rights and shares issuable to Apricus Bio were issued as of the date of this filing. As of the date of this filing no shareholders exercised their rescission rights.

The following table presents selected information as of December 31, 2011 as if all shares under the rescission rights and shares to Apricus Bio upon conversion of the notes payable were issued and outstanding as of December 31, 2011:

	December 31, 2011
Shares issued and outstanding	1,325,125
Potential shares subject to rescission rights (1)	14,722,077

Shares issuable for conversion of Apricus Bio notes (1)	135,888
Shares, which would have been issued and outstanding, as if rescission rights were not granted and Apricus Bio shares were issued at the date of the Merger	16,183,090

(1) Issued in March 2012

2. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern.

The Company has experienced net losses and negative cash flows from operations each year since its inception. Through December 31, 2011, the Company had an accumulated deficit of approximately $2,750,000. The Company's operations have been financed through advances from officers and directors and related parties. The Company has not yet had sufficient funds to significantly develop its technologies.

INNOVUS PHARMACEUTICALS, INC.

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December 31, 2011 and 2010

As a result of its losses to date, expected losses in the future, limited capital resources and accumulated deficit, there is substantial doubt as to the Company's ability to continue as a going concern. The Company's continuation is based on the Company's ability to generate or obtain sufficient cash to meet our obligations on a timely basis and ultimately to attain profitable operations. The Company anticipates that it will continue to incur significant losses at least until successful commercialization of one or more of its products. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

As noted in Note 9 the company received funding of $100,000 in January 2012 in the form of promissory notes, principally from related parties. The Company has also engaged Dawson James Securities, an investment banking firm, to attempt to secure financing on behalf of the Company. The timing, form and amount of financing, if any, is uncertain.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basic Loss per Common Share

Basic loss per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. Due to net losses at December 31, 2011 and 2010, the effect of the potential common

shares resulting from warrants was excluded, as the effect would have been anti-dilutive.

The diluted share amount for 2011 assumes that the shares issuable to Apricus Bio upon conversion of the notes payable are not outstanding, and that the shares subject to rescission rights are not outstanding as of December 31, 2011.

	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
Net Loss (numerator)	$(2,256,252)	$(69,923)
Common Shares (denominator)	13,785,487	13,681,876
Net loss per share amount	$(0.16)	$(0.01)

Revenue Recognition

The Company will develop an appropriate revenue recognition policy when planned principle operations commence.

INNOVUS PHARMACEUTICALS, INC.

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Notes to the Consolidated Financial Statements

December 31, 2011 and 2010

Advertising Costs

The Company's policy regarding advertising is to expense advertising costs when incurred. The Company did not incur any advertising expense during the years ended December 31, 2011 and 2010.

Cash and Cash Equivalents

For purposes of financial statement presentation the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Fair value measurements

The Company adopted the standard issued by the FASB, which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

Fair value measurements

The carrying amounts reported in the balance sheets for cash, notes payable, and accounts payable and accrued expenses, approximate their fair market value based on the short-term maturity of these instruments.

Research and development

Research and development costs are charged to operations as they are incurred. Legal fees and other direct costs incurred in obtaining and protecting patents are also expensed as incurred, due to the uncertainty with respect to future cash flows resulting from the patents. Such costs also include the $20,000 purchase price of the acquired intellectual property assets for the SSAO inhibitor indication, which did not meet the definition of an asset. Research and development costs totaled $58,960 and $-0- during the fiscal years ended December 31, 2011 and 2010, respectively.

Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates.

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December 31, 2011 and 2010

At December 31, 2011, the Company had net operating loss carry forwards of approximately $374,000 that may be offset against future taxable income through 2031. Deferred tax assets amounted to approximately $1,167,000 have been fully reserved. No tax benefit has been reported in 2011 and 2010, financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

The Company has undergone ownership change that will significantly impair the Company's ability to utilize these losses before their expiration due to Section 382 of Internal Revenue Code of 1986, as amended. Pursuant to Section 382 of the Internal Revenue Code of 1986, the annual utilization of a company's net operating loss carryforwards may be limited if the Company experiences a change in ownership of more than 50 percentage points within a three-year period. An ownership change occurs with respect to a corporation if it is a loss corporation on a testing date and, immediately after the close of the testing date, the percentage of stock of the corporation owned by one or more five-percent shareholders has increased by more than 50 percentage points over the lowest percentage of stock of such corporation owned by such shareholders at any time during the testing period.

The Company adopted the provisions of ASC 740-10 and has analyzed its filing positions in all open tax years in jurisdictions where it may be obligated to file returns. The Company believes that its income tax filing position and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material change to its financial position. Therefore, no reserves for uncertain income tax positions have been recorded. The Company's policy is to recognize interest and/or penalties related to income tax matter in income tax expense. The Company had no accrual for interest or penalties at December 31, 2011. In addition, future changes in unrecognized tax benefits will have no impact on the effective tax rate due to the existence of the valuation.

A reconciliation of the statutory federal income tax rate to the effective tax rate is as follows:

Expected Federal Tax	34.0 %
State Tax (Net of Federal Benefit)	5.9 %
Intangibles	(-0.1)%
Valuation Allowance	(-39.8)%

Total	0.0 %

Stock based compensation

The Company's share-based compensation cost is measured at grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite service period on a straight-line basis.

Recent Accounting Pronouncements

Management has considered all recent accounting pronouncements issued since the last audit of our financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

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December 31, 2011 and 2010

4. ASSET PURCHASE AGREEMENTS WITH APRICUS BIO

In 2009, FasTrack purchased SSAO inhibitors compound technology from La Jolla Pharmaceutical Company ("La Jolla") (a non-related entity) for approximately $20,000. The purchase was paid for by Bio-Quant and thus FasTrack issued a demand note to Bio-Quant for the same face amount. The purchase price was recorded as an expense pursuant to our accounting policy for research and development costs.

On October 1, 2009, FasTrack entered into an Asset Purchase Agreement with Bio-Quant ("the FasTrack-BQ Agreement"). Pursuant to the terms of the FasTrack-BQ Agreement, FasTrack acquired the rights to PrevOnco and another early stage cancer product candidate. The total purchase price was $276,020, which was paid in 13,372,284 shares of FasTrack's common stock valued at $26,020 and the issuance of the $250,000 FasTrack Promissory Note.

On October 1, 2009, Sorrento entered into an Asset Purchase Agreement with Bio-Quant (the Sorrento-BQ Agreement"). Pursuant to the terms of the Sorrento-BQ Agreement, Sorrento acquired the rights of Apeaz and Regia. The total purchase price was $120,858, which was paid in 4,379 shares of Sorrento's common stock, valued at $11,000 and the issuance of the Sorrento Promissory Note in the amount of $109,858.

The aggregate purchase price of the October 1, 2009 transaction was $398,878 and is recorded as a deemed distribution for the value of the net assets acquired from Apricus Bio.

On March 10, 2010, FasTrack entered into an Asset Purchase Agreement with NexMed (the "FasTrack-NexMed Agreement"). Pursuant to the terms of the FasTrack-NexMed Agreement, FasTrack sold the development rights of PrevOncoTM to NexMed in exchange for cancellation of $204,896 of a FasTrack promissory note and in the event NexMed successfully licenses the product, 50% of the net proceeds, which is defined as the gross proceeds less 115% of the aggregate development expenses incurred by NexMed.

On March 16, 2011, FasTrack and Sorrento entered into an Asset Purchase Agreement, (the “FasTrack-Sorrento Agreement”). According to the terms of the FasTrack-Sorrento Agreement, the Company acquired the development and commercialization rights to ApeazT and Regia. In consideration for these rights, FasTrack agreed to assume the liabilities of Sorrento, comprised of immediately payable expenses of $22,600 and $120,208 for the interest and principal, respectively, due on Sorrento promissory notes. Since these two entities were considered entities under common control, the combination was accounted for at historical costs.

On April 4, 2011, FasTrack entered into an Asset Purchase Agreement with Apricus Bio (the FasTrack-Apricus Bio Agreement”). According to the terms of the FasTrack-Apricus Bio Agreement, FasTrack sold the patent rights for the backup compound for PrevOncoTM, in exchange for Apricus Bio providing FasTrack with a) a fully funded loan of $250,000 evidenced by a secured convertible promissory note, b) a second secured convertible promissory note in the amount of $224,520, which consolidated the $200,952 of various outstanding demand notes payable to Apricus Bio (see Footnote 5) and related accrued interest in the amount of $23,568 (together the “Apricus Bio Notes”, and c) the right to develop two products using the NexACT technology. The issuance of $224,520 note was considered debt restructuring. The restructuring did not result in any material gains or losses.

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Since all of the above transactions are considered transactions with entities under common control, they have been reflected at historical carrying value (nil) and as equity transactions - deemed contributions or distributions.

5. NOTES PAYABLE

Apricus Bio Note

The following summarizes the promissory note activities with Apricus Bio.

Borrowing from Bio-Quant pursuant to the FasTrack-BQ Agreement- October 2009	$250,000
Borrowing from Bio-Quant for purchase of SSAO inhibitors from an unrelated third party- October 2009	20,000
Borrowing pursuant to Sorrento-Bio-Quant Agreement- October 2009	109,858
Balance at December 31, 2009	$379,858
Cancellation of note pursuant to FasTrack-NexMed Agreement- March 2010	(204,896)
Demand note issued for payment of certain legal expenses By Apricus Bio on behalf of FasTrack	25,990
Balance at December 31, 2010	$200,952
Issuance of fully-funded convertible note to Apricus Bio	250,000
Conversion of convertible notes payable to Apricus Bio pursuant to reverse-merger with Innovus	(450,952)
Balance, December 31, 2011	$-0-

Interest expense recorded to Apricus Bio amounted to $18,797 and $16,322, for the years ended December 31, 2011 and 2010, respectively. On April 4, 2011, pursuant to the terms of the FasTrack-Apricus Bio Agreement, the above demand notes payable to Apricus Bio were combined into one secured convertible note plus accrued interest in the amount of $224,500.

Apricus Bio forgave FasTrack interest charge on the $200,952 note outstanding for the duration of three month period ended March 31, 2011. The amount of forgiven interest was $4,021. The Company considers the forgiveness a deemed contribution and recorded the forgiven interest against additional paid in capital for the period ended December 31, 2011.

On December 21, 2011 the total balance due Apricus Bio of $489,197 comprising of $450,952 of principle and related accrued interest of $38,245 was convertible into 135,888 shares of Innovus. As stipulated in a convertible note agreement conversion was automatic upon consummation of the Merger Agreement and the conversion price was determined at a 10% discount to the fair value of the shares of stock of the Company. The discount resulted in a $48,920 charge to interest expense in 2011. The price of the stock was determined based upon the over-the-counter quotation system. The shares were issued in March 2012.

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Dawson James Promissory Note

On December 7, 2011 the Company entered into a promissory note with Dawson James Securities, Inc. ("DJS") whereby, as compensation for consulting services rendered, the Company agreed to pay DJS a sum of $50,000. The principal is due by December 6, 2012 and accrues interest at a rate of 8.0% per annum. The note is unsecured.

6. RECAPITALIZATION TRANSACTION

On December 7, 2011 the Company consummated a combination wherein FasTrack Pharmaceuticals, Inc. ("FasTrack"), a corporation organized under the laws of the state of Delaware, merged with and into North Horizon, Inc., a Utah corporation.

The combination (the "Agreement") stipulated that the companies would undergo a combination whereby the surviving entity would be North Horizon. FasTrack then became a wholly-owned subsidiary of North Horizon. North Horizon then changed its name to Innovus Pharmaceuticals, Inc. The transaction has been accounted for as a reverse merger, whereby North Horizon is the legal acquirer and FasTrack is the legal acquiree and the accounting acquirer.

As consideration for the business, the shareholders of FasTrack were allocated 15,238,938 shares (portion of which are subject to rescission election discussed in Note 1) of the Company's post-split common stock (representing 92% ownership of Innovus on a fully diluted basis); the shareholders of North Horizon held 1,325,125 shares (representing 8% ownership of Innovus). Included in the FasTrack shares are the 135,888 shares issuable to Apricus Bio upon conversion of their note (see Note 4), which were issued in March of 2012. The authorized number of shares in the surviving entity was changed to 150,000,000. All shares were issued to the FasTrack shareholders in March of 2012, due to the time required to gather signatures of each shareholder. See Note 1. As part of the recapitalization transaction, the company assumed a liability of approximately $60,000 due to an officer of North Horizon.

7. STOCK-BASED COMPENSATION

On March 8, 2010, Dr. Ziad Mirza and Mr. Mohammed Nasser were appointed to serve on the Company's Board of Directors. In addition, Dr. Mirza was appointed to serve as the acting Chief Executive Officer. In consideration for their services to the Company, the Board of Directors approved the issuance of 305,409 and 76,352 shares of common stock to Dr. Mirza and Mr. Nasser, respectively, for their services rendered to the Company. The shares were valued at $0.002 per share and the Company recorded expense of $750 for such issuance of shares. Due to absence of contemporaneous third-party transactions and lack of objective business information for an independent appraisal, the fair value per share was equal to the value at which the original issuance of shares to Bio-Quant took place for the purchase of assets by FasTrack in accordance with the FasTrack-BQ agreement.

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On January 21, 2011, the Company appointed Ms. Vivian Liu (appointment was updated on March 7, 2012) to serve on its Board of Directors, and also approved her appointment as its President and Chief Executive Officer. Ms. Liu and the Board of Directors agreed that Ms. Liu would forego collecting salary until the Company has raised an aggregate of $500,000 or more in cash, excluding the $250,000 cash infusion from Apricus Bio, at which time her salary will commence at $150,000 per year, effective retroactively to January 1, 2012.As part of her compensation, Ms. Liu received 6% of the Company's outstanding equity shares in the form of 833,668 shares of restricted stock (the "Restricted Stock"). Due to absence of contemporaneous third-party transactions and lack of objective business information for an independent appraisal, the fair value per share was equal to the value at which the original issuance of shares to Bio-Quant took place for the purchase of assets by FasTrack in accordance with the FasTrack-BQ agreement ($0.002/per share). The remaining shares issued to Ms. Liu fully vested on the date of the merger - December 7, 2011.

The stock granted to Ms. Liu contains anti-dilution provision, as follows (as updated): if additional shares of stock will be issued during the period ending December 31, 2012, Ms. Liu will also be issued additional shares in such a way, that she would retain at least 2%, 4% and 6% ownership of the Company at December 31, 2011, 2012 and 2013, respectively. No additional shares were issued or issuable through December 31, 2011 as her ownership percentage exceeds 2%. If additional shares are to be issued, a compensatory charge will be recognized.

On December 7, 2011, as compensation for service rendered, the Company granted to DJS warrants to purchase an aggregate of 380,973 shares of the Company's common stock at a strike price of $0.10. The warrants expire on December 6, 2018. The Company performed an analysis of the warrants granted using the Black-Scholes options pricing model, assuming an annual volatility of 563.19% with a value of common stock of $5 per share based upon the quoted price on such day, and a risk-free rate of 0.93%. Pursuant to this analysis, the Company valued the warrants granted at an aggregate value of $1,904,865. This amount is included as compensation expense for the year ended December 31, 2011.

8. RELATED-PARTY TRANSACTIONS

At December 31, 2011 the Company owed $87,168 to a related party. This amount represents advances made by a shareholder of North Horizon over time, including approximately $60,000 assumed at the merger date, in order to help the Company meet its operating cash requirements. For the year ended December 31, 2011 the Company incurred expenses of approximately $27,000 to such related party for professional services rendered. The advances are unsecured, non-interest bearing, and are due on demand.

During the year ended 2011 the Company paid approximately $59,000 to Apricus Bio for feasibility studies in relation to two compounds identified by the Company. The amount was expended in research and development cost in the Consolidated Statement of Operations.

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In January 2010, the FasTrack Board of Directors approved $7,000 in payment to Dr. Bassam Damaj, the Company's largest shareholder and the CEO of Apricus Bio, to cover the Company's 2010 overhead expenses, which were being incurred by Dr. Damaj. The two parties agreed that in the event the Company could not pay in cash, Dr. Damaj would be entitled to 1% of the Company's outstanding equity based on its shares outstanding as of January 15, 2011. On February 7, 2011, FasTrack issued 134,364 shares to Dr. Damaj in lieu of the $7,000 cash payment.

In January 2010, the Sorrento Board of Directors approved $7,000 in payment to Dr. Damaj, to cover Sorrento's 2010 overhead expenses, which were being incurred by Dr. Damaj. The two parties agreed that in the event the Company could not pay in cash, Dr. Damaj would be entitled to 1% of the Company's outstanding equity based on its shares outstanding as of January 15, 2011. In March 2011, Sorrento elected to pay Dr. Damaj in cash. The liability was paid in April 2011.

From October 1, 2009 until 2011 various Board members and officers of the Company either advanced cash loans to the Company or incurred expenses on behalf of the Company. These transactions were necessary to pay for various administrative expenses. Such advances and expenses ranged from $600 to $5,000. Substantially all such advances for an aggregate amount of 23,603 were repaid in due course after receipt of cash raised with April 4, 2011 convertible promissory note issued to Apricus Bio.

9. NON-CASH FINANCING ACTIVITIES

Non-cash financing activities can be summarized as follows:

Year ended December 31, 2011:

The Company issued 1,325,125 shares of common stock to settle the $61,725 net liabilities acquired in the Merger

Deemed contribution from forgiveness of interest by Apricus Bio in the amount of $4,021

Deemed contribution from the conversion of Apricus Bio notes plus accrued interest (including interest resulting from conversion discount) in the amount of $538,117

Year ended December 31, 2010:

Cancellation of note payable to Apricus Bio and recognition of deemed contribution for the value of cancelled note of $204,896.

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License

Pursuant to the terms of the FasTrack - Apricus Bio Agreement on April 4, 2011, upon approval by Apricus Bio of a one or both products to be combined with NexACT ® drug delivery technology, the individual product Licenses will be granted to the Company. Upon grant of such product License, the Company will:

1. Make a $500,000 up-front payment per license to Apricus Bio in the form of cash or a Secured Convertible Promissory Note.

2. Make Milestone and Royalty Payments:

(a) For sales of the Licensed Product directly or as a co-marketer:

(i) Milestone Payments:

To be paid on a Licensed Product by Licensed Product basis and payable within 10 days of achievement:

-$350,000 for dosing of first patient in Phase I clinical trial;

-$750,000 for dosing of first patient in Phase II clinical trial;

-$1,250,000 for dosing of first patient in Phase III clinical trial;

-$2,500,000 for regulatory approval of Licensed Product;

-$1.5 million upon first reaching Net Sales of at least $0-$50 million;

-$3 million upon first reaching Net Sales of at least $50-$200 million;

-$6 million upon first reaching Net Sales of at least $200 million to $500 million; and

-$12 million upon first reaching Net Sales of above $500 million.

(ii) Royalties:

4.5% of net sales of Licensed Products invoiced by the Company.

(b) For Licensed Products that will be licensed by Licensee to third party sub-licensees:

(i) Milestone Payments: The Company shall pay Apricus Bio 33 1/3% of all milestone payments it receives from any third party sublicense relating to any Product, net of its development expenses.

(ii) Royalties: The Company shall pay Apricus Bio with the following royalties on its Net Sales received by The Company from sales of the Licensed Products by third party sublicensees.

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Annual Net Profits in $	Royalty %	
$0 to $5 million	20	%
$5 to $10 million	25	%
$10 to 15 million	30	%
$15 to 20 million	35	%
Greater than $20 million	40	%

Royalties in (a) and (b) above will be payable on a country-by-country basis for the longer of (i) the time during which manufacture, use or sale of Licensed Product would infringe any patent rights within the Patents and (ii) 15 years from the first commercial sale of Licensed Product in such country. Thereafter, Apricus Bio shall receive 50% of the royalty payments described above.

As of December 31, 2011, no products have been approved and no milestone payments were triggered.

Agreement with a Placement Agent

On December 16, 2011, the Company engaged the services of Dawson James Securities, Inc. to act as the Company's exclusive Placement Agent on a commercially reasonable best efforts basis in connection with the a potential offering of equity or equity-linked securities of the Company.

a. The Company shall pay to Dawson James a cash fee payable upon each closing of the transaction contemplated by this Agreement ("Closing") equal to nine percent (9%) of the gross proceeds received by the Company (the "Placement Fee").

b.

The Company shall also pay Dawson James a non-accountable expense allowance payable in cash upon each Closing, equal to three percent (3%) of the gross proceeds received by the Company from Investors at each Closing. Upon execution of the Agreement, the Company paid a non-refundable cash deposit of $25,000, which will be applied to the monies due hereunder at the first closing. The amount was recorded in “Professional Fees” expense in the Consolidated Statement of Operations

c. The Company shall deliver warrants to the Placement Agent or its designees (the “Agent Warrants”) to purchase 8.75% of the maximum number of common stock underlying the securities sold in the potential offering.

d. The Company shall reimburse the Placement Agent for legal fees up to $50,000 and other expenses incurred in connection with the Offering.

e. The Company shall pay a cash fee equal to five percent (5%) of the gross proceeds received by the Company upon exercise of warrants, if any.

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11. SUBSEQUENT EVENTS

On January 13, 2012, the Board of Directors authorized the issuance of a total of $174,667 in promissory notes (the "January Notes") to six individuals. One January Note for $74,667 was issued to one accredited investor for the liabilities assumed from North Horizon, Inc. The five remaining January Notes for a total of $100,000 in new cash infusion were issued to five individuals, three of whom are members of the Company's Board of Directors. The January Notes bear an annual interest rate of 8% and payable in cash at the earlier of January 13, 2013 or when the Company completes a financing of a minimum of $4 million (the "Financing"). The holders of the January Notes have the right to convert their principal and interest accrued into the Company's securities at the same terms as the investors in the future financing. In the event the Company defaults on repayment, the annual interest rate would increase to 13% and the holders of the January Notes would have the right to convert at $0.05 per share.

In accordance with ASC 855-10, Company management reviewed all material events through the date of this report and there are no material subsequent events to report, other than those listed in the previous paragraph.

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Condensed Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash	$33,145	$25,014
Total Current Assets	33,145	25,014
TOTAL ASSETS	$33,145	$25,014
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$1,175	$1,687
Convertible debentures - related party	162,668	-
Promissory notes	50,000	50,000
Accrued interest payable	12,308	-
Related-party payables	-	87,168
Total Current Liabilities	226,151	138,855
Contingent liability related to common shares, subject to rescission rights, issuable to FasTrack shareholders arising from Merger (14,722,077 shares)	-	28,926
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock; 150,000,000 shares authorized at $0.001 par value, 16,333,670 and 1,325,125 shares issued and outstanding, respectively	16,334	1,325
Additional paid-in capital	2,733,183	2,606,331
Deficit accumulated during the development stage	(2,942,523)	(2,750,423)
Total Stockholders' Equity (Deficit)	(193,006)	(142,767)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$33,145	$25,014

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

INNOVUS PHARMACEUTICALS, INC.

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Condensed Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		From October 31, 2008 (inception) through September 30,
	2012	2011	2012	2011	2012
REVENUES	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES					
Research and development	-	58,960	-	58,960	78,960
Professional fees	51,872	23,379	134,834	73,512	266,110
Investment banking fees	-	-	-	-	1,954,865
General and administrative	21,359	5,111	44,523	26,178	141,682
Total Operating Expenses	73,231	87,450	179,357	158,650	2,441,617
LOSS FROM OPERATIONS	(73,231)	(87,450)	(179,357)	(158,650)	(2,441,617)
OTHER INCOME (EXPENSES)					
Interest expense	(4,288)	(5,153)	(12,743)	(14,203)	(104,028)
Total Other Expenses	(4,288)	(5,153)	(12,743)	(14,203)	(104,028)
LOSS BEFORE INCOME TAXES	(77,519)	(92,603)	(192,100)	(172,853)	(2,545,645)
PROVISION FOR INCOME TAXES	-	-	-	-	-
NET LOSS	$ (77,519)	$ (92,603)	$ (192,100)	$ (172,853)	$ (2,545,645)
BASIC LOSS AND DILUTED LOSS PER SHARE	$ (0.00)	$ (0.07)	$ (0.02)	$ (0.13)	
	16,333,670	1,325,125	10,549,045	1,325,125	

WEIGHTED AVERAGE NUMBER
OF SHARES OUTSTANDING

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

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Statements of Stockholders' Deficit (unaudited)

	Common Stock (Shares)	Common Stock (Amount)	Additional Paid-In Capital	Deficit Accumulated During The Development Stage	Total Stockholders' Deficit
Balance at Inception on October 31, 2008	-	$ -	$ -	$ -	$ -
Balance on December 31, 2008	-	-	-	-	-
Common stock issued in FasTrack asset purchase	13,372,284	13,372	12,648	-	26,020
Common stock issued in Sorrento business combination	-	-	11,000	-	11,000
Deemed distribution for the value of assets acquired from Apricus Bio	-	-	-	(396,878)	(396,878)
Net loss for the year ended December 31, 2009	-	-	-	(27,370)	(27,370)
Balance at December 31, 2009	13,372,284	$ 13,372	$ 23,648	$ (424,248)	$ (387,228)
Common stock issued for compensation of board members	381,761	382	368	-	750
Deemed contribution for the value of assets sold to Apricus Bio	-	-	204,896	-	204,896
Net loss for the year ended December 31, 2010	-	-	-	(69,923)	(69,923)
Balance at December 31, 2010	13,754,045	$ 13,754	$ 228,912	$ (494,171)	$ (251,505)

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Statements of Stockholders' Deficit (unaudited) (continued)

	Common Stock (Shares)	Common Stock (Amount)	Additional Paid-In Capital	Deficit Accumulated During The Development Stage	Total Stockholders' Deficit
Balance at December 31, 2010	13,754,045	$ 13,754	$ 228,912	$ (494,171)	$ (251,505)
Common stock for services rendered	134,364	134	6,866	-	7,000
Common stock issued for compensation of officer	833,668	834	804	-	1,638
Forgiveness of interest by Apricus Bio	-	-	4,021	-	4,021
Contribution to capital arising from conversion of convertible promissory notes held by Apricus Bio at Merger date pursuant to terms of convertible note, resulting in the future issuance of 135,888 shares of common stock in March 2012 to Apricus Bio	-	-	538,117	-	538,117
Common stock issued for net assets acquired in reverse-merger	1,325,125	1,325	(63,050)	-	(61,725)
Issuance of warrants to investment banker for services	-	-	1,904,865	-	1,904,865
Reclassification of shares issuable to FasTrack shareholders pursuant to rescission offer	(14,722,077)	(14,722)	(14,204)	-	(28,926)
Net loss for the year ended December 31, 2011	-	-	-	(2,256,252)	(2,256,252)
Balance at December 31, 2011	1,325,125	$ 1,325	$ 2,606,331	$ (2,750,423)	$ (142,767)

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Statements of Stockholders' Deficit (unaudited) (continued)

	Common Stock (Shares)	Common Stock (Amount)	Additional Paid-In Capital	Deficit Accumulated During The Development Stage	Total Stockholders' Deficit
Balance at December 31, 2011	1,325,125	1,325	2,606,331	(2,750,423)	(142,767)
Common stock issued on conversion of promissory note	135,888	136	(136)	-	-
Common stock issued for cash	134,000	134	100,366	-	100,500
Common stock issued in conversion of debt	16,580	17	12,418	-	12,435
Expiration of FasTrack rescission offer	14,722,077	14,722	14,204	-	28,926
Net loss for the nine-months ended September 30, 2012	-	-	-	(192,100)	(192,100)
Balance of September 30, 2012	16,333,670	$ 16,334	$2,733,183	$ (2,942,523)	$ (193,006)

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INNOVUS PHARMACEUTICALS, INC.

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Condensed Consolidated Statements of Cash Flows

(Unaudited)

	For the Nine Months Ended September 30,		From October 31, 2008 (inception) through September 30,
	2012	2011	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (192,100)	$ (172,853)	$ (2,545,645)
Adjustments to reconcile net loss to net cash used by operating activities:			
Common stock issued for services	-	8,638	9,388
Investment banking fees-fair value of warrants granted	-	-	1,904,865
Non-cash interest expense (including a discount on conversion of Apricus Bio convertible notes of $48,920)	-	2,795	91,461
Promissory note issued for services rendered	-	-	50,000
Research and development expense recognized upon purchase of SSAO inhibitor assets	-	-	20,000
Expenses paid on behalf of the Company by Apricus Bio	-	-	25,990
Changes in operating assets and liabilities			
Related-party payable	(12,500)	(18,600)	12,668
Interest payable	12,743	-	12,743
Accounts payable	(512)	(18,354)	1,175
Net Cash Used in Operating Activities	(192,369)	(198,374)	(417,355)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of loans from officers	-	-	23,603
Repayment of loans from officers	-	-	(23,603)
Proceeds from stock issued for cash	100,500	-	100,500
Proceeds from convertible debentures	100,000	273,568	350,000
Net Cash Provided by Financing Activities	200,500	273,568	450,500
NET CHANGE IN CASH	8,131	75,194	33,145
CASH AT BEGINNING OF PERIOD	25,014	1,650	-
CASH AT END OF PERIOD	$ 33,145	$ 76,844	$ 33,145
SUPPLEMENTAL DISCLOSURES OF			

CASH FLOW INFORMATION – SEE NOTE 7 FOR DISCLOSURES OF NON-CASH FINANCING ACTIVITIES			
CASH PAID FOR:			
Interest	$ -	$ -	$ -
Income Taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements

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Notes to the Condensed Consolidated Financial Statements

September 30, 2012 and December 31, 2011

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

In the opinion of management, the accompanying condensed financial statements include all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly the Company's financial position, results of operations and cash flows. The condensed balance sheet as of December 31, 2011 has been derived from audited financial statements as of that date. The interim results of operations are not necessarily indicative of the results that may occur for the full fiscal year. Certain information and footnote disclosure normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to instructions, rules and regulations prescribed by the U.S. Securities and Exchange Commission (the "SEC"). The Company believes that the disclosures provided herein are adequate to make the information presented not misleading when these condensed financial statements are read in conjunction with the financial statements and notes included in its Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As a result of its losses to date, expected losses in the future, limited capital resources and accumulated deficit, there is substantial doubt as to the Company’s ability to continue as a going concern. The Company has not yet established a source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing to finance the

acquisition of product targets and the development of such targets. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. On October 4, 2012, we entered into a Settlement Agreement with Apricus Biosciences, Inc. (“Apricus Bio”) pursuant to which we sold to Apricus Bio our remaining fifty percent (50%) share of the future commercial right of PrevOnco,™ in exchange for the return to us of 135,888 shares of our common stock which Apricus Bio had acquired through the conversion of promissory notes issued by the Company and a one-time cash payment to us of $25,000 (See Note 8).

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.
about the Company’s ability to continue as a going concern.

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(Formerly North Horizon, Inc.)

(A Development Stage Company)

Notes to the Condensed Consolidated Financial Statements

September 30, 2012 and December 31, 2011

NOTE 2 - GOING CONCERN (CONTINUED)

In the Company's annual report filed for the year ended December 31, 2011, the Company's independent registered public accounting firm has included an explanatory paragraph in their report dated March 30, 2012, expressing substantial doubt about the Company's ability to continue as a going concern.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or operations.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company has recorded expenses paid on its behalf by shareholders as a related party payable. At December 31, 2011, this payable totaled $87,168. During the nine months ended September 30, 2012 the Company repaid $12,500 on this amount, and converted the remaining $74,668 into a convertible debenture (see Note 5).

NOTE 5 – CONVERTIBLE DEBENTURES – RELATED PARTIES

On January 13, 2012, the Board of Directors authorized the issuance of a total of $174,668 in promissory notes (the "January Notes") to six individuals. One Note for $74,668 was issued to one accredited investor in exchange for the liabilities assumed from North Horizon, Inc. The five remaining January Notes for a total of $100,000 in new cash infusion were issued to five individuals, three of whom are members of the Company's Board of Directors. The January Notes bear an annual interest rate of 8% and payable in cash at the earlier of January 13, 2013 or when the Company completes a financing of a minimum of $4 million (the "Financing"). The holders of the January Notes have the right to convert their principal and interest accrued into the Company's securities ("New Financing Securities") that will be issued to the investors in the future Financing. In the event the Company defaults on repayment, or if the Company fails to complete a Financing within one year of the note date, the annual interest rate would increase to 13% and the holders of the January Notes would have the right to convert at $0.05 per share. Through September 30, 2012, $12,000 of such notes were converted into shares of common stock (see Note 6), leaving a balance of $162,668 at September 30, 2012. Interest expense recognized for the three and nine months ended September 30, 2012 was $4,288 and $12,743, respectively.

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

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NOTE 5 – CONVERTIBLE DEBENTURES – RELATED PARTIES (CONTINUED)

The embedded conversion feature is contingent upon the occurrence of the future Financing. The value of the contingent conversion feature, if beneficial, will be recognized when the contingencies are resolved.

NOTE 6 – STOCKHOLDERS' EQUITY

Rescission Offer

On February 29, 2012, the Company made an offer for rescission to former FasTrack shareholders of the record date for the approval of the Reverse Merger. The Reverse Merger had been approved by the written consent of FasTrack shareholders holding a majority of the shares outstanding. Because FasTrack had not solicited any proxies from its shareholders for approval of the Reverse Merger, limited or no information had been provided to the FasTrack shareholders who had not signed the written consent. The Company sent to the former FasTrack shareholders the North Horizon Information Statement dated September 27, 2011 and a report on Form 8-K dated December 12, 2011, which provided information about North Horizon and FasTrack including a description of the business, future plans, risk factors, financial information, description of the transactions, biographical summaries of the new officer and directors, financial statements and pro-forma financial statement for North Horizon and FasTrack as of September 30, 2011. Former shareholders of FasTrack had thirty days to accept or reject the rescission offer of $6 per share ($.002 after effect of conversion ratio) from the date of receipt of the information. The rescission offer was limited to the FasTrack shareholders who were shareholders as of the record date of December 7, 2011. The Rescission Offer was not accepted by any parties, and expired on April 14, 2012. Through the date of rescission offer expiration (April 14, 2012), the Company recognized the amounts potentially refundable under this offer as a liability. On April 14, 2012, the amount of such liability was reclassified to stockholders' equity since the rescission period expired.

Contingency related to shares of common stock issued in the Reverse Merger

As of the date of the merger between FasTrack and North Horizon (the record date), the FasTrack shareholders may not have received adequate information regarding the combination and merger. The FasTrack shareholders reside in thirteen states and commonwealths. The securities statutes of these jurisdictions have exemptions for an exchange or for a transaction that is termed an "isolated transaction." Despite the fact, that none of FasTrack shareholders chose to rescind the offer, as described above, the shareholders reside in different jurisdictions and the statutes of limitations in these jurisdictions have different terms, the longest being four years . Until such statutes expire, a shareholder may make a claim against the Company. Until and unless such a claim is made there will be no impact on the Company. At this time the Company unable to determine if any shareholder will make a claim and if pursued what any outcome may be.

Issuances of Common Stock

On June 26, 2012 the Company issued 134,000 shares of common stock to an unrelated investor at $0.75 per share for cash proceeds of $100,500.

INNOVUS PHARMACEUTICALS, INC.

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Notes to the Condensed Consolidated Financial Statements

September 30, 2012 and December 31, 2011

NOTE 6 – STOCKHOLDERS' EQUITY (CONTINUED)

On June 26, 2012 the Company and an unrelated noteholder reached a settlement on outstanding balance of $12,000, plus accrued interest of $435, of the convertible debenture whereas the fair value of the 16,580 shares of common stock issued approximated the carrying value of the outstanding convertible debenture at time of settlement. Accordingly, no gain or loss resulted from the settlement (See Note 5).

NOTE 7 – NON CASH FINANCING ACTIVITIES

Nine-month period ended September 30, 2012:

- $74,668 payable to a related party was converted into a convertible note, as described in Note 5.
- The Company issued 135,888 shares of common stock related to the conversion of the Apricus Bio convertible promissory note that was originally issued in December 2011 and deemed contributed to capital in March 2012.
- A $12,000 note payable with accrued interest of $435 was converted into 16,580 shares of common stock, as described in Note 6.
- Continent liability in the amount of $28,926 was reclassified to equity due to expiration of the rescission rights, none of which were exercised.

Nine-month period ended September 30, 2011:

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The Company issued of 134,364 shares of common stock to Dr. Bassam Damaj, our largest shareholder, for a settlement of $7,000 of accounts payable balance.

NOTE 8 – SUBSEQUENT EVENTS

On October 4, 2012, we entered into a Settlement Agreement with Apricus Biosciences, Inc. (“Apricus Bio”) pursuant to which we sold to Apricus Bio our remaining fifty percent (50%) share of the future commercial right of PrevOnco,™ in exchange for the return to us of 135,888 shares of our common stock which Apricus Bio had acquired through the conversion of promissory notes issued by the Company and a one-time cash payment to us of $25,000. In addition, we agreed to terminate our licensing right to the NexACT® technology and any claim to any PrevOnco™ backup compounds.

PART II INFORMATION NOT REQUIRED IN PROSPECTUS

Item. 13. Other Expenses of Issuance and Distribution.

The estimated expenses of the offering, all of which are to be paid by us, are as follows:

Filing fees under the Securities Act of 1933	$30
Accountants' fees and expenses	10,000
Legal fees and expenses	15,000
Blue Sky fees and expenses	2,500
Printing expenses	300
Transfer agent fees	400
Miscellaneous	1,000
Total	$14,230

Item 14. Indemnification of Directors and Officers.

Nevada corporate law provides that the Corporation must indemnify any person who is or is threatened to be made a party to any pending or completed action suite or proceeding, whether civil or criminal, administrative or investigative except an action by right of the corporation, by reason of the fact that the person, is or was a director, officer, employee or agent of the corporation including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person is not liable pursuant to Section 78.138 of the Nevada Revised Statutes or other applicable Nevada statute or law, or acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reason to believe the conduct was unlawful. The Corporation must indemnify officers, directors, employees, agents and other persons to the maximum extent permitted by the Nevada Revised Statutes.

Our bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the Nevada Revised Statutes.

The foregoing indemnification right shall not be exclusive of any other right which an indemnified person may have or hereafter acquire by statute, articles of incorporation, bylaws, agreement, vote of stockholder or other means.

Item 15. Recent Sales of Unregistered Securities.

In transactions we believed to be exempt under provisions of the Securities Act we sold 134,000 shares of common stock for $100,500 and we issued 16,580 shares of common stock to a note holder to satisfy an obligation of $12,435.

Item. 16. Exhibits and Financial Statement Schedules..

3.1	Articles of Incorporation and amendments thereto.
3.2	Bylaws and amendments thereto.
5.1	Opinion of Wallace T. Boyack regarding legality of securities being registered.
21.1	Subsidiary list.
23.1	Consent of EisnerAmper LLC, Certified Public Accountants and Consultants
23.2	Consent of Wallace T. Boyack, Attorney at Law (Included as part of Exhibit 5.1)

Item 17. Undertakings.

We hereby undertake:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and an deviation from the low or high end to the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) To include any additional or changed material information on the plan of distribution.

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

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of the registration statement relating to an offering, deemed to be part of and included in the registration as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration or prospectus that is part of the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

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

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Sierra Madre, State of California, on November 19, 2012.

Innovus Pharmaceutical, Inc.
By *s/Vivian Liu*

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

s/Vivian Liu
President and Director
Date: November 19, 2012

s/Henry Esber
Director
Date: November 19, 2012

s/Ziad Mirza
Director
Date: November 19, 2012

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