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

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period Ended: February 28, 2007

Commission File Number 000-49908

CYTODYN, INC.

(Exact name of small business issuer as specified in its charter)

COLORADO	75-3056237
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

227 E. Palace Avenue, Suite M, Santa Fe, New Mexico	87501
(Address of principal executive offices)	(Zip code)

(505) 988-5520
(Registrant's telephone number, including area code)
(Former address, changed sine last report)

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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Number of shares outstanding at March 31, 2007
Common stock, no par value	11,297,264

Transitional Small Business Disclosure Format: Yes ___ No X

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

TABLE OF CONTENTS

		PAGE
PART I	FINANCIAL INFORMATION	
Item 1	Financial Statements	2
Item 2	Plan of Operation	19
Item 3	Controls and Procedures	26
PART II	OTHER INFORMATION	
Item 1	Legal Proceedings	28
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3	Defaults Upon Senior Securities	30
Item 4	Submission of Matters to a Vote of Security Holders	30
Item 5	Other Information	31
Item 6	Exhibits	31

Part I Item 1. Financial Statements

	Page
Condensed Consolidated Balance Sheets at February 28, 2007 and May 31, 2006	3
Condensed Consolidated Statements of Operations for the three and nine months ended February 28, 2007 and 2006 and the period from October 28, 2003 (inception) through February 28, 2007	4
Condensed Consolidated Statements of Changes in Shareholders' Deficit for the nine months ended February 28, 2007 and for the period from October 28, 2003 (inception) through February 28, 2007	5
Condensed Consolidated Statements of Cash Flows for the nine months ended February 28, 2007 and 2006 and the period from October 28, 2003 (inception) through February 28, 2007	7
Notes to Condensed Consolidated Financial Statements	9

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CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated
Balance Sheet

Assets

Current Assets:	February 28, 2007 (unaudited)	May 31, 2006 (audited)
<S>	<C>	<C>
Cash	$ 100,497	$ 125,320
Prepaid Insurance	6,083	36,100
Prepaid Sponsored Research	93,200	--
Total current assets	199,780	161,420
Furniture and equipment, net	2,970	2,334
Intangible asset, net	1,656	1,128
Deposit	495	495
	$ 204,901	$ 165,377

Liabilities and Shareholders' Deficit

Current Liabilities:		
Accounts payable	$ 119,941	$ 110,267
Accrued liabilities	148,183	133,588
Accrued interest payable	8,366	5,267
Convertible notes payable, net	10,604	23,863
Indebtedness to related parties	455,702	393,360
Total current liabilities	742,796	666,345
Commitments and contingencies	150,000	150,000
Total liabilities	892,796	816,345
Shareholders' deficit :		
Preferred stock, no par value; 5,000,000 shares authorized, 100,000 shares issued and outstanding	167,500	--
Common stock, no par value; 25,000,000 shares authorized, 11,297,264 and 9,147,664 shares issued and outstanding, respectively	4,146,465	3,062,566
Stock for Prepaid Services	(9,943)	(267,060)
Additional paid-in capital	1,853,982	1,324,509
Accumulated deficit	(1,601,912)	(1,601,912)
Deficit accumulated during development stage	(5,243,987)	(3,169,071)
Total shareholders' deficit	(687,895)	(650,968)
	$ 204,901	$ 165,377

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CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated Statements of Operation
Unaudited

	Three Months Ended February 28		Nine Months Ended February 28		October 28, 2003 (Inception) through
	2007	2006	2007	2006	February 28, 2007
<S>	<C>	<C>	<C>	<C>	<C>
Operating expenses:					
General and administrative	$ 418,469	$ 254,487	$ 1,304,592	$ 404,168	3,417,928
Amortization / Depreciation	816	589	124,281	1,613	128,257
Research and Development	52,909	--	374,650	--	736,992
Legal Fees	79,540	--	132,081	--	198,831
Commitments and Contingencies ..	--	--	--	--	150,000
Total operating expenses	551,734	255,076	1,935,604	405,781	4,632,008
Operating loss	(551,734)	(255,076)	(1,935,604)	(405,781)	(4,632,008)
Interest income	26	2	946	100	1,624
Interest expense:					
Interest on convertible debt and other notes	(7,622)	(18,798)	(140,258)	(18,798)	(611,723)
Other	--	(162)	--	(2,166)	(1,880)
Loss before income taxes	(559,330)	(274,034)	(2,074,916)	(426,645)	(5,243,987)
Income tax provision	--	--	--	--	--
Net loss	(559,330)	$ (274,034)	$ (2,074,916)	$ (426,645)	(5,243,987)
Basic and diluted loss per share ..	$ (0.05)	$ (0.03)	$ (0.19)	$ (0.05)	$ (0.59)
Basic and diluted weighted average common shares outstanding	11,281,597	8,542,032	10,895,897	8,542,032	8,838,245

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CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated Statement of Changes in Shareholders' Deficit
October 28, 2003 (Inception) through February 28, 2007

	Preferred Stock		Common Stock		Stock for Prepaid	Additional Paid-in	Accumulated	Deficit Accumulated During Development	Total
	Shares	Amount	Shares	Amount	Services	Capital	Deficit	Stage	
						As Restated		As Restated	As Restated
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at October 28, 2003, following recapitalization ..	--	$ --	6,252,640	$1,425,334	$ --	$ 23,502	$(1,594,042)	$ --	$ (145,206)
February through April 2004, sale of common stock less offering costs of $54,000 ($.30/share)	--	--	1,800,000	486,000	--	--	--	--	486,000
February 2004, shares issued to former officer as payment for working capital advance ($.30/share)	--	--	16,667	5,000	--	--	--	--	5,000
Net loss, year ended May 31, 2004	--	--	--	--	--	--	(7,870)	(338,044)	(345,914)
Balance at May 31, 2004	--	--	8,069,307	1,916,334	--	23,502	(1,601,912)	(338,044)	(120)
July 2004, capital contribution by an officer	--	--	--	--	--	512	--	--	512
November 2004, common stock warrants granted ..	--	--	--	--	--	11,928	--	--	11,928

February 2005, capital contribution by an officer	--	--	--	--	--	5,000	--	--	5,000
Net loss, year ended May 31,2005	--	--	--	--	--	--	--	(777,083)	(777,083)
Balance at May 31, 2005	--	--	8,069,307	1,916,334	--	40,942	(1,601,912)	(1,115,127)	(759,763)
June through July 2005, sale of common stock less offering costs of $27,867 ($0.75/share)	--	--	289,890	189,550	--	--	--	--	189,550
August 2005, common shares issued to extinguish promissory notes payable and related interest ($0.75/share)	--	--	160,110	120,082	--	--	--	--	120,082
May 2006, common shares issued to extinguish convertible debt ..	--	--	350,000	437,500	--	--	--	--	437,500
November 2005, 94,500 warrants exercised ($0.30/share)	--	--	94,500	28,350	--	--	--	--	28,350
January through April 2006, common shares issued for prepaid services ..	--	--	183,857	370,750	(370,750)	--	--	--	--

CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated Statement of Changes in Shareholders' Deficit
October 28, 2003 (Inception) through February 28, 2007 - Continued

	Preferred Stock		Common Stock		Stock for Prepaid	Additional Paid-in	Accumulated	Deficit Accumulated During Development	
	Shares	Amount	Shares	Amount	Services	Capital	Deficit	Stage	Total
						As Restated		As Restated	As Restated
Amortization of Prepaid Stock Services	--	--	--	--	103,690	--	--	--	103,690
January through June 2006, warrants issued with convertible debt ..	--	--	--	--	--	274,950	--	--	274,950
January through May 2006, beneficial conversion feature of convertible debt	--	--	--	--	--	234,550	--	--	234,550
March through May 2006, stock options granted to consultants	--	--	--	--	--	687,726	--	--	687,726
March 2006, stock options issued to extinguish debt ...	--	--	--	--	--	86,341	--	--	86,341
	--	--	--	--	--	--	--	(2,053,944)	(2,053,944)
Balance at May 31, 2006	--	$ --	$ 9,147,664	$3,062,566	$(267,060)	$ 1,324,509	$(1,601,912)	$(3,169,071)	$ (650,968)
Common stock issued to extinguish	--	--	119,600	149,500	--	--	--	--	149,500
Convertible debt Stock issued for AITI acquisition	--	--	2,000,000	934,399	--	--	--	--	934,399
Amortization of Prepaid Stock Services	--	--	--	--	257,117	--	--	--	257,117
Stock-Based Compensation	--	--	--	--	--	410,573	--	--	410,573
Warrants issued with Convertible Debt ..	--	--	--	--	--	92,500	--	--	92,500
Common stock issued for Services	--	--	30,000	--	--	26,400	--	--	26,400
Preferred Shares									

Issued AGTI	100,000	167,500	--	--	--	--	--	--	167,500
Net Loss February 28, 2007	--	--	--	--	--	--	--	(2,074,916)	(2,074,916)
Balance at February 28, 2007 (unaudited)	100,000	$167,500	$11,297,264	$4,146,465	$ (9,943)	$ 1,853,982	$(1,601,912)	$(5,243,987)	$ (687,895)

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CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated Statement of Cash Flows
Unaudited

	Nine Months Ended February 28		October 28, 2003 (Inception) through
	2006	2005	February 28, 2007
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$(2,074,916)	$ (426,645)	$ (5,243,987)
Adjustments to reconcile net loss to net cash used by operating activities:			
Amortization /Depreciation	124,281	1,613	128,257
Amortization of original issue discount	136,241	16,985	597,603
Purchased in-process Research & Development	274,399	--	274,399
Stock-based compensation	694,089	12,900	1,373,777
Changes in current assets and liabilities:			
prepaid expenses	30,019	62,863	(6,081)
deposits	--	--	(495)
accounts payable and accrued liabilities	27,368	16,363	426,490
Net cash used in operating activities	(788,519)	(315,921)	(2,450,037)
Cash flows from investing activities:			
Furniture and equipment purchases	(3,345)	(936)	(10,783)
Net cash used in investing activities	(3,345)	(936)	(10,783)
Cash flows from financing activities:			
Proceeds from exercise of warrants	--	28,350	28,350
Capital contributions by president	--	--	5,512
Proceeds of notes payable to related parties	62,341	5,197	573,441
Payments of related party notes	--	(38,324)	(38,324)
Proceeds from convertible notes	92,500	222,500	673,000
Proceeds from the sale of common stock	--	217,418	785,767
Payments for offering costs	--	(27,867)	(81,867)
Proceeds from acqusition of AITI	512,200	--	512,200
Proceeds from acqusition of AGTI	100,000	--	--
Net cash provided by financing activities	767,041	407,274	2,429,729
Net change in cash	(24,823)	90,417	97,259
Cash, beginning of period	125,320	930	3,238
Cash, end of period	$ 100,497	$ 91,347	$ 100,497
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes	$ --	$ --	$ --
Interest	$ --	$ 138	$ 1,126
Non-cash investing and financing transactions:			
Net assets acquired in exchange for common stock in CytoDyn/Rexray business combination	$ --	$ --	$ 7,542
Common stock issued to former officer to	$ --	$ --	$ 5,000
Common stock issued for convertible debt	$ 149,500	$ --	$ 587,000
Common stock issued for debt	$ --	$ 120,082	$ 120,082

CYTODYN, INC.
(A Development Stage Company)
Condensed Consolidated Statement of Cash Flows
Unaudited

Options to purchase common stock issued for debt	$ --	$ --	$ 86,341
Original issue discount and intrinsic value of beneficial conversion feature related to debt issued with warrants	$ 92,500	$ --	$ 602,000

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On July 18, 2006 the company issued 2,000,000 shares of unregistered restricted common stock for 1,000 shares of AITI common stock. The acquistion was accounted for as an asset purchase (See Note 2). The company acquired $512,200 in cash, a prepaid sponsored research project for $162,800, a license agreement for $150,000, and acquired $109,399 in expenses associated with the license agreement. Additionally, subsequent to the acquistion, the company expensed the entire license agreement as a component of research and development expense.

On January 30, 2007, the company issued 100,000 preferred shares of unregistered stock for 1,000 shares of AGTI common stock. The acqusition was accounted for as an asset purchase (See Note 2). The company acquired prepaid license fee for seven years and $100,000 in cash. $52,500 was recorded as prepaid license fees and $15,000 for the up fron license fee, was expensed as research and development.

CYTODYN, INC.
(A Development Stage Company)
Notes to Condensed Consolidated Financial Statements
As of February 28, 2007 (unaudited) and May 31, 2006 (audited)
and for the nine months ended February 28, 2007 and 2006 (unaudited)
and for the period October 28, 2003 (inception date)
through February 28, 2007 (unaudited)

1 - Organization:

The Company was incorporated under the laws of Colorado on May 2, 2002 under the name Rexray Corporation ("Rexray"). The Company entered the development stage effective October 28, 2003 and follows Statements of Financial Accounting Standards ("SFAS") No. 7 "Accounting and Reporting by Development Stage Enterprises". On October 27, 2003, Rexray changed its name to CytoDyn, Inc.

2 - Summary of Significant Accounting Policies:

Basis of Presentation - The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and reflect all adjustments, consisting solely of normal recurring adjustments, needed to fairly present the financial results for these periods.

The condensed consolidated financial statements and notes are presented as permitted by Form 10-QSB. Accordingly, certain information and note disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. The accompanying consolidated financial statements should be read in conjunction with the financial statements for the years ended May 31, 2006 and 2005 and notes thereto in the Company's annual report on Form 10-KSB/A for the year ended May 31, 2006, filed with the Securities and Exchange Commission on November 9, 2006. Operating results for the three and nine months ended February 28, 2007 are not necessarily indicative of the results that may be expected for the entire year.

In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair statement of (a) the results of operations for the three and nine month period ended February 28, 2007 and 2006 and the Period October 28, 2003 (Date of Inception) through February 28, 2007, (b) the financial position at February 28, 2007, and (c) cash flows for the nine month period ended February 28, 2007 and 2006, and the Period October 28, 2003 (Date of Inception) through February 28, 2007, have been made.

Principles of Consolidation. - The consolidated financials statements include the accounts of CytoDyn Inc and its wholly owned subsidiaries; Advanced Influenza Technologies, Inc. and Advanced Genetic Technologies, Inc. All intercompany transactions and balances are eliminated in consolidation.

Going Concern - The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company is currently in the development stage with losses for all periods presented. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its medical treatment, obtain FDA approval, outsource manufacturing of the treatment, and ultimately to attain profitability. The Company intends to seek additional funding through equity offerings to fund its business plan. There is no assurance that the Company will be successful in these endeavors.

Use of Estimates - The preparation of the consolidated financial statements in accordance 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 and the disclosure of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Company considers all highly liquid debt instruments with original maturities of three months or less when acquired, to be cash equivalents. The Company had no cash equivalents as of February 28, 2007 or May 31, 2006. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Furniture, Equipment and Depreciation - Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally three to seven years. Maintenance and repairs are charged to expense as incurred and major improvements or betterments are capitalized. Gains or losses on sales or retirements are included in the statement of operations in the year of disposition.

Impairment of Long-Lived Assets - The Company evaluates the carrying value of any long-lived assets under the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell. There were no impairment charges for the three and nine months ended February 28, 2007 and 2006, and for the period October 28, 2003 (inception date) through February 28, 2007.

Research and Development - Research and development costs are expensed as incurred.

Financial Instruments - At February 28, 2007, and May 31, 2006, the carrying value of the Company's financial instruments approximate fair value due to the short-term maturity of the instruments.

Stock-based compensation - In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (Revised 2004), Share-Based Payments ("SFAS No. 123R"). SFAS No. 123R requires companies to measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The expense is to be recognized over the period during which an employee is required to provide services in exchange for the award. SFAS No. 123R is effective as of the beginning of the first interim or annual reporting period that begins after December 15, 2005 and accordingly the Company adopted this standard on June 1, 2006.

SFAS No. 123R provides for two transition methods. The "modified prospective" method requires that share-based compensation expense be recorded for any employee options granted after the adoption date and for the unvested portion of any employee options outstanding as of the adoption date. The "modified retrospective" method requires that, beginning June 1, 2006, all prior periods presented be restated to reflect the impact of share-based compensation expense consistent with the proforma disclosures previously required under SFAS No. 123. The Company adopted the modified prospective application of SFAS No.123(R) effective June 1, 2006, and as a result, was not required to restate its financial results for prior periods.

Prior to June 1, 2006, the Company had adopted SFAS No. 123, Accounting for Stock-Based Compensation. As provided for by SFAS No. 123, the Company had elected to continue to account for its stock-based compensation programs according to the provisions of Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, compensation expense had been recognized to the extent of employee or director services rendered

based on the intrinsic value of stock options granted under the plan. The Company accounted for common stock, stock options, and warrants granted to non-employees based on the fair market value of the instrument, using the Black-Scholes option pricing model based on assumptions for expected stock price volatility, term of the option, risk-free interest rate and expected dividend yield at the grant date.

For all awards granted prior to June 1, 2006, the unearned deferred fair value of stock-based compensation was recognized as an expense on a straight-line basis over the remaining requisite service period, ranging from three months to four years.

There was no impact on operating results and per share information had the Company accounted for stock based compensation in accordance with SFAS No. 123R for the three and nine months ended February 28, 2006.

Effective June 1, 2006 ,the estimated fair value of options and warrants granted is determined in accordance with SFAS No. 123R on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions. Risk free interest rate of 4.56% to 5.2%; dividend yield 0%; volatility 153% to 161% and expected life of five years. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of the stock options. The expected volatility is based on the historical volatility of the Company's common stock. The Company has not paid any dividends on its common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future. The computation of the expected option term is based on the "simplfied method" as the Company's stock options are "plain vanilla" options, and the Company has a limited history of exercise data. For common stock options and warrants with graded vesting, the Company recognizes the related compensation costs associated with these options and warrants on a straight line basis over the requisite service period.

SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Based on limited historical experience of forfeitures, the Company estimated future unvested option forfeitures at 0% as of February 28, 2007 and incorporated this rate in the estimated fair value of employee option grants.

As a result of adopting SFAS No. 123R, the Company's operating loss, and net loss were approximately $124,000, $411,000, and $411,000 lower for the three and nine months ended February 28, 2007, and for the period October 28, 2003 (inception date) through February 28, 2007 than if the Company had continued to account for stock based compensation under APB Opinion No. 25. The impact to basic and diluted weighted averages was approximately $(.01), $(.04), and $(.04)per share, for the above periods, respectively.

Net cash proceeds from the exercise of stock options and warrants were $0 for the three and nine months ended February 28, 2007. At February 28, 2007, there was approximately $843,000 of unrecognized compensation cost related to share-based payments for unvested options, which is expected to be recognized over a weighted average period of 2.55 years.

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The following table represents stock option and warrants activity as of and for the nine months ended February 28, 2007.

	Number of shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
<S>	<C>	<C>	<C>	<C>
Options and warrants outstanding -May 31, 2006	1,532,222	$1.73		
Granted	515,000	$1.25		
Exercised	--	--		
Forfeited/expired/cancelled	--	--		
Options and warrants Outstanding - February 28, 2007	2,047,222	$1.61	6.96 years	$ 247,000
Outstanding Exercisable - February 28, 2007	1,560,644	$1.56	6.30 years	$ 247,000

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The total grant date fair value of options vested during the nine months ended February 28, 2007 and 2006 was approximately $403,000 and $0, respectively. The grant date fair value of options granted for the three and nine months ended February 28, 2007 and 2006 was $0, $1.03,$0 and $0, respectively.

Stock Issued for Services
- ------------------------
During the year ended May 31, 2006, the Company issued common stock for certain services to a public relations company and a technology company. The Company recorded into additional paid in capital, the fair value of the common stock issued based on the quoted market price of the Company's common stock at the date of the respective agreements with the above parties. A contra-equity was recorded for the above services, which is being amortized into compensation expense and additional paid in capital over the requisite service period of the agreements. During the three and nine month periods ended February 28, 2007, and for the period October 28, 2003 (inception date) through February 28, 2007, approximately $67,000, $257,000 and $355,000 was recognized as compensation expense related to these agreements, respectively. As of February 28, 2007, the unamortized portion of the stock for services was approximately $10,000. There was no compensation expense associated with these stock transactions for the three and nine months ended February 28, 2006.

During the period ended February 28, 2007, the company issued 30,000 shares of restricted common stock to a consultant. The shares were fully vested at the grant date, and accordingly, the company recognized $26,400 in compensation expense based on the fair market price of the stock at the grant date.

Earnings (Loss) per Common Share -. Basic earnings (loss) per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average common shares and potentially dilutive common share equivalents. The effects of potential common stock equivalents are not included in computations when their effect is antidilutive. Because of the net loss for the three and nine month period ended February 28, 2007 and 2006, the basic and diluted weighted average shares outstanding are the same, since including the additional shares would have an antidilutive effect on the loss per share calculation. Common stock options and warrants to purchase 2,047,222 and 659,500 shares of common stock were not included in the computation of basic and diluted weighted average common shares outstanding for the three and nine months ended February 28, 2007 and 2006, respectively because the effect of such options would be anti-dilutive.

Reclassification - Certain prior period amounts have been reclassified to comply with current period presentation.

3 - Recent Accounting Pronouncements:
In May 2005, the FASB issued SFAS 154, Accounting Changes and Error Corrections. This statement, which replaces APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements, requires that a voluntary change in accounting principle be applied retrospectively to all prior period financial statements presented, unless it is impracticable to do so. SFAS 154 also provides that a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate effected by a change in accounting principle, and also provides that correction of errors in previously issued financial statements should be termed a "restatement." SFAS 154 is effective for our fiscal year beginning July 1, 2006. We anticipate that the adoption of SFAS 154 will not have a material impact on our financial statements.

In February 2006, the FASB issued SFAS 155, Accounting for Certain Hybrid Financial Instruments--an amendment of FASB Statements No. 133 and 140. This statement allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) if the holder elects to account for the whole instrument on a fair value basis. SFAS 155 shall be effective for all financial instruments acquired, issued, or subject to a remeasurement (new basis) event occurring after the beginning of an entity's first fiscal year that begins after September 15, 2006. We anticipate that SFAS 155 will not have a material impact on our financial statements.

In March 2006, the FASB issued SFAS 156, Accounting for Servicing of Financial Assets--an amendment of FASB Statement No. 140. The statement addresses the recognition and measurement of separately recognized servicing assets and liabilities and provides an approach to simplify efforts to obtain hedge-like (offset) accounting. Entities shall adopt this statement as of the beginning of the first fiscal year that begins after September 15, 2006. Earlier adoption is permitted as of the beginning of an entity's fiscal year, provided the entity has not yet issued financial statements, including interim financial statements, for any period of that fiscal year. The effective date of this statement is the date that an entity adopts the requirements of this statement. We anticipate that SFAS 156 will not have a material impact on our financial statements.

In September 2006, Statement 157, Fair Value Measurements, was issued by the FASB and is effective for financial statements for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Statement 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. We anticipate that SFAS 157 will not have a material impact on our financial statements.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements When Quantifying Current Year Misstatements." SAB No. 108 requires analysis of misstatements using both an income statement (rollover) approach and a balance sheet (iron curtain) approach in assessing materiality and provides a one-time cumulative effect transition adjustment. SAB No. 108 is effective for our 2006 annual financial statements. The adoption of SAB No. 108 did not materially impact the consolidated financial statements.

We have reviewed all other recently issued, but not yet effective, accounting pronouncements and do not believe any such pronouncements will have a material impact on our financial statements.

4 - Acquisitions

On July 18, 2006 CytoDyn, Inc. entered into an acquisition agreement with UTEK Corporation, to purchased all 1,000 issued and outstanding shares of Advanced Influenza Technologies, Inc. (AITI), a Florida Corporation in exchange for 2,000,000 unregistered restricted common shares of CytoDyn, Inc stock.

The transaction was accounted for as an asset purchase, and not an acquisition of a business, as AITI had no employees, operations, or customers, and was essentially a shell corporation to hold the assets acquired. Pursuant to the agreement, the Company acquired $512,200 in cash, and a prepaid sponsored research project of $162,800 from the University of Massachusetts to further the technology associated with certain acquired licenses. The $162,800 is being amortized into research and development expense as the services are provided. The term of the licensing agreement is until the later of 20 years from the filing date of the licensed patents or the expiration of the last to expire patent of the licensed patents.The company valued the assets acquired based on the consideration received rather than the fair market value of the shares issued, as the company believed this was more indicative of the value of the assets acquired. In addition to the cash, and the prepaid sponsored research project, the Company acquired the worldwide nonexclusive and exclusive license agreements from the University of Massachusetts for certain technologies. The license agreements were recorded as research and development expense, as the patent rights or license agreements are being used in a particular research project, and have no alternative future use outside of this project. Including the license agreements, a total of $259,399 of in-process research and development was acquired related to the acquisition, which is included as a component of research and development expense for the period ended February 28, 2007.The license agreement grants the Company the exclusive right to develop and commercialize the licensed products associated with certain existing patents.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 4% royalties on net sales of the license products.

AITI also has agreed to fund a two year ($325,600) unrestricted project ($162,800 per year) under the Sponsored Research Agreement with the primary objective during the first year to conduct lab work to provide well documented research studies. If after one year the desired outcome is not achieved the agreement can be cancelled and the second year's payment is not required.

On January 30, 2007 CytoDyn, Inc. entered into an Acquisition agreement with UTEK Corporation, to acquire 100% of the outstanding stock of Advanced Genetic Technologies, Inc.(AGTI), a Florida Corporation in exchange for 100,000 preferred no par value stock convertible into $1,300,000 worth of common unregistered restricted shares of CytoDyn, Inc common stock. The option to convert is any time after twelve (12) months and before thirty six (36) months from the date of closing of the agreement. The conversion option has a floor price of $.30 per share, which limits the maximum number of shares that the company may issue upon conversion to 4,333,333 shares of common stock.

AGTI holds the worldwide exclusive and nonexclusive license agreements from the CBR Institute for Biomedical Research affilaited with Harvard Medical School for certain biological materials.

The term of the licensing agreement is until the later of 20 years or the date the last patent expires that is owned or controlled by the Licensee.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 2% royalties of net sales of the licensed products up to $200 million and 3% royalties of net sales in excess of $200 million. In the case of a sublicense the Univeristy would get 25% of non-royalty sublicense income.

AGTI has prepaid the license fees in full for the next 7 years and has $100,000 in cash.

The transaction was accounted for as an asset purchase, and not an acquisition of a business, as AGTI had no employees, operations, or customers, and was essentially a shell corporation to hold the assets acquired. Pursuant to the agreement, the Company acquired $100,000 in cash, and seven years of prepaid license fees to the Center for Biological Research at Harvard Medical School. $52,500 is recorded as prepaid license fees and $15,000 was expensed as Research and Development. The company valued the assets acquired based on the consideration received rather than the fair market value of the shares issued, as the company believed this was more indicative of the value of the assets acquired. In addition to the cash, and the prepaid license fees, the Company acquired the worldwide nonexclusive and exclusive license agreements from the Center for Biological Research at Harvard Medical School for certain biological materials.The license agreement grants the Company the exclusive right to develop and commercialize the licensed products associated with certain biological materials.

5 - Convertible Notes - During the year ended May 31, 2006, the Company issued convertible promissory notes with 407,600 warrants to purchase common stock to individuals in exchange for proceeds totaling $509,500. $437,500 of the convertible debt was converted into common stock. As of May 31, 2006, the remaining face amount and unamortized discount associated with the convertible notes was approximately $72,000 and $48,000 respectively. The notes bear interest at five percent per annum and mature in January and February 2007. Principal and accrued interest are payable in any combination of cash and common stock of the Company at the option of the lender. The Company can repay principal and accrued interest with common stock at the rate of $1.25 per share. During the three and nine months periods ended February 28, 2007, and 2006, and for the period October 28, 2003 (inception date) through February 28, 2007, the Company amortized approximately $0, $48,000 and $509,500 respectively, which was included as a component of interest expense.

During the nine months ended February 28, 2007, the Company issued $92,500 in convertible notes with $74,000 detachable common stock warrants. The warrants to purchase common stock which accompanied the convertible promissory notes are exercisable at $2.50 per share, vest immediately, and expire in October 2010. Additionally, the Company recorded an original issue discount based on the fair value of the warrants. There was no intrinsic value associated with the conversion feature. To recognize the original issue discount, the Company discounted the notes and increased additional paid-in capital by $92,500. The discounts are amortized over the life of the debt. During the three and nine month periods ended February 28, 2007, and for the period October 28, 2003 (inception date) through February 28, 2007 the Company amortized approximately $4,000, $88,000, and $88,000 of the discount, respectively, which is included as a component of interest expense. As of February 28, 2007, the face amount and unamortized discount related to convertible notes was approximately $15,000 and $4,000, respectively.

6 - Commitments and Contingencies - All litigation reflects the efforts of Rex H. Lewis, the previous CEO of the previous licensee Amerimmune, Inc. of the previous privately-held company that held the Cytolin(R)technology, CytoDyn of New Mexico, Inc., to take the property of Amerimmune, Inc., CytoDyn, Inc. our CRO, Symbion Research International, Inc. and the manufacturer of Cytolin(R), Vista Biologicals Corporation, for his privately held Nevada corporation, Maya, LLC. Although these efforts have been multifaceted and

interstate in scope, all litigation reflects this one dispute or artifice.

Rex H. Lewis, a Defendant and former director and C.E.O. of Amerimmune Pharmaceuticals, Inc. filed a First Amended Cross-Complaint against CytoDyn of New Mexico, Inc., Allen D. Allen, Corinne E. Allen, Ronald J. Tropp, Brian J. McMahon, Daniel M. Strickland, M.D. and unknown others designated as "Does 101-150".

In 2001, CytoDyn of New Mexico, Inc. as a shareholder, sued its licensee Amerimmune Pharmaceuticals, Inc. (API) and its directors in order to prevent the destruction of API. The Los Angeles Superior Court awarded attorneys' fees in the amount of approximately $150,000 to the insurance company of API. The Company has accrued the amount on the accompanying financial statements for the period ended February 28, 2007. In 2003 CytoDyn, Inc. acquired the assets of CytoDyn of New Mexico, Inc. The Company has appealed the Court's order. The matter has not yet been briefed.

CytoDyn, Inc. and Allen D. Allen v. Amerimmune, Inc. and Amerimmune

Nature of the claims:

CytoDyn and Mr. Allen filed a complaint against Amerimmune, Inc. and Amerimmune Pharmaceuticals, Inc. (together, "Amerimmune") to domesticate an October 4, 2004 judgment that CytoDyn and Mr. Allen obtained against Amerimmune in the Superior Court of California for Ventura County, case number SC-039250. Further, CytoDyn and Mr. Allen named Biovest International, Inc. ("Biovest") as a trustee-defendant because Biovest possesses a Cell-Bank, the rights to which CytoDyn and Mr. Allen own.

Progress to Date:

CytoDyn and Mr. Allen were successful in having the California judgment domesticated. Further, CytoDyn and Mr. Allen were successful in "charging" Biovest and securing an order that Biovest transfer the Cell-Bank to CytoDyn. However, the transfer has not occurred because recently Amerimmune's purported successor-in-interest, Maya, Inc. ("Maya"), intervened.

CytoDyn's's Response:

Maya, LLC purports to have taken the property of Amerimmune Pharmaceuticals, Inc. by foreclosing on all of its property with a security instrument Maya, LLC presented to a State Court in Nevada. CytoDyn had already recovered its property, so even if Maya had taken the property of Amerimmune Pharmaceuticals, it would not include the Company's technology. Maya foreclosed on the wrong entity since it was Amerimmune, Inc. that had originally held the technology, not Ammerimune Pharmaceuticals, Inc. Evidence obtained through discovery shows that the Board of Directors of Amerimmune Pharmaceuticals, Inc. had instructed Mr. Lewis to amend his security instrument to conform to law, which he did not do before presenting the instrument to the Court. This, and other evidence, will be used by CytoDyn's's lawyer in Massachusetts, and the attorney for Symbion Research International in Nevada, to seek summary judgments.

Expected Outcome:

We cannot express judgment regarding the outcome of the case or the probable ultimate liability, if any, to be incurred by CytoDyn. However, CytoDyn's claim to the Cell-Bank is strong and discovery has resulted in an intention on the part of the Company's attorney to obtain summary judgment in our favor.

Other legal/patent issues:

We have recently discovered that former employees of ex-licensee, Amerimmune Inc., are attempting to convert technology previously adjudicated by the Superior Court of California, County of Ventura to belong to Symbion Research International, LLC. The technology involves LFA-1 Alpha subunit antibodies and the use of the antibodies to treat HIV-infected patients. Because of uncertain consequences resulting from the actions of these rogue Amerimmune Inc. employees, Symbion Research International is acting to remedy the situation. The former employees have filed two U.S. patent applications and several foreign patent applications based on a derivative international patent application. Symbion Research International intends to correct the inventorship and assignee in these applications.

Background:

CytoDyn of New Mexico, Inc. granted a license in its patented technology to Amerimmune Inc., which represented that it would assist in obtaining FDA approval of Cytolin(R). Amerimmune in turn contracted with Symbion Research International, LLC to assist with the clinical trials of Cytolin(R).

Symbion sued Amerimmune in 2003 in Superior Court of California, County of Ventura asserting breach for non-payment of services performed. Symbion prevailed in that suit and the Ventura Court awarded title to all data and additional intellectual property developed by Symbion during its relationship with Amerimmune to Symbion. This additional intellectual property is the subject matter of the patent applications filed by the former employees of ex-licensee Amerimmune.

Maya LLC v. CytoDyn, et al

Maya LLC filed an action in Glendale, California alleging a number of complaints against us and two of its officers, several of which have been dismissed on demurrer and one of which may be dismissed on procedural grounds. Management believes that these events reflect a retaliatory and frivolous action on the part of Maya. Discovery has produced evidence that the allegations of Maya, LLC are false. Although the outcome of litigation is uncertain, our in-house counsel believes an outcome unfavorable to us is highly unlikely. Trial is scheduled for May 8, 2007.

7 - Related Party Transactions - As of February 28, 2007, the Company owed two officers promissory notes totaling of $71,375. The notes are due on demand and carry no interest rate. Management plans to repay the notes through cash payments, issuance of the Company's common stock, or a combination thereof. The balance due of $71,375 remained unpaid at February 28, 2007 and is included in the accompanying condensed financial statements as "Indebtedness to related parties".

A former director provided legal services to the Company over the past several years. As of February 28, 2007, the Company owed the former director $46,985 and it is included in the accompanying financial statements as "Indebtedness to related parties"as of February 28, 2007. As of February 28, 2007, no arrangements had been made for the Company to repay the balance of this obligation. The Company anticipates that the former director will continue to provide legal services in the future.

The Company's former director, Peggy C. Pence, PhD., is the President and Chief Executive Officer of Symbion Research International, Inc. ("Symbion"). On January 5, 2005, the Company entered into a buy-sell agreement to purchase certain intellectual property owned by Symbion. The agreement describes the intellectual property in detail which summarized, is the Phase I clinical data and the protocol for the Phase II study. This intellectual property is necessary to obtain approval for, and to conduct, further FDA clinical tests of Cytolin. Cytolin is a potential new drug being developed by the company for the treatment of Human Immunodeficiency Virus ("HIV").

Under the terms of this agreement:

- The Company may purchase Symbion's Phase I clinical data in connection with obtaining approval from the FDA to conduct the Phase II/Phase III studies for Cytolin.
- The Company granted 83,122 non-qualified stock options with an exercise price of $.75 per share that vested immediately and are exercisable over 5 years.
- The Company will pay $25,000 to Symbion by February 10, 2005, 30 days after execution of the agreement.
- The Company will pay $275,000 to Symbion once the Company's secondary financing is received.

The Company paid Symbion $25,000 out of loan proceeds received in March 2005. Although the payment was late, Symbion accepted it and the contract is in force. The Company issued the above-referenced 83,122 non-qualified stock options on March 20, 2006.

The results of the Phase II/III studies for Cytolin shall be the sole property of the Company upon Symbion's receipt of the final payment called for by this agreement. If all remaining payments are not received, the property shall revert to Symbion. The balance due of $337,342 is included in the accompanying financial statements as "Indebtedness to related parties".

The above related party transactions were not consumated at arms length.

8 - Preferred Stock

The company has 5 million shares of no par preferred stock authorized. Related to the acquistion of AGTI (see Note 4), on January 30, 2007, the Company designated and issued 100,000 shares of the preferred stock as Series A Convertible Preferred Stock (Series A). The series A was valued based on the assets received (See Note 4) . The Series A has the following rights and designations:

- No par
- No voting rights
- Converts into $1,300,000 worth of common unregistered restricted shares of

CytoDyn, Inc. common stock. The option to convert is at the holder's option at any time after 12 months and before 36 months from the date of closing of the agreement. The conversion option has a floor price of $.30 per share, which limits the maximum number of shares that the company may issue upon conversion to 4,333,333 shares of common stock.

- The Series A holders are entitled to a 5% yeild return compunded quarterly, paid in cash or in kind and is required to be repaid at the time of conversion by the company to the Series A holder.

Part I. Item 2. Plan of Operation

During the next 12 months, our objectives are:

- to mount and, if possible, complete a Phase I study of our trivalent DNA-based, pre-flu vaccine. This study will be designed to evaluate safety as well as two potential indications: first, to help protect those who are at high risk of life-threatening complications from the seasonal flu, and second, to provide a potential means of protecting human populations from the bird flu should a pandemic occur, especially if there is an insufficient supply of inactived vaccine. The former will be evaluated directly, while the latter would be implied, in both cases, using the standard and accepted surrogate markers for humoral immunity;
- to meet with the FDA and seek approval to continue clinical trials of Cytolin(R);
- to continue our efforts to protect our technology by obtaining additional patents in The United Kingdom, the European Union and Hong Kong; and by aggressively opposing efforts to usurp or abscond with our AIDS drug resulting from its large potential value; o to raise approximately $2 to $8 million in additional funds needed to support our research and development efforts, the clinical trials relating to our pre-flu vaccine and Cytolin(R) and our general and administrative expenses, while keeping dilution to a minimum if possible; and
- to explore joint venture arrangements for, or in combination with, other possible pharmaceutical products.

DNA-Based Pre-Flu Vaccine

In July 2006, we acquired the exclusive right to develop a unique DNA-based pre-flu vaccine developed at the University of Massachusetts after completion of seminal scientific research. We acquired these rights for our wholly-owned subsidiary, Advanced Influenza Technologies, Inc. from UTEK Corporation, a publicly traded company that invests in promising technologies. UTEK contributed a significant amount of cash, as well as the technology, in exchange for 2,000,000 shares of unregistered stock in CytoDyn.

The flu poses a serious, global, public-health problem. Unlike other viruses, the influenza or flu virus changes every year causing an outbreak of seasonal flu that usually peaks in January. Because the virus has changed, a new vaccine must be manufactured and tested every year once the new strain of flu virus has been isolated. The seasonal flu results in about 200,000 hospitalizations and tens of thousands of deaths every year. Even in healthy young adults who do not have a life-threatening infection, the seasonal flu epidemic results in lost productivity and can make entire families feel miserable. Sometimes the flu virus changes so much by combining with bird or avian flu virus that a lethal pandemic sweeps the world causing tens of millions of deaths.

Although there are many flu vaccines in development, our product is designed for a unique and profitable niche that uses a seminal technology developed at the University of Massachusetts Medical School.

How it Works

Strains of the flu virus that the human immune system has not seen before are the ones that cause a seasonal flu every year and, from time to time, cause a lethal pandemic of the flu. Our DNA Plasmid vaccine works with an injection containing viral DNA that will teach the immune system how to recognize various strains of the flu that have not yet broken out to cause widespread illness. The viral DNA by itself does not cause the flu. Therefore, the immune system can recognize the flu virus before the virus itself is present. This will help the immune system fight the virus if a patient becomes infected. The DNA Vaccine is used in conjunction with the traditional viral based influenza vaccines as a pre-flu vaccine for maximum protection against influenza viruses including the avian or bird flu strains. By simply changing the DNA sequences that are contained in a pre-flu shot, the DNA pre-flu vaccine can easily and quickly adapt to new strains of a virus that threatens to break out and cause a pandemic.

The Advantages of Our DNA-Based Pre-Flu Vaccine

- Helps Protect against the seasonal flu.
- Helps protect against the bird flu.
- All in one series of flu shots.
- Easily adapted for new strains of the flu.
- You can get your pre-flu shots anytime before flu season, which is convenient for doctors and patients.

Advantages Over Antiviral Drugs

Antiviral drugs have to be taken soon after symptoms appear or they provide no benefit. Our pre-flu injection can be given at any time during the year before the flu season. The use of antiviral drugs causes the flu virus to mutate and become resistant to those drugs. According to public health officials, and the website http://www.cdc.gov/flu/avian/gen-info/facts.htm, the avian flu virus that has crossed the species barrier, H5N1, has become resistant to amantadine and Fluadime (rimantadine). Use of a pre-flu vaccine does not cause the virus to mutate to a strain that is resistant to the pre-flu vaccine because it is the immune system and not the pre-flu vaccine that suppresses the virus.

We hope to conduct the first clinical trial of our pre-flu vaccine by the 2007-2008 flu season, depending upon FDA protocol approvals, uneventful manufacturing, adequate enrollment of human subjects, and closing of the Maximum Offering.

Treatment for HIV/AIDS Cytolin(R)

We recently acquired the exclusive right to develop an improved version of Cytolin(R) using two antibodies invented at Harvard University Medical School's CBR Institute for Biomedical Research. Cytolin(R) treats HIV/AIDS by preventing killer T cells from destroying the CD4 T cells in humans infected with HIV which results in an impaired immune system. It is based upon a discovery made and published independently in the 1990's by our CEO, Allen D. Allen, et al.; Leonard Adelman; and Joyce Zarling, et al. Cytolin(R) is intended as a "salvage therapy" for patients who have failed or are failing Highly Active Antiretroviral Therapy (HAART). The Phase I(b)/II(a) study was completed with encouraging results and we are in the process of setting up a meeting with the FDA to gain approval to conduct further trialsThere is no assurance that Cytolin(R) or any other product will be successfully developed. "Cytolin(R)" is the registered trademark of CytoDyn, Inc.

Formaxycin

CytoDyn will be researching opportunities for the formulation of Formaxycin(TM), a topical dermatological product to improve the appearance of human skin by eliminating dysplastic and pre-cancerous conditions.

Clinical Trials Process

Phase I

Phase I includes the initial introduction of an investigational new drug or biologic into humans. These studies are closely monitored and may be conducted in patients, but are usually conducted in a small number of healthy volunteer subjects. These studies are designed to determine the metabolic and pharmacologic actions of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. During Phase I, sufficient information about the investigational product's pharmacokinetics and pharmacological effects are obtained to permit the design of well-controlled, scientifically valid, Phase II studies.

Phase II

Phase II includes the early controlled clinical studies conducted to obtain some preliminary data on the effectiveness of the drug for a particular indication or indications in patients with the disease or condition. This phase of testing also helps determine the common short-term side effects and risks associated with the drug. Phase II studies are typically well-controlled, closely monitored, and conducted in a relatively small number of patients, usually involving several hundred people.

Phase III

Phase III studies are expanded controlled clinical studies. They are performed after preliminary evidence suggesting effectiveness of the drug has been obtained in Phase II, and are intended to gather the additional information about effectiveness and safety that is needed to evaluate the overall benefit/risk relationship of the drug. Phase III studies also provide an adequate basis for extrapolating the results to the general population and transmitting that information in the physician labeling. Phase III studies usually include several hundred to several thousand people.

Status of Clinical Trials for Cytolin(R)

Phase I(b)/II(a) clinical trials were conducted by Symbion Research International under the sponsorship of Amerimmune, Inc. during 2002. We believe that the data from these trials support approval by the FDA of Phase II(b) trials. We are purchasing the data from these trials from Symbion and will use the data to present to the FDA. Or we may use the new hybridomas we obtained from Harvard University's CBR Institute for Biomedical Research to develop an improved version of Cytolin(C) beginning with a new Phase I/II study.

Status of Clinical Trials for Influenza Pre-Flu Vaccine

No Investigational New Drug Application (IND) has yet been submitted to the FDA. Once we have finalized our development plan we will request a pre-IND meeting with the FDA.

Projected costs to complete our research and development and to obtain FDA approval of a Biologics Licensing Application for Cytolin(R):

We have negotiated with Symbion International for the right to use the Phase I(b)II(a) data from Cytolin(R) Trials, for a total of $362,000 and to seek approval for the Phase II(b) trials from the FDA. If the Phase II study is approved by the FDA, we expect it, together with the pre-Phase II efforts, to cost an estimated $6,056,981 for Symbion to conduct the clinical trials, including estimated manufacturing and supply costs of $450,000 and $362,000 for the Phase Ia/b data.

The estiamted cost for manaufacturing and conducting a Phase 1 clinical trial on our DNA pre-flu vaccine is approximately $2,000,000. We hope to begin the manufacturing process with the Waisman Clinical Biomanufaturing Facility this next quarter and expect to submit to the FDA, a protocol for a Phase 1 clinical trial this next fiscal year.

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Timing and anticipated completion dates for research and development.

Clinical trials for Cytolin can take anywhere from 29 to 42 months. Until we have met with the FDA, which we plan to do within the next six months, we cannot be certain what additional work must be done before commencing Phase II(b) trials of Cytolin(R).

Date we expect to begin benefiting from the product.

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We hope to complete our research and development of all Cytolin clinical trials needed for approval of a marketing application, if at all, by December 2012 but might get product into the clinic for the limited indication of salvage therapy as early as 2009 via treatment INDs depending upon the results from Phase II(b).

In fiscal 2007 we intend to begin a proof-of-principle trial of plasmid DNA containing three influenza A hemagglutinin antigens. If successful, this could justify the manufacturing and safety testing of a polyvalent product to be stockpiled by public health officials to prevent a future lethal pandemic associated with the avian (bird) virus. The indication for the seasonal antigens would probably be limited to individuals at high risk, such as children, the elderly, and those with chronic diseases, such as COPD. Much depends upon the next couple of flu seasons, the potential emergence of avian-mammalian hybrid influenza viruses, and competing vaccines.

Risks and uncertainties associated with completing development within reasonable period of time and if products are not completed on a timely basis.

Even if we are able to complete the development within a reasonable period of time our competitors could still come out with something competitive to our product. Toxicity in the product could go undetected until Phase IV Safety Surveillance after drug approval. We may have to continue to litigate to protect technology, or challenges to patents that have not yet expired, etc. The medical community may not accept our product. There may be an inability to secure 3rd party payees such as if Medicare would cover costs. Post registration manufacturing problems or downturn of economy or industry could also be risks.

If we are unable to complete clinical trials on a timely basis, with favorable results, our costs will increase significantly and we may not have enough capital to support further research and development and continue in business. Also, if we incur significant delays in being able to market our product, even if we are ultimately able to do so, we will be delayed in earning revenues and probably will require additional financing to continue in business. Please see the section entitled "Risk Factors."

Patents

We have a License Agreement with Allen D. Allen, our president, that gives us the exclusive right to develop his technology worldwide. This includes issued U.S. patents 5,424,066; 5,651,970 and 6,534,057, foreign counterparts, as well as European Patent No. 94 912826.8, for the United Kingdom, Germany, France, Switzerland, Italy, the Netherlands, Portugal, Spain, and Sweden. Other Patents are pending in those same countries. We estimate the costs associated with these pending patents to be approximately $65,000, including amounts we have already spent. We may file additional patents during the current fiscal year if our research and development efforts warrant them, but we do not have any such potential patents identified at this time other than Hong Kong. The license acquired gives us the right to develop Mr. Allen's patents worldwide.

Our wholly owned subsidiary AITI has a non-exclusive license to the following patents from the University of Massachusetts

Serial Number	Filing Date	Issue Date	Patent #	Country
08/009,833	1/27/1993	7/1/1997	5,643,578	USA
08/187,879	1/27/1994	1/11/2005	6,841,381	USA
10/763,049	1/22/2004	NA	pending	USA
PCT/US93/02394	3/17/1993	NA	NA	PCT
PCT/US95/00997	1/25/1995	NA	NA	PCT

93907536	3/17/1993	NA	NA	EP
01202355.2	6/18/2001	NA	NA	EP
2,132,836	9/23/1994	NA	NA	CA
2,181,832	1/25/1995	NA	NA	CA
07-520142	1/25/1995	NA	NA	JP
2003-28160	7/29/2003	NA	NA	JP
JP7507203				
JP9508622T				
JP2004099603				
AU3150295				

Our wholly owned subsidiary AITI has an exclusive license to the following patents(s) exclusively from the University of Massachusetts

University invention disclosure UMMC04-96 entitled "Influenza Nucleic Acids, Polypeptides, and Uses Thereof" as embodied in Patent Applications 60/655,979; 11,362,617; and PCT/US2006/006701 and naming Shan Lu and Shixia Wang as inventors.

We have a license agreement through our wholly owned subsidiary, Advanced Genetic Technologies, Inc.(AGTI) with the Center for Biological Research at the Harvard Medical school for certain Bilogical Materials. The license fees have been prepaid for the first seven years.

Litigation
For a thorough discussion of our pending litigation, please see the section entitled "Legal Proceedings."

Establishing a Market and Obtaining Funding
On June 17, 2005 5:00pm EST, the Securities and Exchange Commission declared our public registration prospectus effective. 450,000 shares were then sold at $0.75 per shares and the offering was closed July 31, 2005. The proceeds from the public offering paid were used for working capital.

As of May 31, 2005, we had seven unsecured notes payable to individuals, totaling $121,000. The notes were issued in February and March 2005, carried a 5% interest rate, and were to mature one year from the date of the note. On August 29, 2005, we extinguished the outstanding promissory notes and related accrued interest with the issuance of 160,110 shares of its common stock.

From January 2006 through March 31, 2007 we raised $602,000 through convertible promissory notes at a conversion price of $1.25 with warrants attached and exercisable at $2.50 per share and an interest rate of 5% per annum. $587,000 of the notes have been converted into 469,600 common shares. 12,000 shares remain from convertible notes outstanding of $15,000. To date, none of the warrants have been exercised.

When we acquired our wholly owned subsidiary AITI, in July 2006, we acquired $512,200 in cash, and a $162,800 prepaid sponsored research project.

When we acquired our wholly owned subsidiary AGTI, in January 2007, we acquired $100,000 in cash, and a $67,500 prepaid license.

We will require additional funding during the 2007 fiscal year in order to continue with research and development efforts. In addition to operating funds, we will need approximately $2,000,000 to $8,000,000 for research and development, including clinical trials, and manufacturing and supply costs, depending upon whether we are approved by the FDA to conduct a Phase II(b) study of Cytolin and/or a Phase I study of plasmid DNA.

We have entered into a Placement Agent Agreement with Capital Growth Resources, a broker-dealer registered with the National Association of Securities Dealers to raise up to $3.25 million. $2,000,000 of the proceeds would be used for a Phase I safety and proof of principle, clinical trial of our DNA based pre-flu vaccine. The remaining proceeds would be used for businmess operations over the next 12 months. If we are unable to secure the necessary funding, we will not be able to conduct our research and development activities or to continue in business.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, we are currently in the development stage with losses for all periods presented. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete

development of its medical treatments, obtain FDA approval, outsource manufacturing of the treatments, and ultimately to attain profitability. We intends to seek additional funding through equity offerings or licensing agreements to fund its business plan. There is no assurance that we will be successful in these endeavors.

Joint Ventures

Buy-Sell Agreement with Symbion Research International, effective January 5, 2005.

Peggy C. Pence, PhD., is the President and Chief Executive Officer of Symbion Research International, Inc. On January 5, 2005, we entered into a buy-sell agreement to purchase intellectual property owned by Symbion. The agreement describes the intellectual property in detail which summarized, is the Phase 1 clinical data and the protocol for the Phase II study.

Under the terms of this agreement:

- CytoDyn, Inc may purchase Symbion's Phase I clinical data in connection with obtaining approval from the FDA to conduct the Phase II/Phase III stud(ies) for Cytolin.
- CytoDyn, Inc granted 83,122 non-qualified stock options with an exercise price of $.75 per share in March 2006 - Symbion requested in September 2006 that these options be cancelled and the remaining $62,341 would be payable in cash. We therefore cancelled these options previously granted.
- CytoDyn, Inc paid $25,000 in March 2005.
- CytoDyn, Inc will pay $275,000 plus the additional $62,341 to Symbion over fiscal year 2007.

The results of the Phase II(b) stud(ies) for Cytolin shall be the sole property of CytoDyn, Inc upon Symbion's receipt of the final payment called for by this agreement. If all remaining payments are not received, the property shall revert to Symbion.

Contract with UTEK(r)

We have entered into an agreement with UTEK(r) in March 2006, wherein UTEK(r) agrees to identify and present new technology and company acquisition opportunities for CytoDyn in exchange for 40,000 unregistered shares of common stock. 1/12th of the shares (3,333) shall vest each month during the term of the 12 month agreement.

UTEK(R) is a leading, market-driven technology transfer company that enables companies to rapidly acquire innovative technologies from universities and research laboratories worldwide. UTEK facilitates the identification and then finances the acquisition of external technologies for clients in exchange for their equity securities. This unique process is called U2B(r). In addition to its U2B(r) service, UTEK offers both large and small capitalization companies the tools to search, analyze and manage university intellectual properties.

Acquisition of Advanced Influenza Technologies, Inc.

On July 18, 2006 CytoDyn, Inc. entered into an Acquisition agreement with UTEK Corporation, to acquire 100% of the outstanding stock of Advanced Influenza Technologies, Inc.(AITI), a Florida Corporation in exchange for 2,000,000 unregistered restricted common shares of CytoDyn, Inc stock.

AITI holds the worldwide nonexclusive and exclusive license agreements from the University of Massachusetts for certain technologies as described in patents:

- US Patent Application 60/655,979
- US 11,362,617 for "Influenza Nucleic Acids Polypeptides and Uses Therof
- US 5,643,578
- US 6,841,381
- European Patents 93907536 and 01202355.2 for "Immunization by Inoculation of DNA Transcription Unit"

The term of the licensing agreement expires upon the later of 20 years from the filing date of the licensed patents or the expiration of the last to expire patent of the licensed patents.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 4% royalties of net sales of the licensed products.

AITI also has agreed to fund a two year ($325,600) unrestricted project for ($162,800 per year) under a Sponsored Research Agreement with the primary objective during the first year to conduct lab work to provide well documented 3 DNA plasmids (H1,H3 and H5) in preparation for GMP manufacturing. If after one year the desired outcome is not achieved the agreement can be cancelled and the second year's payment is not required.

Acquisition of Advanced Genetic Technologies, Inc.

On January 30, 2007 CytoDyn, Inc. entered into an Acquisition agreement with UTEK Corporation, to acquire 100% of the outstanding stock of Advanced Genetic Technologies, Inc.(AITI), a Florida Corporation in exchange for 100,000 preferred no par value stock convertible into $1,300,000 worth of common unregistered restricted shares of CytoDyn, Inc stock. The option to convert is any time after twelve (12) months and before thirty six (36) months from the

date of closing of the agreement. The conversion option has a conversion floor price of $.30 per share, which limits the maximum number of shares that we may be required to issue upon conversion to 4,333,333 shares of common stock.

AGTI holds the worldwide exclusive and nonexclusive license agreements from the CBR Institute for Biomedical Research affilaited with Harvard Medical School for certain biological materials.

The term of the licensing agreement is until the later of 20 years or the date the last patent expires that is owned or controlled by the Licensee.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 2% royalties of net sales of the licensed products up to $200 million and 3% royalties of net sales in excess of $200 million. In the case of a sublicense the Univeristy would get 25% of non-royalty sublicense income.

AGTI has prepaid the license fees in full for the next 7 years and has $100,000 in cash.

Exploring Other Joint Ventures

While we continue to pursue FDA approval of our existing pipeline products, we are also considering entering into joint ventures to develop or co-develop other related, synergistic types of products. We may also pursue joint ventures or other arrangements to obtain funding but we have not pursued this possibility and do not have any prospects at this time.

Other Matters

We do not expect, in the next 12 months, to make any significant expenditures for equipment. We will continue to staff the company as we grow and funds become available. During the fiscal year ended May 31, 2006, we expended $215,384 in professional fees, consisting of $150,894 legal fees and professional fees incurred in connection with our public registration, our additional patent protection filings, and litigating our pending lawsuits, and $15,900in accounting and auditing fees. Transfer agent fees and EDGAR filing fees were $5,926 and $1,979 respectively. $50,685 was paid for consulting work to various consultants.

We were previously trading on the OTCBB. The NASD delisted our stock effective December 11, 2006 due to the late filing of the August 31, 2006 10QSB/A. We are currently trading on the pink sheets under the same trading symbol CYDY.

Part 1 Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of February 28, 2007, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities Exchange Commission's rules and forms, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of February 28, 2007, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weakness described below.

A material weakness is a control deficiency (within the meaning of the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 2) or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. In connection with their review of our consolidated financial statements for the nine months ended February 28, 2007, Pender Newkirk & Company LLP, our independent registered public accounting firm ("Pender"), advised management and our audit committee of the following matter that Pender considered to be a material weakness: The organization of our accounting department did not provide us with the appropriate resources and adequate technical skills to accurately account for and disclose our activities.

Pender stated that this matter was evidenced by the following issues encountered in connection with thier review of the consolidated financial statements for the period ended February 28, 2007: (i) our closing procedures were not adequate and resulted in significant accounting adjustments, and (ii) we were unable to adequately perform the financial reporting process as evidenced by a significant number of management comments related to our consolidated financial statements and related disclosures for the period ended February 28, 2007. In addition to issues (i) and (ii) above, which Pender restated as issues encountered in connection with its review of our consolidated financial statements for the three and nine months ended February 28, 2007, Pender stated that this matter was further evidenced by inadequate supervision within our accounting department which contributed to our inability to provide accurate accounting for and disclosure of certain transactions.

As a result of the identification of this matter by Pender, management evaluated, with consultation from our audit committee, in the third quarter of 2007 and as of February 28, 2007, the impact of our lack of appropriate resources and adequate technical skills in our accounting department and concluded, that the control deficiency that resulted in our lack of appropriate resources and adequate technical skills in our accounting department represented a material weakness and concluded that, as of February 28, 2007, our disclosure controls and procedures were not effective at the reasonable assurance level.

Historically, we have not had a formal system of controls and procedures due to the fact that we were small in size and had no operations. Currently, management, with the oversight of the Chief Executive Officer and Chief Financial Officer, is devoting considerable effort to develop and implement a formal system of disclosure controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

To initially address this material weakness, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

Remediation of Material Weakness

To remediate the material weakness in our disclosure controls and procedures identified above, we have done or intend to do the following, in the periods specified below:

In the fourth quarter of 2007, we will develop plans to alter the current organization of our accounting department to hire additional consultant(s) to assist in our financial reporting processes, with expertise in public company financial reporting compliance.

In the fourth quarter of fiscal year 2007, we will seek guidance from financial consultants who are certified public accountants with the requisite background and experience to assist us in identifying and evaluating complex accounting and reporting matters. In addition, during these periods, we are in the process of implementing new internal processes for identifying and disclosing both routine and non-routine transactions and for researching and determining proper accounting treatment for those transactions. Management is unsure, at the time of the filing of this report, when the actions described above will remediate the material weakness also described above. Although management intends to hire one or more additional accounting supervisory support staff members, future additional funds will be necessary to support the staff. Until we hire the necessary additional accounting supervisory support staff members, management may hire outside consultants to assist us in satisfying our financial reporting obligations.

Management is unable, however, to estimate our expenditures related to fees paid or that may be paid in the future to financial consultants in connection with their guidance in identifying and evaluating complex accounting and reporting matters. Management is also unable to estimate our expenditures related to the development of new internal processes for identifying and disclosing both routine and non-routine transactions and for researching and determining proper accounting treatment for those transactions. Management is also unable to estimate our expenditures related to the hiring of other outside consultants to assist us in satisfying our financial reporting obligations. In addition, management is unable to estimate our expenditures related to higher fees to be paid to our independent auditors in connection with their review of this remediation.

Changes in Internal Control over Financial Reporting

The changes noted above, specifically, the changes relating to our (i) engaging of financial consultants who are certified public accountants to assist us in identifying and evaluating complex accounting and reporting matters, (ii) new internal processes for identifying and disclosing both routine and non-routine transactions and for researching and determining proper accounting treatment for those transactions, and (iii) assignment of individuals to perform these processes and provision to those individuals of technical and other resources to help ensure the proper application of accounting principles and the timely and appropriate disclosure of routine and non-routine transactions, are the only changes during our most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Part II Item 1 Legal Proceedings
- ---------------------------------

We believe all litigation reflects the efforts of Rex H. Lewis, the previous CEO of the previous licensee Amerimmune, Inc. of the previous privately-held company that held the Cytolin(R)technology, CytoDyn of New Mexico, Inc., to take the property of Amerimmune, Inc., CytoDyn, Inc. our CRO, Symbion Research International, Inc. and the manufacturer of Cytolin(R), Vista Biologicals Corporation, for his privately held Nevada corporation, Maya, LLC. Although these efforts have been multifaceted and interstate in scope, all litigation reflects this one dispute or artifice.

Rex H. Lewis, a Defendant and former director and C.E.O. of Amerimmune Pharmaceuticals, Inc. filed a First Amended Cross-Complaint against CytoDyn of

New Mexico, Inc., Allen D. Allen, Corinne E. Allen, Ronald J. Tropp, Brian J. McMahon, Daniel M. Strickland, M.D. and unknown others designated as "Does 101-150".

The Cross-Complaint was settled pursuant to a settlement agreement entered into by the parties involved. The terms of the agreement are confidential.

In 2001, CytoDyn of New Mexico, Inc. as a shareholder, sued its licensee Amerimmune Pharmaceuticals, Inc. (API) and its directors in order to prevent the destruction of API. The Los Angeles Superior Court awarded attorneys' fees in the amount of approximately $150,000 to the insurance company of API. In 2003 CytoDyn, Inc. acquired the assets of CytoDyn of New Mexico, Inc. We have appealed the Court's order. The matter has not yet been briefed.

CytoDyn, Inc. and Allen D. Allen v. Amerimmune, Inc. and Amerimmune Pharmaceuticals, Inc. v. Biovest International, Inc., Commonwealth of Massachusetts, Superior Court, Worcester County, Civil Action No. 05-0452-C.

Nature of the claims:

CytoDyn and Mr. Allen filed a complaint against Amerimmune, Inc. and Amerimmune Pharmaceuticals, Inc. (together, "Amerimmune") to domesticate an October 4, 2004 judgment that CytoDyn and Mr. Allen obtained against Amerimmune in the Superior Court of California for Ventura County, case number SC-039250. Further, CytoDyn and Mr. Allen named Biovest International, Inc. ("Biovest") as a trustee-defendant because Biovest possesses a Cell-Bank, the rights to which CytoDyn and Mr. Allen own.

Progress to Date:

CytoDyn and Mr. Allen were successful in having the California judgment domesticated. Further, CytoDyn and Mr. Allen were successful in "charging" Biovest and securing an order that Biovest transfer the Cell-Bank to CytoDyn. However, the transfer has not occurred because recently Amerimmune's purported successor-in-interest, Maya, Inc. ("Maya"), intervened. Since CytoDyn expects to make a new cell bank in any event, this action is opposed because it is one part of an interstate scheme or artifice to convert our property.

CytoDyn's's Response:

Maya, LLC purports to have taken the property of Amerimmune Pharmaceuticals, Inc. by foreclosing on all of its property with a security instrument Maya, LLC presented to a State Court in Nevada. CytoDyn had already recovered its property, so even if Maya had taken the property of Amerimmune Pharmaceuticals, it would not include our technology. Maya foreclosed on the wrong entity since it was Amerimmune, Inc. that had originally held the technology, not Ammerimune Pharmaceuticals, Inc. Evidence obtained through discovery shows that the Board of Directors of Amerimmune Pharmaceuticals, Inc. had instructed Mr. Lewis to amend his security instrument to conform to law, which he did not do before presenting the instrument to the Court. This, and other evidence, will be used by CytoDyn's's lawyer in Massachusetts, and the attorney for Symbion Research International in Nevada, to seek summary judgments.

Expected Outcome:

We cannot express judgment regarding the outcome of the case or the probable ultimate liability, if any, to be incurred by CytoDyn. However, CytoDyn's claim to the Cell-Bank is strong and discovery has resulted in an intention on the part of our attorney to obtain summary judgment in our favor.

Other legal/patent issues:

We have recently discovered that former employees of ex-licensee, Amerimmune Inc., are attempting to convert technology previously adjudicated by the Superior Court of California, County of Ventura to belong to Symbion Research International, LLC. The technology involves LFA-1 Alpha subunit antibodies and the use of the antibodies to treat HIV-infected patients. Because of uncertain consequences resulting from the actions of these rogue Amerimmune Inc. employees, Symbion Research International is acting to remedy the situation. The former employees have filed two U.S. patent applications and several foreign patent applications based on a derivative international patent application. Symbion Research International intends to correct the inventorship and assignee in these applications.

Background:

CytoDyn of New Mexico, Inc. granted a license in its patented technology to Amerimmune Inc., which represented that it would assist in obtaining FDA approval of Cytolin(R). Amerimmune in turn contracted with Symbion Research International, LLC to assist with the clinical trials of Cytolin(R). Symbion sued Amerimmune in 2003 in Superior Court of California, County of Ventura asserting breach for non-payment of services performed. Symbion prevailed in

that suit and the Ventura Court awarded title to all data and additional intellectual property developed by Symbion during its relationship with Amerimmune to Symbion. This additional intellectual property is the subject matter of the patent applications filed by the former employees of ex-licensee Amerimmune.

Maya LLC v. CytoDyn, et al

Superior Court of Los Angeles Glendale Case # EC041590

Maya LLC filed an action in Glendale, California alleging a number of complaints against us and two of its officers, several of which have been dismissed on demurrer and one of which may be dismissed on procedural grounds. Management believes that these events reflect a retaliatory and frivolous action on the part of Maya. Discovery has produced evidence that the allegations of Maya, LLC are false. Although the outcome of litigation is uncertain, our in-house counsel believes an outcome unfavorable to us is highly unlikely. Trial is scheduled for May 8, 2007.

Legal opinions of CytoDyn's attorneys are based on the law and on facts. Due to jury and jurist nullification, appeals through many courts, which may or may not be commercially reasonable and which a company may or may not be able to afford, may be necessary to have the law applied or the proved facts recognized making the outcome of litigation uncertain.

Part II Item 2 Unregistered Sales of Equity and Use of Proceeds

From January 2006 through March 31, 2007 we raised $602,000 through convertible promissory notes at a conversion price of $1.25 with warrants attached and exercisable at $2.50 per share. $587,000 of the notes were converted into 469,600 shares. The remaining notes payable amount is $15,000. To date, none of the warrants have been exercised.

On January 30, 2007, we entered into an Acquisition Agreement with UTEK Corporation, to acquire 100% of the outstanding stock of Advanced Genetic Technologies, Inc. (AGTI), a Florida Corporation in exchange for 100,000 Preferred Series A shares no par value stock convertible into $1,300,000 worth of unregistered restricted shares of CytoDyn, Inc. common stock. The option to convert is any time after twelve (12) months and before thirty six (36) months from the date of the closing of the agreement. The conversion option has a floor price of $.30 per share, which limits the number of shares that the we may issue upon conversion to 4,333,333 shares of common stock.

Item 3 Defaults Upon Seniors

None

Item 4 Submission of Matter to a Vote of Security Holders

None

Item 5 Other Information

None

Item 6 - Exhibits and Reports on Form 8-K.

(a) Exhibits:

1.	31.1:	Certification by the CEO
2.	31.2:	Certification by the CFO
3.	32.1:	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CEO
4.	32.2:	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CFO

SIGNATURES

CYTODYN, INC.
(Registrant)

DATE: April 13, 2007

BY: /s/ Allen D. Allen
Allen D. Allen
President and CEO

Exhibit 31.1

CERTIFICATION
- ------------

I, Allen D. Allen, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CytoDyn, Inc.

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

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

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Date: April 13, 2007

/s/ Allen D. Allen
- ----------------------
Allen D. Allen
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
- ------------

I, Wellington A. Ewen, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CytoDyn, Inc.

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

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

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Date: April 13, 2007

/s/ Wellington A. Ewen
- ------------------------
Wellington A. Ewen
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CytoDyn, Inc. (the "Company") on Form 10-QSB for the period ending February 28, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allen D. Allen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Allen D. Allen
- ----------------------
Allen D. Allen
Chief Executive Officer
April 13, 2006

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CytoDyn, Inc. (the "Company") on Form 10-QSB for the period ending February 28, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wellington A. Ewen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Wellington A. Ewen
- ----------
Wellington A. Ewen
Chief Financial Officer
April 13, 2007