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U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under  
the Securities Exchange Act of 1934

For Quarter Ended: **September 30, 2012**

Commission File Number: **000-52898**

**SUNSHINE BIOPHARMA INC.**

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

**Colorado**

(State of other jurisdiction of incorporation)

**20-5566275**

(IRS Employer ID No.)

**469 Jean-Talon West  
3rd Floor**

**Montreal, Quebec, Canada H3N 1R4**  
(Address of principal executive offices)

**2015 Peel Street  
5th Floor**

**Montreal, Quebec, Canada H3A 1T8**  
(Former Address)

**(514) 764-9698**

(Issuer's Telephone Number)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's only class of common stock issued and outstanding as of November 7, 2012, was 51,391,092 shares.

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PART I.

ITEM 1. FINANCIAL STATEMENTS

Sunshine Biopharma, Inc.  
Balance Sheet  
(A Development Stage Company)

	<u>Unaudited September 30, 2012</u>	<u>Audited December 31, 2011</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets:</u></b>		
Cash and cash equivalents	\$ 255,415	\$ 60,692
Prepaid expenses	12,630	45,745
<b>Total Current Assets</b>	<b><u>268,045</u></b>	<b><u>106,437</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 268,045</u></b>	<b><u>\$ 106,437</u></b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts payable	\$ 1,590	\$ 3,434
Note payable	12,500	-
Interest payable	766	-
<b>TOTAL LIABILITIES</b>	<b><u>14,856</u></b>	<b><u>3,434</u></b>
<b><u>SHAREHOLDERS' EQUITY</u></b>		
Preferred stock, \$0.10 par value per share; Authorized 5,000,000 Shares; Issued and outstanding -0- shares.	-	-
Common Stock, \$0.001 per share; Authorized 200,000,000 Shares; Issued and outstanding 51,391,092 and 48,728,842 at September 30, 2012 and December 31, 2011 respectively	51,391	48,729
Capital paid in excess of par value	3,015,701	2,348,988
(Deficit) accumulated during the development stage	<u>(2,813,903)</u>	<u>(2,294,714)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>253,189</u></b>	<b><u>103,003</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$ 268,045</u></b>	<b><u>\$ 106,437</u></b>

See Accompanying Notes To Financial Statements.

**Sunshine Biopharma, Inc.**  
**Unaudited Statement Of Operations**  
**(A Development Stage Company)**

	<b>Unaudited 3 Months Ended September 30, 2012</b>	<b>Unaudited 3 Months Ended September 30, 2011</b>
Revenue:	\$ -	\$ -
<b>General &amp; Administrative Expenses</b>		
Research and Development	-	-
Accounting	6,820	2,175
Financial Consulting	209,375	-
Licenses & fees	100,000	100,000
Legal	51,728	584
Office	7,543	3,604
Professional services	-	7,500
Stock Transfer Fee	940	2,578
Total general and administrative expenses	<u>376,406</u>	<u>116,441</u>
(Loss) from operations	(376,406)	(116,441)
Other (expense) interest	<u>(375)</u>	<u>-</u>
Net (loss)	<u>\$ (376,781)</u>	<u>\$ (116,441)</u>
Basic (Loss) per common share	<u>(0.01)</u>	<u>(0.00)</u>
Weighted Average Common Shares Outstanding	<u>50,230,925</u>	<u>30,738,509</u>

See Accompanying Notes To Financial Statements.

Sunshine Biopharma, Inc.  
**Unaudited Statement Of Operations**  
(A Development Stage Company)

	<b>9 Months Ended September 30, 2012</b>	<b>9 Months Ended September 30, 2011</b>	<b>August 17, 2009 (inception) through September 30, 2012</b>
Revenue:	\$ -	\$ -	\$ -
<b>General &amp; Administrative Expenses</b>			
Research and Development	1,829	17,650	144,479
Accounting	14,570	9,425	46,015
Financial Consulting	307,375	-	469,732
Legal	83,567	18,424	224,655
Licenses	100,000	100,000	550,000
Office	8,552	7,253	20,275
Merger Cost	-	-	155,150
Public Relations	-	15,119	241,768
Professional fees	-	7,500	-
Stock Transfer Fee	2,530	8,775	15,087
Writedown of intangible assets	-	-	945,976
<b>Total general and administrative expenses</b>	<b>518,423</b>	<b>184,146</b>	<b>2,813,137</b>
(Loss) from operations	(518,423)	(184,146)	(2,813,137)
Other (expense) interest	(766)	-	(766)
<b>Net (loss)</b>	<b>\$ (519,189)</b>	<b>\$ (184,146)</b>	<b>\$ (2,813,903)</b>
Basic (Loss) per common share	\$ (0.01)	\$ (0.01)	
Weighted Average Common Shares Outstanding	49,229,536	30,733,509	

See Accompanying Notes To Financial Statements.



common stock valued at \$0.2922 per share	1,069,859	1,070	311,618		312,688	(312,688)	312,688	
October 31, 2009 Outstanding stock of MWBS counted as issued for MWBS net deficit	888,000	888	(30,353)				(29,465)	
Subtotal at October 31, 2009 reverse merger date for accounting purposes	22,850,000	22,850	1,173,617	850,000	73,000	-	(650,130)	619,337
November 16, 2009 Note conversions, several, Principal of \$26,500 and interest of \$2,965	6,810,000	6,810	22,655					29,465
Fractional Shares	7							-
Net (Loss)							(551,000)	(551,000)
<b>Balance at December 31, 2009</b>	<u>29,660,007</u>	<u>29,660</u>	<u>1,196,272</u>	<u>850,000</u>	<u>73,000</u>	<u>-</u>	<u>(1,201,130)</u>	<u>97,802</u>

See Accompanying Notes To These Audited Financial Statements.

**Sunshine Biopharma, Inc.**  
**Unaudited Statement of Shareholders' Equity Continued**  
**(A Development Stage Company)**

	<u>Number Of Common Shares Issued</u>	<u>Common Stock</u>	<u>Capital Paid in Excess of Par Value</u>	<u>Number Of Preferred Shares Issued</u>	<u>Preferred Stock</u>	<u>Stock Subscription Receivable</u>	<u>Comprehensive Income</u>	<u>Deficit accumulated during the development stage</u>	<u>Total</u>
June 2, 2010 issued 1,675,000 shares of par value \$0.001 common stock for services valued at \$0.94 per share	1,675,000	1,675	1,572,825						1,574,500
September 30, 2010 reversed issuance of 1,625,000 shares of par value \$0.001 common stock for services valued at \$0.94 per share	(1,625,000)	(1,625)	(1,525,875)						(1,527,500)
September 30, 2010 issued 166,667 shares of par value \$0.001 common stock for cash at \$0.60 per share	166,667	167	99,833						100,000
October 1, 2010 issued 217,000 shares of par value \$0.001 common stock for services valued at \$0.60 per share	217,000	217	129,983						130,200
October 29, 2010 issued 100,000 shares of par value \$0.001 common stock for services valued at \$0.60 per share	100,000	100	59,900						60,000
October 31, 2010 issued 419,334 shares of par value \$0.001 common stock for cash at \$0.60 per share	419,334	419	251,181						251,600
November 30, 2010 issued 78,334 shares of par value \$0.001 common stock for cash at \$0.60 per share	78,334	78	46,922						47,000
Net (Loss)						-		(537,382)	(537,382)
<b>Balance at December 30, 2010</b>	<u>30,691,342</u>	<u>\$ 30,691</u>	<u>\$ 1,831,040</u>	<u>850,000</u>	<u>\$ 73,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,738,512)</u>	<u>\$ 196,220</u>
March 29, 2011 issued 20,000 shares of par value \$0.001 common stock for services valued at \$ 12,000 or \$0.60 per share	20,000	20	11,980						12,000
September 1, 2011 issued 326,000 shares of par value \$0.001 common stock in a private offering for cash at \$0.60 per share	326,000	326	195,274						195,600
November 3, 2011 issued 400,000 shares of par value \$0.001 common stock for services valued at \$ 200,000 or \$0.50 per share	400,000	400	199,600						200,000
December 16, 2011 issued 291,500 shares of par value \$0.001 common stock for services valued at \$ 55,385 or \$0.19 per share	291,500	292	55,094						55,386



December 21, 2011 converted 850,000 shares of preferred stock into 17,000,000 shares of par value \$0.001 common stock	17,000,000	17,000	56,000	(850,000)	(73,000)					-	
Net (Loss)										(556,202)	(556,202)
<b>Balance at December 31, 2011</b>	<u>48,728,842</u>	<u>\$ 48,729</u>	<u>\$ 2,348,988</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,294,714)</u>	<u>\$ 103,004</u>	
June 28, 2012 issued 250,000 shares of par value \$0.001 common stock for cash at \$.20 per share or \$50,000	250,000	250	49,750							50,000	
June 28, 2012 issued 230,000 shares of par value \$0.001 common stock for services valued at \$ 69,000 or \$0.30 per share	230,000	230	68,770							69,000	
July 2012 issued 840,000 shares of par value \$0.001 common stock in a private offering for cash at \$.25 per share or \$50,000	840,000	840	209,160							210,000	
July 25, 2012 issued 44,000 shares of par value \$0.001 common stock for services valued at \$ 15,400 or \$0.35 per share	44,000	44	15,356							15,400	
August 2012 issued 570,000 shares of par value \$0.001 common stock in a private offering for cash at \$.25 per share or \$142,500	570,000	569	141,930							142,499	
August 17, 2012 issued 128,250 shares of par value \$0.001 common stock for services valued at \$ 38,475 or \$0.30 per share	128,250	128	38,347							38,475	
August 31, 2012 issued 600,000 shares of par value \$0.001 common stock for services valued at \$ 144,000 or \$0.24 per share	600,000	600	143,400							144,000	
Net (Loss)										(519,189)	(519,189)
<b>Balance at September 30, 2012 (Unaudited)</b>	<u>51,391,092</u>	<u>\$ 51,391</u>	<u>\$ 3,015,701</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,813,903)</u>	<u>\$ 253,189</u>	

See Accompanying Notes To These Audited Financial Statements.

**Sunshine Biopharma, Inc.**  
**Unaudited Statement Of Cash Flows**  
**(A Development Stage Company)**

	<b>9 Months Ended September 30, 2012</b>	<b>9 Months Ended September 30, 2011</b>	<b>August 17, 2009 (inception) through September 30, 2012</b>
Cash Flows From Operating Activities:			
Net (Loss)	\$ (519,189)	\$ (184,146)	\$ (2,813,903)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock issued for services,	266,875	12,000	1,421,392
Changes in operating assets & liabilities			
Decrease / (increase) in prepaid expenses	33,115	(512)	(12,630)
Increase (decrease) in accounts payable	(1,844)	(6,860)	1,590
Increase / (decrease) in interest payable	766	-	766
Net Cash Flows (used) in operations	<u>(220,277)</u>	<u>(179,518)</u>	<u>(1,402,785)</u>
Cash Flows From Investing Activities:			
	-	-	-
Cash Flows From Financing Activities:			
Proceeds from note payable	12,500	-	12,500
Sale of common stock	402,500	195,600	1,645,700
Net Cash Flows provided by financing activities	<u>415,000</u>	<u>195,600</u>	<u>1,658,200</u>
Net Increase (Decrease) In Cash and cash equivalents	194,723	16,082	255,415
Cash and cash equivalents at beginning of period	<u>60,692</u>	<u>162,391</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 255,415</u>	<u>\$ 178,473</u>	<u>\$ 255,415</u>
Supplementary Disclosure Of Cash Flow Information:			
Stock issued for services	<u>\$ 266,875</u>	<u>\$ 240,000</u>	<u>\$ 959,132</u>
Stock issued for note conversions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,465</u>
Stock issued for net deficit of MWBS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,465)</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes To These Financial Statements.

**Sunshine Biopharma, Inc.**  
**A Development Stage Company**  
**Notes To Unaudited Financial Statements**  
**For The Three and Nine Month Interim Period Ended September 30, 2012**

Note 1 - Unaudited Financial Information

The unaudited financial information included for the three and nine month interim period ended September 30, 2012 was taken from the books and records without audit. However, such information reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary to reflect properly the results of the interim periods presented. The results of operations for the three and nine month interim period ended September 30, 2012 are not necessarily indicative of the results expected for the fiscal year ended December 31, 2012.

Note 2 – Notes Payable

The Company received a loan of \$12,500 accruing interest at a rate of 12%. This loan was due to mature on August 31, 2012, but was extended until February 28, 2013. At September 30, 2012 interest of \$766 was accrued.

Note 3 – Issuance of Common Stock

During the three months ended September 30, 2012, the Company commenced a private placement of its common stock wherein it is attempting to raise up to \$5,000,000 by selling shares of its \$.001 par value common stock at a price of \$0.25 per share. As of September 30, 2012 the Company had sold 1,610,000 shares and received proceeds of \$402,500 therefrom.

In June of 2012 the Company issued 230,000 shares of \$0.001 par value restricted common stock for services valued at \$69,000 or \$0.30 per share.

In July 2012 the Company issued 44,000 shares of \$0.001 par value restricted common stock for services valued at \$15,400 or \$0.35 per share.

In August 2012 the Company issued 128,250 shares of \$0.001 par value restricted common stock for services valued at \$38,475 or \$0.30 per share.

In August 2012 the Company issued 600,000 shares of \$0.001 par value restricted common stock for services valued at \$144,000 or \$0.24 per share.

Note 4 - Financial Statements

For a complete set of footnotes, reference is made to the Company's Report on Form 10-K for the year ended December 31, 2011 as filed with the Securities and Exchange Commission and the audited financial statements included therein.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included herein. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward looking statements made by, or on our behalf. We disclaim any obligation to update forward looking statements.*

### OVERVIEW AND HISTORY

We were incorporated in the State of Colorado on August 31, 2006 under the name "Mountain West Business Solutions, Inc." During our fiscal year ended July 31, 2009 our business was to provide management consulting with regard to accounting, computer and general business issues for small and home-office based companies. Effective October 15, 2009, we executed an agreement to acquire Sunshine Biopharma, Inc., a Colorado corporation ("SBI"), in exchange for the issuance of 21,962,000 shares of our Common Stock and 850,000 shares of Convertible Preferred Stock, each convertible into twenty (20) shares of our Common Stock (the "Agreement"). As a result of this transaction our officers and directors resigned their positions with us and were replaced by our current management. See "MANAGEMENT." The effectiveness of the Agreement was conditional upon various conditions being satisfied, including the filing of our Form 10-K for our fiscal year ended July 31, 2009 and SBI changing its name to Sunshine Etopo, Inc. These conditions were satisfied and Sunshine Etopo (formerly SBI) is now a wholly owned subsidiary of our Company. Also as a result of this transaction we have changed our name to "Sunshine Biopharma, Inc."

In January 2010, our Board of Directors adopted a resolution changing our fiscal year from July 31 to December 31, effective December 31, 2009. Article VIII, Section 2 of our Bylaws provides the authority for our Board of Directors to establish our fiscal year on a date in their sole discretion. Our Board undertook this resolution in order to have the fiscal year coincide with the fiscal year end for our wholly owned operating subsidiary company.

On April 19, 2010, the holders of a majority of our voting securities executed their written consent to amend our Articles of Incorporation to increase our authorized capital stock from 50,000,000 shares of Common Stock, par value \$0.001 per share, and 1,000,000 shares of Preferred Stock, to 200,000,000 shares of Common Stock having a par value of \$0.001 per share and 5,000,000 shares of Preferred Stock, consisting of 4,150,000 shares of Preferred Stock, \$0.10 par value, and 850,000 shares of Series "A" Preferred Stock, \$0.10 par value per share.

On December 21, 2011, Advanomics Corporation, a privately held Canadian company ("Advanomics") and our licensor, exercised its right to convert the 850,000 shares of Series "A" Preferred Stock it held in our Company into 17,000,000 shares of Common Stock.

As of July 1, 2012, we moved from 2015 Peel Street, 5th Floor, Montreal, Quebec, Canada H3A 1T8 to our current principal place of business located at 469 Jean-Talon West, 3rd Floor, Montreal, Quebec, Canada H3N 1R4. Our phone number is (514) 764-9698 and our website address is [www.sunshinebiopharma.com](http://www.sunshinebiopharma.com).

We have not been subject to any bankruptcy, receivership or similar proceeding.

## RESULTS OF OPERATIONS

### *Comparison of Results of Operations for the nine months ended September 30, 2012 and 2011*

For the nine months ended September 30, 2012 and 2011 we did not generate any revenues.

General and administrative expenses during the nine month period ended September 30, 2012 were \$518,423, compared to general and administrative expense of \$184,146 incurred during the nine month period ended September 30, 2011, an increase of \$334,277. The principal reason for this increase was \$307,375 in financial consulting fees that were incurred during the nine month period ended September 30, 2012 which were not incurred during the similar period in 2011. During the nine month period ended September 30, 2012 we also incurred approximately \$65,143 in additional legal fees over the 2011 figure primarily relating to the private offerings of our securities undertaken in 2012. Our research and development costs were reduced by \$15,821 during the nine month period ended September 30, 2012, as explained below.

As a result, we incurred a net loss of (\$518,423) (approximately \$0.01 per share) for the nine month period ended September 30, 2012, compared to a net loss of (\$184,146) (less than \$0.01 per share) during the nine month period ended September 30, 2011.

### *Comparison of Results of Operations for the three months ended September 30, 2012 and 2011*

General and administrative expenses during the three month period ended September 30, 2012 were \$376,406, compared to general and administrative expense of \$116,441 incurred during the three month period ended September 30, 2011, an increase of \$259,965. The principal reason for this increase was \$209,375 in financial consulting fees that were incurred during the three month period ended September 30, 2012 which were not incurred during the similar period in 2011. During the three month period ended September 30, 2012 we also incurred approximately \$51,114 in additional legal fees over the 2011 figure. Office costs also increased by \$3,939 during the three month period ended September 30, 2012. The remaining expenses remained relatively consistent from the 2011 period.

As a result, we incurred a net loss of (\$376,781) (approximately \$0.01 per share) for the three month period ended September 30, 2012, compared to a net loss of (\$116,441) (less than \$0.01 per share) during the three month period ended September 30, 2011.

Because we did not generate any revenues since our inception, following is our plan of operation.

## PLAN OF OPERATION

We are currently a pharmaceutical company focused on the research, development and commercialization of drugs for the treatment of various forms of cancer. The preclinical studies for our lead compound, Adva-27a, a multi-purpose antitumor compound, were successfully completed in late 2011. We are now continuing our clinical development of Adva-27a by conducting the next sequence of steps comprised of GMP manufacturing, IND-enabling studies, regulatory filing and Phase I clinical trials. We plan to conduct our Phase I clinical trials for Adva-27a at the Jewish General Hospital, Montreal, Canada, one of McGill University's Hospital Centers. The planned indication will be multidrug resistant breast cancer as Adva-27a has shown a positive effect on this type of cancer for which there is currently little or no treatment options available. See "Clinical Trials" below.

We have licensed our technology on an exclusive basis from Advanomics, and we are planning to initiate our own research and development program as soon as practicable once financing is in place. There are no assurances that we will obtain the financing necessary to allow us to implement this aspect of our business plan, or to enter clinical trials.

## Carbon-Difluoride Platform Technology

Many therapeutically important compounds contain diester bonds that link different parts of the molecule together. Diester bonds are naturally unstable often leading to suboptimal performance when the molecule is administered to patients. Diester bonds have specific three-dimensional, as well as electrostatic properties that cannot be easily mimicked by other bonds. Bonds that do not mimic the diester bond correctly invariably render the compound inactive. In collaboration with Institut National des Sciences Appliquées de Rouen in France (“INSA”), Advanomics has developed a way to replace the diester bond with a Carbon-Difluoride bond which acts as a diester isostere. An isostere is a different chemical structure that mimics the properties of the original. In the body, Carbon-Difluoride compounds are resistant to metabolic degradation but recognized similarly to the diester compounds (*see* Figure 1).

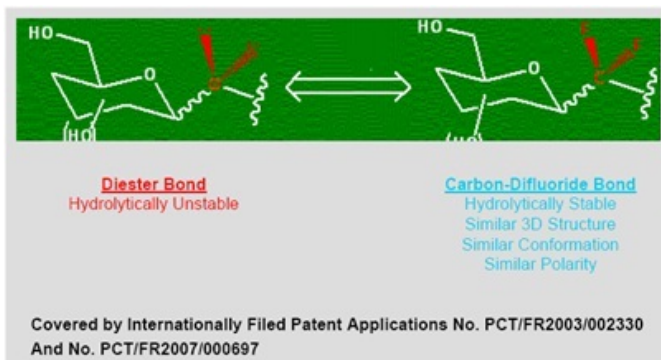


Figure 1

While no assurances can be provided, we are planning to expand our product line through acquisitions and/or in-licensing as well as in-house research and development.

### Our Lead Compound (Adva-27a)

Our initial drug candidate is Adva-27a, a GEM-difluorinated C-glycoside derivative of Podophyllotoxin, targeted for various forms of cancer. If we are successful in our current financing efforts, Adva-27a is expected to enter Phase I clinical trials for multidrug resistant breast cancer in late 2013 or early 2014 (*see* “Clinical Development Path” and “Clinical Trials” below). Etoposide, which is also a derivative of Podophyllotoxin, is currently on the market and is used to treat various types of cancer including leukemia, lymphoma, testicular cancer, lung cancer, brain cancer, prostate cancer, bladder cancer, colon cancer, ovarian cancer, liver cancer and several other forms of cancer. Adva-27a is a new chemical entity and has been shown to have distinct and more desirable biological properties compared to Etoposide. Most notably, Adva-27a appears to be effective against multidrug resistant breast cancer cells while Etoposide has no activity against this aggressive type of cancer (*see* Figure 2). In other side-by-side studies against Etoposide as a reference, Adva-27a showed markedly improved cell killing activity in various other cancer types, particularly prostate, colon and lung cancer (*see* Table 1). Our preclinical studies to date have shown that:

- Adva-27a is 16-times more effective at killing multidrug resistant breast cancer cells (MCF-7/MDR) than Etoposide.
- Adva-27a is also more effective at killing small-cell lung cancer cells (H69AR) than Etoposide.
- Adva-27a is unaffected by P-Glycoprotein, the enzyme responsible for making cancer cells resistant to anti-tumor drugs.
- Adva-27a has excellent clearance time (half-life = 54 minutes) as indicated by human microsomes stability studies and pharmacokinetics data in rats.
- Adva-27a clearance is independent of Cytochrome P450, a mechanism that is less likely to produce toxic intermediates.
- Adva-27a is an excellent inhibitor of Topoisomerase II with an IC50 of only 13.7 micromolar.
- Adva-27a has shown excellent pharmacokinetics profile as indicated by studies done in rats.
- Adva-27a does not inhibit tubulin assembly.

These and other preclinical data have recently been published in ANTICANCER RESEARCH, a peer-reviewed International Journal of Cancer Research and Treatment. The manuscript entitled “Adva-27a, a Novel Podophyllotoxin Derivative Found to Be Effective Against Multidrug Resistant Human Cancer Cells” appeared in print in the current, October 2012 issue of the journal. A copy of the full manuscript as it appeared in the journal is available on our website at [www.sunshinebiopharma.com](http://www.sunshinebiopharma.com).

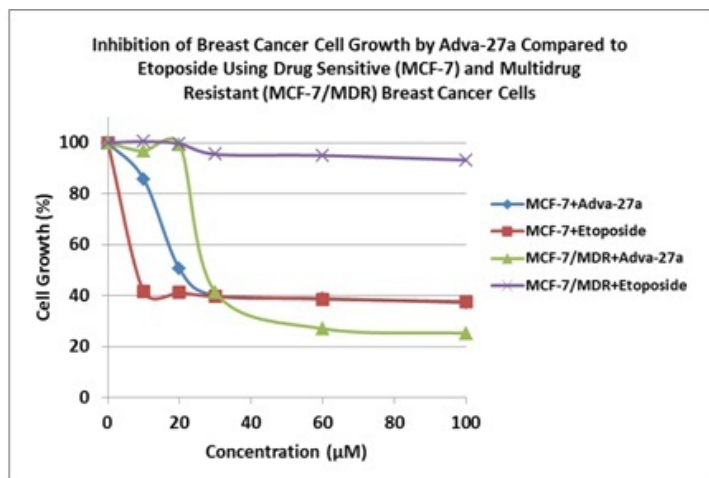


Figure 2

PERCENT INHIBITION OF CELL GROWTH AT 10 MICROMOLAR*								
Cell Line Cancer Type	KB Nasopharynx	PC3 Prostate	MCF7 Breast	MCF7/MDR MDR Breast**	SF268 Brain	HL60 Leukemia	HT29 Colon	A594 Lung
Etoposide	84	47	57	22	82	75	79	65
Adva-27a***	91	63	53	70	65	79	87	78

\*Data published in PCT/FR2007/000697      \*\*Multidrug resistant breast cancer      \*\*\*Our lead compound

Table 1

### Clinical Development Path

The early stage preclinical studies for our lead compound, Adva-27a, were successfully completed in late 2011 and the results have recently been published [ANTICANCER RESEARCH 32: 4423-4432 (2012)]. We are now continuing our clinical development program of Adva-27a by conducting the next sequence of steps comprised of the following:

- GMP Manufacturing (for use in IND-Enabling Studies and Phase I Clinical Trials)
- IND-Enabling Studies
- Regulatory Filing (Fast-Track Status Anticipated)
- Phase I Clinical Trials (Multidrug Resistant Breast Cancer Indication)

## **Clinical Trials**

Adva-27a's initial indication will be multidrug resistant breast cancer for which there are little or no treatment options. In June 2011 we concluded an agreement with McGill University's Jewish General Hospital in Montreal, Canada to conduct Phase I clinical trials for this indication. All aspects of the planned clinical trials in Canada will employ FDA standards at all levels. We anticipate that the clinical trials will be completed by late 2014, at which time we, together with our licensor, expect to file for limited marketing approval with the regulatory authorities in Canada and the FDA in the U.S. See "Marketing," below.

## **Marketing**

According to the American Cancer Society, nearly 1.5 million new cases of cancer are diagnosed in the U.S. each year. Given the terminal and limited treatment options available for the multidrug resistant breast cancer indication we are planning to study, we anticipate being granted limited marketing approval ("compassionate-use") for our Adva-27a following receipt of funding and a successful Phase I clinical trial. There are no assurances that either will occur. Such limited approval will allow us to make the drug available to various hospitals and health care centers for experimental therapy and/or "compassionate-use", thereby generating some revenues in the near-term.

We believe that upon successful completion of Phase I Clinical Trials we may receive one or more offers from large pharmaceutical companies to buyout or license our drug. However, there are no assurances that our Phase I Trials will be successful, or if successful, that any pharmaceutical companies will make an acceptable offer to us. In the event we do not consummate such a transaction, we will require significant capital in order to manufacture and market our new drug.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of September 30, 2012, we had cash or cash equivalents of \$255,415.

Net cash used in operating activities was \$220,277 during the nine month period ended September 30, 2012, compared to \$179,318 for the nine month period ended September 30, 2011. We anticipate that overhead costs in current operations will increase in the future once our research and development activities discussed above increase.

Cash flows provided or used in investing activities were \$0 for the nine month periods ended September 30, 2012 and 2011. Cash flows provided or used by financing activities were \$415,000 for the nine month period ended September 30, 2012 and \$195,600 for the similar period in 2011.

We are not generating revenue from our operations, and our ability to implement our business plan for the future will depend on the future availability of financing. Such financing will be required to enable us to further develop our testing, research and development capabilities and continue operations. We intend to raise funds through private placements of our common stock, through short-term borrowing and by application for grants in conjunction with the Research Foundation of the State University of New York with whom we have contracted to perform testing of our Adva-27a drug. We estimate that we will require approximately \$5 million in debt and/or equity capital to fully implement our business plan in the future and there are no assurances that we will be able to raise this capital. While we have engaged in discussions with various investment banking firms to provide us these funds, as of the date of this report we have not reached any agreement with any party that has agreed to provide us with the capital necessary to effectuate our business plan or otherwise enter into a strategic alliance to provide such funding. Our inability to obtain sufficient funds from external sources when needed will have a material adverse effect on our plan of operation, results of operations and financial condition.

Our cost to continue operations as they are now conducted is nominal, but these are expected to increase once we commence Phase I clinical trials. We do not have sufficient funds to cover the anticipated increase in these expenses. We need to raise additional funds in order to continue our existing operations, to initiate research and development activities, and to finance our plans to expand our operations for the next year. If we are successful in raising additional funds, our research and development efforts will continue and expand.

## **INFLATION**

Although our operations are influenced by general economic conditions, we do not believe that inflation had a material effect on our results of operations during the nine month period ended September 30, 2012.



## CRITICAL ACCOUNTING ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following represents a summary of our critical accounting policies, defined as those policies that we believe are the most important to the portrayal of our financial condition and results of operations and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company and are not required to provide the information under this item pursuant to Regulation S-K.

### ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures - Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report.

These controls are designed to ensure that information required to be disclosed in the reports we file or submit pursuant to the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2012, at the reasonable assurance level. We believe that our consolidated financial statements presented in this Form 10-Q fairly present, in all material respects, our financial position, results of operations, and cash flows for all periods presented herein.

Inherent Limitations - Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdown can occur because of simple error or mistake. In particular, many of our current processes rely upon manual reviews and processes to ensure that neither human error nor system weakness has resulted in erroneous reporting of financial data.

Management Report on Internal Control over Financial Reporting - Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act. Those rules define internal control over financial reporting as a process designed 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting - Management assessed the effectiveness of our internal control over financial reporting as of September 30, 2012. In making this assessment, our management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. There were no changes in our internal control over financial reporting during the period ended September 30, 2012 which were identified in conjunction with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None

### ITEM 1A. RISK FACTORS

We are a smaller reporting company and are not required to provide the information under this item pursuant to Regulation S-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three month period ended September 30, 2012, we issued an aggregate of 1,410,000 shares of our Common Stock to 7 entities and received aggregate net proceeds of \$352,500 therefrom. We utilized these proceeds for working capital and research and development activities, including scale-up (gram quantity) manufacturing of our proprietary anticancer compound, Adva-27a.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

### ITEM 4. [Removed and reserved.]

### ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">31.1</a>	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">31.2</a>	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">32</a>	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on November 7, 2012.

**SUNSHINE BIOPHARMA, INC.**

By: /s/ Dr. Steve N. Slilaty  
Dr. Steve N. Slilaty, Principal Executive Officer

By: /s/ Camille Sebaaly  
Camille Sebaaly, Principal Financial Officer and Principal  
Accounting Officer

**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Steve N. Slilaty, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunshine Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order 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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. 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 registrant'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 upon such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Dated: November 7, 2012

By: /s/ Steve N. Slilaty  
Steve N. Slilaty,  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Camille Sebaaly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunshine Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order 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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. 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 registrant'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 upon such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Dated: November 7, 2012

By: /s/ Camille Sebaaly  
Camille Sebaaly,  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report of Sunshine Biopharma, Inc. (the "Company") on Form 10-Q for the nine month period ended September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned, in the capacities and on the date indicated below, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Rule 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 results of operations of the Company.

Dated: November 7, 2012

By: /s/ Steve N. Slilaty

\_\_\_\_\_  
Steve N. Slilaty,  
Chief Executive Officer

Dated: November 7, 2012

By: /s/ Camille Sebaaly

\_\_\_\_\_  
Camille Sebaaly,  
Chief Financial Officer