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

FORM 10-Q

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

For the quarterly period ended: **June 30, 2021**

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

For the transition period from _____ to _____

Commission File Number: **000-52898**

SUNSHINE BIOPHARMA, INC.
(Exact name of small business issuer as specified in its charter)

Colorado	**20-5566275**
(State of other jurisdiction of incorporation)	(IRS Employer ID No.)

6500 Trans-Canada Highway
4th Floor
Pointe-Claire, Quebec, Canada H9R 0A5
(Address of principal executive offices)

(514) 426-6161
(Issuer's Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
N/A	N/A	N/A

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 every Interactive Data File required to be submitted 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 such files). Yes ☑ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 August 9, 2021, was 510,093,265 shares.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Sunshine Biopharma, Inc.
Unaudited Condensed Consolidated Balance Sheets

	June 30, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,735,094	$ 989,888
Accounts receivable	–	1,916
Inventory	45,217	23,771
Prepaid expenses	15,685	2,778
Deposits	7,590	7,590
Total Current Assets	1,803,586	1,025,943
Other Assets:		
Equipment (net of $57,924 and $51,485 depreciation, respectively)	13,482	19,531
Patents (net of $58,918 amortization and $556,120 impairment)	–	–
Total Other Assets	13,482	19,531
TOTAL ASSETS	$ 1,817,068	$ 1,045,474
LIABILITIES		
Current Liabilities:		
Notes payable	$ 330,000	$ 820,454
Notes payable - related party	143,661	143,661
Accounts payable & accrued expenses	103,190	62,870
Interest payable	58,712	24,320
Total Current Liabilities	635,563	1,051,305
Long-Term Liabilities:		
Long-term portion of notes payable	2,054,215	949,006
Total Long-Term Liabilities	2,054,215	949,006
TOTAL LIABILITIES	2,689,778	2,000,311
COMMITMENTS AND CONTINGENCIES	–	–
SHAREHOLDERS' DEFICIT		
Preferred Stock, Series B $0.10 par value per share; Authorized 1,000,000 shares; Issued and outstanding 1,000,000 shares	100,000	100,000
Common Stock, $0.001 par value per share; Authorized 3,000,000,000 Shares; Issued and outstanding 486,093,265 and 346,419,296 March 31, 2021 and December 31, 2020, respectively	486,092	346,418
Capital paid in excess of par value	27,835,741	18,820,343
Accumulated comprehensive income	(11,636)	(2,871)
Accumulated (Deficit)	(29,282,907)	(20,218,727)
TOTAL SHAREHOLDERS' DEFICIT	(872,710)	(954,837)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 1,817,068	$ 1,045,474

See Accompanying Notes To These Financial Statements

Sunshine Biopharma, Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss

	3 Months Ended June 30, 2021	3 Months Ended June 30, 2020	6 Months Ended June 30, 2021	6 Months Ended June 30, 2020
Sales	$ 52,874	$ 15,145	$ 92,932	$ 26,247
Cost of sales	18,515	5,161	37,035	9,044
Gross Profit	34,359	9,984	55,897	17,203
General & Administrative Expenses:				
Accounting	19,800	37,200	61,200	37,200
Consulting	21,677	2,184	32,570	3,908
Legal	95,034	20,351	102,151	44,075
Office	61,117	23,327	100,803	35,456
Officer & director remuneration	22,000	52,000	1,043,927	55,830
Patent fees	8,377	–	14,570	–
R&D	191,760	–	358,546	–
Depreciation	3,192	3,491	6,374	7,002
Total General & Administrative Expenses	422,957	138,553	1,720,141	183,471
Loss from Operations	(388,598)	(128,569)	(1,664,244)	(166,268)
Other Income (Expenses):				
Foreign exchange (loss)	8	(2,894)	(6)	8,002
Interest expense	(195,630)	(24,219)	(245,341)	(40,575)
Miscellaneous income	–	3,000	–	3,000
Interest income	2	–	2	–
Debt release	221	1,259	51,252	1,552
Loss on debt conversions	(2,295,057)	(756,021)	(7,205,843)	(807,414)
Total Other Income (Expenses)	(2,490,456)	(778,875)	(7,399,936)	(835,435)
Net (loss) before income taxes	(2,879,054)	(907,444)	(9,064,180)	(1,001,703)
Provision for income taxes	–	–	–	–
Net Loss	(2,879,054)	(907,444)	(9,064,180)	(1,001,703)
Comprehensive Income (Loss):				
Unrealized income (loss) from foreign exchange translation	(6,702)	476	(8,765)	(865)
Comprehensive (Loss)	(2,885,756)	(906,968)	(9,072,945)	(1,002,568)
Basic Loss per Common Share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Weighted Average Common Shares Outstanding	478,520,336	153,069,298	458,767,179	101,111,514

See Accompanying Notes To These Financial Statements

Sunshine Biopharma, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows

	6 Months Ended June 30, 2021	6 Months Ended June 30, 2020
Cash Flows From Operating Activities:		
Net Loss	$ (9,064,180)	$ (1,001,703)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,374	7,002
Foreign exchange (gain) loss	(6)	(8,002)
Stock issued for services	918,000	50,000
Stock issued for payment interest	38,422	32,766
Loss on debt conversion	7,205,843	807,414
Debt & interest release	(51,252)	(1,552)
(Increase) decrease in accounts receivable	1,916	430
(Increase) decrease in inventory	(27,736)	(666)
(Increase) in prepaid expenses	(12,907)	(1,151)
Increase (decrease) in Accounts Payable & accrued expenses	35,524	(3,594)
Increase (decrease) in interest payable	33,795	6,006
Net Cash Flows Used in Operating Activities	(916,207)	(113,050)
Cash Flows From Financing Activities:		
Proceeds from notes payable	1,918,500	155,007
Note payable to pay fees	61,500	4,000
Payments of notes payable	(327,352)	–
Net Cash Flows Provided by Financing Activities	1,652,648	159,007
Cash and Cash Equivalents at Beginning of Period	989,888	40,501
Net Increase In Cash and cash equivalents	736,441	45,957
Foreign currency translation adjustment	8,765	(865)
Cash and Cash Equivalents at End of Period	$ 1,735,094	$ 85,593
Supplementary Disclosure of Cash Flow Information:		
Stock issued for note conversions including interest	$ 8,237,072	$ 807,909
Cash paid for interest	$ 142,152	$ –
Cash paid for income taxes	$ –	$ –

See Accompanying Notes To These Financial Statements.

Sunshine Biopharma, Inc.
Unaudited Condensed Consolidated Statement of Shareholders' Equity

	Number Of Common Shares Issued	Common Stock	Capital Paid in Excess of Par Value	Number Of Preferred Shares Issued	Preferred Stock	Comprehensive Income	Accumulated Deficit	Total
Three Month Period								
Balance March 31, 2021	465,005,925	465,005	24,759,393	1,000,000	100,000	(4,934)	(26,403,853)	(1,084,389)
Common stock issued for the reduction of notes payable and payment of interest	21,087,340	21,087	3,076,348					3,097,435
Net Loss						(6,702)	(2,879,054)	(2,885,756)
Balance at June 30, 2021	486,093,265	$ 486,092	$27,835,741	1,000,000	$ 100,000	$ (11,636)	$(29,282,907)	(872,710)
Six Month Period								
Balance December 31, 2020	346,419,296	346,418	18,820,343	1,000,000	100,000	(2,871)	(20,218,727)	(954,837)
Common stock issued for the reduction of note payable and payment of interest	79,673,969	79,674	8,157,398					8,237,072
Common stock issued for services	60,000,000	60,000	858,000			–		918,000
Net Loss						– (8,765)	(9,064,180)	(9,072,945)
Balance at June 30, 2021	486,093,265	$ 486,092	$27,835,741	1,000,000	$ 100,000	$ (11,636)	$(29,282,907)	(872,710)
Three Months Period								
March 31, 2020	59,675,417	59,675	16,714,450	500,000	50,000	(3,836)	(17,528,895)	(708,606)
Common stock issued for the reduction of note payable and payment of interest	210,145,831	210,145	828,166					1,038,311
Preferred stock issued for services				500,000	50,000			50,000
Net Loss						476	(907,444)	(906,968)
Balance at June 30, 2020	269,821,248	$ 269,820	$17,542,616	1,000,000	$ 100,000	$ (3,360)	$(18,436,339)	(527,263)
Six Months Period								
Balance December 31, 2019	35,319,990	35,320	16,616,426	500,000	50,000	(2,495)	(17,434,636)	(735,385)
Common stock issued for the reduction of note payable and payment of interest	234,501,258	234,500	926,190					1,160,690
Preferred stock issued for services				500,000	50,000			50,000
Net Loss						(865)	(1,001,703)	(1,002,568)
Balance at June 30, 2020	269,821,248	$ 269,820	$17,542,616	1,000,000	$ 100,000	$ (3,360)	$(18,436,339)	(527,263)

See Accompanying Notes To These Financial Statements.

Sunshine Biopharma, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For the Three and Six Month Interim Periods Ended June 30, 2021 and 2020

Note 1 – Nature of Business and Basis of Presentation

Sunshine Biopharma, Inc. (the "Company") was originally incorporated under the name Mountain West Business Solutions, Inc. on August 31, 2006, in the State of Colorado. Until October 2009, the Company was operating as a business consultancy firm.

Effective October 15, 2009, the Company acquired Sunshine Biopharma, Inc. in a transaction classified as a reverse acquisition. Sunshine Biopharma, Inc. was holding an exclusive license to a new anticancer drug bearing the laboratory name, Adva-27a (the "License Agreement"). Upon completion of the reverse acquisition transaction, the Company changed its name to Sunshine Biopharma, Inc. and began operating as a pharmaceutical company focusing on the development of the licensed Adva-27a anticancer drug.

In October 2012, the Company published the results of its initial preclinical studies of Adva-27a in the peer-reviewed journal, ANTICANCER RESEARCH. The studies were conducted in collaboration with Binghamton University, a State University of New York, and Ecole Polytechnique, Universite de Montreal. The publication is entitled "Adva-27a, a Novel Podophyllotoxin Derivative Found to Be Effective Against Multidrug Resistant Human Cancer Cells" [ANTICANCER RESEARCH Volume 32, Pages 4423-4432 (2012)].

In July 2014, the Company formed a wholly owned Canadian subsidiary, Sunshine Biopharma Canada Inc. ("Sunshine Canada") for the purposes of offering generic pharmaceutical products in Canada and elsewhere around the world. Sunshine Canada has recently transitioned its focus to the development and marketing of Science-Based Nutritional Supplements.

In December 2015, the Company acquired all worldwide issued (US Patent Number 8,236,935, and 10,272,065) and pending patents under PCT/FR2007/000697 and PCT/CA2014/000029 for the Adva-27a anticancer compound from Advanomics Corporation, a related party, and terminated the License Agreement. In 2016, the remaining value of these patents was impaired. The Company is however continuing development of the Adva-27a anticancer drug covered by these patents.

In March 2018, the Company formed NOX Pharmaceuticals, Inc., a wholly owned Colorado corporation and assigned all of the Company's interest in the Adva-27a anticancer drug to that company. NOX Pharmaceuticals Inc.'s mission is to research, develop and commercialize proprietary drugs including Adva-27a.

In December 2018, the Company launched its first Science-Based Nutritional Supplements product, Essential 9™, an over-the-counter tablet comprised of the nine (9) essential amino acids that the human body cannot make. Essential 9™ has been authorized for marketing by Health Canada under NPN 80089663.

Effective February 1, 2019, the Company completed a 20 to 1 reverse split of its Common Stock, reducing the issued and outstanding shares of Common Stock from 1,713,046,242 to 85,652,400 (the "First Reverse Stock Split"). The Company's authorized capital of Common Stock remained as previously established at 3,000,000,000 shares.

Effective April 6, 2020, the Company completed another 20 to 1 reverse split of its Common Stock, reducing the issued and outstanding shares of Common Stock from 1,193,501,925 to 59,675,417 (the "Second Reverse Stock Split"). The number of Common Shares authorized for issuance remained as previously established at 3,000,000,000 shares. All references to the Company's Common Stock in this Report, including the Company's financial statements reflect both the First and Second Reverse Stock Split on a retroactive basis.

On May 22, 2020, the Company filed a provisional patent application in the United States for a new treatment for Coronavirus infections. The Company's patent application covers composition subject matter pertaining to small molecules for inhibition of the main Coronavirus protease, Mpro, an enzyme that is essential for viral replication. The patent application has a priority date of May 22, 2020. On April 30, 2021, the Company filed a PCT application containing new research results and extending coverage to include the Coronavirus Papain-Like protease, PLpro. The priority date of May 22, 2020 has been maintained in the newly filed PCT application.

On June 17, 2020, the Company filed an amendment to its Articles of Incorporation (the "Amendment") with the State of Colorado, to eliminate the Series "A" Preferred Shares consisting of Eight Hundred and Fifty Thousand (850,000) shares, par value $0.10 per share, and the designation thereof, which shares were returned to the status of undesignated shares of Preferred Stock. In addition, the Amendment increased the number of authorized Series "B" Preferred Shares from Five Hundred Thousand (500,000) to One Million (1,000,000) shares.

Also on June 17, 2020, the Company issued Five Hundred Thousand (500,000) shares of Series "B" Preferred Stock in favor of Dr. Steve N. Slilaty, the Company's CEO, in consideration for the COVID-19 treatment technology he developed. The Series "B" Preferred

Stock is non-convertible, non-redeemable, non-retractable and has a superior liquidation value of $0.10 per share. Each share of Series "B" Preferred Stock is entitled to 1,000 votes per share. This issuance brought the total number of Series "B" Preferred Stock held by Dr. Slilaty to 1,000,000 shares.

On September 8, 2020, the Company executed a financing agreement with RB Capital Partners, Inc., La Jolla, CA, ("RB Capital") who agreed to provide the Company with a minimum of $2 million in convertible debt financing during the ensuing three to six month period pursuant to the terms and conditions included in relevant Promissory Notes (the "Promissory Notes"). The Promissory Notes bear interest at the rate of 5% per annum and have a maturity date of two years from the date of issuance. The Company has the right to pay off all or any part of the Promissory Notes at any time without penalty. As of June 30, 2021, the Company has received a total of $2,554,000 in funding under this agreement.

Effective October 6, 2020, the Company entered into a Research Agreement (the "Agreement") with the University of Georgia Research Foundation, Inc. ("UGARF"), representing the University of Georgia ("UGA"). The purpose of the Agreement is to memorialize the terms of the Company working together with UGA to conduct the necessary research and development to advance the Company's Anti-Coronavirus lead compound, SBFM-PL4 (or derivatives thereof) through various stages of preclinical development, animal studies and clinical trials for Coronavirus infections. The Agreement grants the Company an exclusive worldwide license for all of the intellectual property developed by UGA, whether developed alone or jointly with the Company.

On January 26, 2021, the Company received a Notice of Allowances from the Canadian Intellectual Property Office for a new patent application covering Adva-27a. The newly issued patent contains new subject matter and extends the proprietary protection of Adva-27a in Canada until 2033.

On February 4, 2021, the Company entered into an exclusive license agreement with the University of Georgia ("UGA") for two Anti-Coronavirus compounds which UGA had previously developed and patented. The Company and UGA will advance the development of these two compounds in parallel with the Company's own Anti-Coronavirus compound, SBFM-PL4.

On March 9, 2021, the Company received a Notice of Allowance from the European Patent Office for a new patent application covering Adva-27a. The newly issued patent contains new subject matter and extends the proprietary protection of Adva-27a in Europe until 2033. The equivalent patent in the United States was issued in 2019 (US Patent Number 10,272,065).

The Company's financial statements reflect both the First and Second Reverse Stock Split on a retroactive basis and represent the consolidated activity of Sunshine Biopharma, Inc. and its subsidiaries (Sunshine Biopharma Canada Inc. and NOX Pharmaceuticals Inc.) herein collectively referred to as the "Company".

Impact of Coronavirus (COVID-19) Pandemic

In March 2020, the World Health Organization declared Coronavirus and its associated disease, COVID-19, a global pandemic. Conditions surrounding the Coronavirus outbreak have been and are continuing to evolve rapidly. Government authorities in the U.S. and around the world have implemented emergency measures to mitigate the spread of the virus. The outbreak and related mitigation measures have had and will continue to have a material adverse impact on the world economies and the Company's business activities. It is not possible for the Company to predict the duration or magnitude of the adverse conditions of the outbreak and their effects on the Company's business or ability to raise funds. No adjustments have been made to the amounts reported in the Company's financial statements as a result of this matter.

Basis of Presentation of Unaudited Financial Information

The unaudited financial statements of the Company for the three and six month periods ended June 30, 2021 and 2020 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2020 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2020 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 30, 2021. These financial statements should be read in conjunction with that report.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12 "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." This guidance removes certain exceptions to the general principles in Topic 740 and provides consistent application of U.S. GAAP by

clarifying and amending existing guidance. The effective date of the new guidance for public companies is for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the timing of adoption and impact of the updated guidance on its financial statements.

In February 2020, the FASB issued ASU 2020-02, *Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842)* which amends the effective date of the original pronouncement for smaller reporting companies. ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. The Company believes the adoption will modify the way the Company analyzes financial instruments, but it does not anticipate a material impact on results of operations. The Company is in the process of determining the effects adoption will have on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)*, ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU2020-06 amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is evaluating the impact of this guidance on its unaudited consolidated financial statements.

Note 2 – Going Concern and Liquidity

As of June 30, 2021 and December 31, 2020, the Company had $1,735,094 and $989,888 in cash on hand, respectively, and limited revenue-producing business. Additionally, as of June 30, 2021 and December 31, 2020, the outstanding liabilities of the Company totaled $2,689,778 and $2,000,311, respectively. These factors raise substantial doubts about the Company's ability to continue as a going concern.

The consolidated financial statements included in this Report have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. Based on past experience, the Company believes that it will be able to raise the necessary capital through debt and equity issuances to fund ongoing operating expenses. The consolidated financial statements included in this Report do not include any adjustments that may result from the outcome of any going concern uncertainty.

There is no assurance that these events will be satisfactorily completed. Any issuance of convertible debt or equity securities, if accomplished, could cause substantial dilution to existing stockholders. Any failure by the Company to successfully implement these plans would have a material adverse effect on its business, including the possible inability to continue operations.

Note 3 – Notes Payable

The Company's Notes Payable at June 30, 2021 consisted of the following:

A Note Payable dated December 31, 2018 having a Face Value of $136,744 and accruing interest at 12% was due December 31, 2019. On October 1, 2019, the holder of this note requested to convert $30,000 in principal amount into 1,500,000 shares of Common Stock, leaving a principal balance $106,744. On December 31, 2019, the Company renewed the remaining principal balance of this Note, together with accrued interest of $15,509 for a 12-month period. The new Note has a Face Value of $122,253 and accrues interest at 12%. This Note matured on December 31, 2020. On August 27, 2020, the holder of this Note transferred all of its interest therein to RB Capital and in connection with a financing agreement with RB Capital, the Company agreed to render the Note convertible at $0.001 per share. Through June 30, 2021, the entire principal amount of $122,253 of this Note and all accrued interest of $14,247 was converted into 136,500,000 shares of Common Stock valued at $7,884,100 resulting in a loss of $7,747,600.

On April 17, 2020, the Company's Canadian subsidiary received a CEBA Loan (Canada Emergency Business Account Loan) from CIBC (Canadian Imperial Bank of Commerce) in the principal amount of $40,000 Canadian ($29,352 US) as part of the Canadian government's COVID-19 relief program. The CEBA Loan is non-interest bearing if repaid on or before December 31, 2022 (the "Termination Date"). The CEBA Loan is considered repaid in full if the borrower repays 75% of the Principal Amount on or before the Termination Date. On June 15, 2021, the Company paid 75% of this loan and the remaining 25% was forgiven.

On April 27, 2020, the Company received a Paycheck Protection Program loan ("PPP Loan") in the principal amount of $50,655 from the US Small Business Administration ("SBA") as part of the US government's COVID-19 relief program. This loan accrues interest at the rate of 1% per annum. The Company is obligated to make payments of principal and interest totaling $2,133 each month commencing on November 27, 2020, with any remaining balances due and payable on or before April 27, 2022. The proceeds derived from this loan may only be used for payroll costs, interest on mortgages, rent and utilities ("Admissible Expenses"). In addition, the Paycheck

Protection Program provides for conditional loan forgiveness if the Company utilizes at least 75% of the proceeds from the loan to pay Admissible Expenses. On December 15, 2020, the Company applied to the funding bank for forgiveness of this loan per SBA guidance. On December 18, 2020, the Company received notification that the funding bank has approved forgiveness of the loan in its entirety and that it has submitted a request to the SBA for final approval. On February 22, 2021, the funding bank informed the Company that the SBA has fully forgiven the loan.

On July 7, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $48,000 with interest accruing at 8% is due July 7, 2021. The Note is convertible after 180 days from issuance into Common Stock at a price 35% below market value. On January 5, 2021, the Company paid off the entire principal balance of this Note, together with accrued interest and prepayment penalties of $15,271 by issuing cash payment of $63,271.

On July 27, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $102,000 with interest accruing at 8% is due July 27, 2021. The Note is convertible after 180 days from issuance into Common Stock at a price 30% below market value. On January 29, 2021, the entire principal amount of $102,000 of this Note plus accrued interest of $4,171 was converted into 5,044,456 shares of Common Stock valued at $484,268 resulting in a loss of $378,097.

On August 14, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $67,000 with interest accruing at 8% is due August 14, 2021. The Note is convertible after 180 days from issuance into Common Stock at a price 30% below market value. On February 22, 2021, the entire principal amount of $67,000 of this Note plus accrued interest of $2,680 was converted into 542,173 shares of Common Stock valued at $119,169 resulting in a loss of $49,489.

On September 14, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $250,000 with interest accruing at 5% is due September 14, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. On June 2, 2021, the entire principal amount of $250,000 of this Note plus all accrued interest of $8,850 converted into 862,833 shares of Common Stock valued at $170,841 resulting in a gain of $88,009.

On September 24, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $50,000 with interest accruing at 5% is due September 24, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. The Company analyzed the conversion feature of the note for a beneficial conversion feature on the commitment date on March 23, 2021 which is 180 days after the issuance date, and determined that there was no beneficial conversion feature on June 30, 2021.

On October 20, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $250,000 with interest accruing at 5% is due October 20, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. On June 2, 2021, the entire principal amount of $250,000 of this Note plus all accrued interest of $7,600 was converted into 858,666 shares of Common Stock valued at $170,016 resulting in a gain of $87,584.

On November 19, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $250,000 with interest accruing at 8% is due August 19, 2021. The Note is convertible after 180 days from issuance into Common Stock at a price 35% below market value. On May 19, 2021, the Company paid off the entire principal balance of this Note, together with accrued interest and prepayment penalties of $126,881 by issuing cash payment of $376,881.

On November 24, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $260,000 with interest accruing at 8% is due November 24, 2021. The Note is convertible after 180 days from issuance into Common Stock at a price 30% below market value. On June 1, 2021, the entire principal amount of $260,000 of this Note plus all accrued interest of $10,428 was converted into 3,865,841 shares of Common Stock valued at $695,078 resulting in a loss of $424,650.

On November 25, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $250,000 with interest accruing at 5% is due November 25, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. The Company analyzed the conversion feature of the note for a beneficial conversion feature on the commitment date on May 24, 2021, which is 180 days after the issuance date, and determined that there was no beneficial conversion feature on June 30, 2021.

On December 2, 2020, the Company received monies in exchange for a Note Payable having a Face Value of $104,215 with interest accruing at 5% is due December 2, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. The Company analyzed the conversion feature of the note for a beneficial conversion feature on the commitment date on May 31, 2021, which is 180 days after the issuance date, and determined that there was no beneficial conversion feature on June 30, 2021.

On January 12, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $150,000 with interest accruing at 5% is due January 12, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to

$0.30 per share. The Company will analyze the conversion feature of the note for a beneficial conversion feature on the commitment date of July 11, 2021 which is 180 days after the issuance date.

On January 27, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $300,000 with interest accruing at 5% is due January 27, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.50 per share. The Company will analyze the conversion feature of the note for a beneficial conversion feature on the commitment date of July 26, 2021 which is 180 days after the issuance date.

On February 12, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $700,000 with interest accruing at 5% is due February 12, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.60 per share. The Company will analyze the conversion feature of the note for a beneficial conversion feature on the commitment date of August 11, 2021 which is 180 days after the issuance date.

On April 5, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $330,000 with interest accruing at 10% is due January 5, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price of $0.30 per share or 35% below market value, whichever is lower. The Company will analyze the conversion feature of the note for a beneficial conversion feature on the commitment date on October 2, 2021 which is 180 days after the issuance date.

On April 20, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $500,000 with interest accruing at 5% is due February April 20, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. The Company will analyze the conversion feature of the note for a beneficial conversion feature on the commitment date of October 17, 2021 which is 180 days after the issuance date.

At June 30, 2021 and December 31, 2020, total accrued interest on Notes Payable was $58,712 and $24,320, respectively.

Note 4 – Notes Payable - Related Party

Outstanding Notes Payable at June 30, 2021 held by related parties consist of the following:

A Note Payable dated December 31, 2019 held by the CEO of the Company having a Face Value of $128,269 and accruing interest at 12% was due December 31, 2020. On December 31, 2020, the Company renewed the Note together with accrued interest of $15,392 for a 12-month period. The new Note has a face Value of $143,661, accrues interest at 12% per annum, and has a maturity date of December 31, 2021.

Note 5 – Shareholders' Equity

During the six months ended June 30, 2021 the Company issued a total of 79,673,969 shares of Common Stock for the conversion of outstanding notes payable, reducing the debt by $993,028 and interest payable by $38,021 and generating a loss on conversion of $7,205,843. In addition, the Company issued 60,000,000 shares of Common Stock valued at $918,000 to its Officers and Directors as compensation for their services to the Company.

The Company declared no dividends through June 30, 2021.

Note 6 – Related Party Transactions

In addition to the related party transaction detailed in Note 4 above, the Company paid its Officers and Directors cash compensation totaling $125,927 and $55,830 for the six months ended June 30, 2021 and 2020, respectively. Of these amounts, $52,000 was paid to Advanomics Corporation (now known as TRT Pharma Inc.), a company controlled by the CEO of the Company. In addition, the Company issued 60,000,000 shares of Common Stock valued at $918,000 to its Officers and Directors during the six months ended June 30, 2021.

Note 7 – Subsequent Events

On July 6, 2021, the Company received monies in exchange for a Note Payable having a Face Value of $900,000 with interest accruing at 5% is due July 6, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. In connection with this debt financing, the Company agreed to allow the lender, who is also the holder of a Note Payable dated November 25, 2020 (the "November Note"), to convert a total of $240,000 in principal amount of November Note into 24,000,000 shares of Common Stock leaving a principal balance of $10,000 and accrued interest of $7,750. On July 6, 2021, the Company paid off the remaining principal balance of this Note and secured forgiveness of the accrued interest.

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." Until October 2009, our business was to provide management consulting services to small and home-office based companies.

In October 2009, we acquired Sunshine Biopharma, Inc., a Colorado corporation holding an exclusive license (the "License") to a new anticancer drug bearing the laboratory name, Adva-27a. As a result of this transaction we changed our name to "Sunshine Biopharma, Inc." and our officers and directors resigned their positions with us and were replaced by Sunshine Biopharma, Inc.'s management at the time, including our current CEO, Dr. Steve N. Slilaty, and our current CFO, Camille Sebaaly. Our principal business became that of a pharmaceutical company focusing on the development of our licensed Adva-27a anticancer compound. In December 2015 we acquired all issued and pending patents pertaining to our Adva-27a technology and terminated the License.

In October 2012, we published the results of our initial preclinical studies of Adva-27a in the peer-reviewed journal, ANTICANCER RESEARCH. The preclinical studies were conducted in collaboration with Binghamton University, a State University of New York, and Ecole Polytechnique, Universite de Montreal. The publication is entitled "Adva-27a, a Novel Podophyllotoxin Derivative Found to Be Effective Against Multidrug Resistant Human Cancer Cells" [ANTICANCER RESEARCH Volume 32, Pages 4423-4432 (2012)].

In July 2014, we formed a wholly owned Canadian subsidiary, Sunshine Biopharma Canada Inc. ("Sunshine Canada"), for the purposes of offering generic pharmaceutical products in Canada and elsewhere around the world. Sunshine Canada has recently transitioned its focus to the development and marketing of Science-Based Nutritional Supplements.

In March 2018, we formed NOX Pharmaceuticals, Inc., a wholly owned Colorado corporation, and assigned all of our interest in our Adva-27a anticancer compound to that company. NOX Pharmaceuticals, Inc.'s mission is to research, develop and commercialize proprietary drugs including Adva-27a.

In December 2018, we completed the development of our first Science-Based Nutritional Supplements product, Essential-9TM. This new supplement is an over-the-counter tablet comprised of the nine (9) amino acids which the human body cannot make. Essential-9TM has been authorized for marketing by Health Canada under NPN 80089663. On March 12, 2019, Essential-9TM became available for sale on Amazon.ca and shortly thereafter on Amazon.com.

Effective February 1, 2019, we completed a 20 to 1 reverse split of our $0.001 par value Common Stock reducing the issued and outstanding shares of Common Stock from 1,713,046,242 to 85,652,400 (the "First Reverse Stock Split"). The number of authorized shares of our $0.001 par value Common Stock remained at 3,000,000,000 shares.

Effective April 6, 2020, we completed another 20 to 1 reverse split of our $0.001 par value Common Stock, reducing the issued and outstanding shares of Common Stock from 1,193,501,925 to 59,675,417 (the "Second Reverse Stock Split"). The authorized capital of our Common Stock remained as previously established at 3,000,000,000 shares. Except in the paragraphs describing the reverse stock splits, all references in this Report to our Common Stock as well as the price per share of Common Stock are presented on a post First and Second Reverse Stock Splits basis.

On May 22, 2020, we filed a patent application in the United States for a new treatment for Coronavirus infections, including COVID-19. Our patent application covers composition subject matter pertaining to small molecules for inhibition of the main Coronavirus protease (Mpro), an enzyme that is essential for viral replication. The small molecules covered by the patent application were computer modelled and designed by Dr. Steve N. Slilaty, our CEO. The patent application has a priority date of May 22, 2020. On April 30, 2021, we filed a PCT application containing new research results and extending coverage to include the Coronavirus Papain-Like protease, PLpro. The priority date of May 22, 2020 has been maintained in the newly filed PCT application.

On June 17, 2020, we filed an amendment to our Articles of Incorporation (the "Amendment") with the Secretary of State for the State of Colorado, to eliminate the Series "A" Preferred Shares consisting of Eight Hundred and Fifty Thousand (850,000) shares, par value $0.10 per share, and the designation thereof, such shares to be returned to the status of undesignated shares of Preferred Stock. In addition, the Amendment increased the number of authorized Series "B" Preferred Shares from Five Hundred Thousand (500,000) to One Million (1,000,000) shares.

Also on June 17, 2020, our Board of Directors authorized the issuance of Five Hundred Thousand (500,000) shares of our Series "B" Preferred Stock in favor of Dr. Steve N. Slilaty, our CEO and a director, in consideration for his development of a new treatment for Coronavirus infections, including COVID-19. The Series "B" Preferred Stock is non-convertible, non-redeemable, non-retractable and has a superior liquidation value of $0.10 per share. Each share of Series "B" Preferred Stock is entitled to 1,000 votes per share. This issuance brought the total number of Series "B" Preferred Stock held by Dr. Slilaty to 1,000,000 shares.

On September 8, 2020, we executed a financing agreement with RB Capital Partners, Inc., La Jolla, CA, who agreed to provide us with a minimum of $2 million in convertible debt financing during the ensuing three to six month period pursuant to the terms and conditions included in relevant Promissory Notes (the "Promissory Notes"). The Promissory Notes bear interest at the rate of 5% per annum and have a maturity date of two years from the date of issuance. We have the right to pay off all or any part of the Promissory Notes at any time without penalty. As of June 30, 2021, the Company has received a total of $2,554,000 in funding under this agreement.

Effective October 6, 2020, we entered into a Research Agreement (the "Agreement") with the University of Georgia Research Foundation, Inc. ("UGARF"), representing the University of Georgia ("UGA"). The purpose of the Agreement is to memorialize the terms of our working together with UGA to conduct the necessary research and development to advance our Anti-Coronavirus lead compound, SBFM-PL4 (or derivatives thereof) through various stages of preclinical development, animal studies and clinical trials for Coronavirus infections. The Agreement grants us an exclusive worldwide license for all of the intellectual property developed by UGA, whether alone or jointly with us.

On January 26, 2021, we received a Notice of Allowances from the Canadian Intellectual Property Office for a new patent application covering Adva-27a. The newly issued patent contains new subject matter and extends the proprietary protection of Adva-27a in Canada until 2033.

On February 4, 2021, we entered into an exclusive license agreement with the University of Georgia ("UGA") for two Anti-Coronavirus compounds which UGA had previously developed and patented. In collaboration with UGA, we are currently advancing the development of these two compounds in parallel with our own Anti-Coronavirus compound, SBFM-PL4.

On March 9, 2021, we received a Notice of Allowance from the European Patent Office for a new patent application covering Adva-27a. The newly issued patent contains new subject matter and extends the proprietary protection of Adva-27a in Europe until 2033. The equivalent patent in the United States was issued in 2019 (US Patent Number 10,272,065).

Our principal place of business is located at 6500 Trans-Canada Highway, 4th Floor, Pointe-Claire, Quebec, Canada H9R 0A5. Our phone number is (514) 426-6161 and our website address is www.sunshinebiopharma.com.

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

PLAN OF OPERATION

Despite the fact that we now are generating revenues, we have elected to include a Plan of Operation to discuss our ongoing research and development activities relating to our proprietary drug development operations, as well as our other business activities.

Drug Development Operations

SBFM-PL4 Anti-Coronavirus Treatment

Viruses carry minimal genetic information as they rely, for the most part, on host cellular machinery to multiply. Coronavirus has a positive-sense RNA genome consisting of approximately 30,000 nucleotides, a genome size that places it among the larger sized viruses. A positive-sense RNA genome is effectively a messenger RNA which allows the virus to express its genes immediately upon gaining entry into the host cell without the need for any prior replication or transcription steps as is the case with negative-sense RNA or DNA viruses. This is part of what makes Coronavirus a highly aggressive pathogen. Many of the causative agents of serious human diseases are positive-sense RNA viruses, including Hepatitis C, Zeka, Polio, West Nile, Dengue, Cardiovirus, and many others. Some positive-sense RNA viruses, such as the rhinoviruses that cause the common cold, are less clinically serious but they are responsible for widespread morbidity on a yearly basis.

The initial genome expression products of Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2), the causative agent of COVID-19, are two large polyproteins, referred to as pp1a and pp1ab. These two polyproteins are cleaved at 15 specific sites by two virus encoded proteases (Mpro and PLpro) to generate 16 different non-structural proteins essential for viral replication. Mpro and PLpro represent an attractive anti-viral drug development targets as they play a central role in the early stages of viral replication. The crystal structure of Mpro shows the presence of an active site Cysteine (Cys145) and a coordinated active site Histidine (His41), both of which are essential for the enzyme's proteolytic activity. Similarly, PLpro, also a Cysteine Protease, has an active site Cysteine at position 112 and a Histidine at 273. The following is a summary of the development to date of our Coronavirus Treatment project:

- On May 22, 2020, we filed a patent application in the United States for a new treatment for Coronavirus infections. Our patent application covers composition subject matter pertaining to small molecules for inhibition of the Coronavirus main protease (Mpro), an enzyme that is essential for viral replication. The small molecules covered by the patent application were computer modelled and designed by Dr. Steve N. Slilaty, our CEO. The patent application has a priority date of May 22, 2020.

- In August 2020, we completed the synthesis of four different potential inhibitors of Coronavirus protease. These compounds are based on the technology described in our patent application filed on May 22, 2020.

- In September 2020, we completed the screening of our four compounds and subsequently identified a lead Anti-Coronavirus drug candidate (SBFM-PL4). The screening which pinpointed the lead compound was performed at the University of Georgia, College of Pharmacy under the leadership of Dr. Scott D. Pegan, Director of the Center for Drug Discovery and Interim Associate Head of Pharmaceutical and Biomedical Sciences.

- In October 2020, we expanded our collaboration with Dr. Scott Pegan group by entering into a research agreement with the University of Georgia to further develop our Anti-Coronavirus lead compound, SBFM-PL4.

- On February 1, 2021, we entered into an exclusive license agreement with the University of Georgia for two Anti-Coronavirus compounds which the University of Georgia had previously developed and patented. We are currently advancing the development of these two compounds in parallel with our SBFM-PL4 by conducting a transgenic mice study in collaboration with the University of Georgia. The mice being used in the study have been genetically engineered to express the human angiotensin-converting enzyme 2 (hACE2) transmembrane protein in their lungs making them susceptible to lethal infection by SARS-CoV-2, the causative agent of COVID-19. The SARSCoV-2 virus uses the hACE2 receptor to gain entry into human cells to replicate. The goal of the study is to determine if our protease inhibitors will protect the hACE2-transgenic mice from disease progression and death following infection with SARS-CoV-2 virus. Should these mice studies prove successful, we plan to submit the results to the FDA for authorization to conduct testing on actual COVID-19 patient volunteers in a Phase I clinical trial setting. The implications of a COVID-19 treatment becoming available are vast. This is particularly the case in view of the fact that some of the variants emerging around the world are more virulent and may escape neutralization by the current vaccines.

Adva-27a Anticancer Drug

Since inception, our proprietary drug development activities has focused on the development of a small molecule called Adva-27a for the treatment of aggressive forms of cancer. A Topoisomerase II inhibitor, Adva-27a has been shown to be effective at destroying Multidrug Resistant Cancer cells including Pancreatic Cancer cells, Breast Cancer cells, Small-Cell Lung Cancer cells and Uterine Sarcoma cells (Published in ANTICANCER RESEARCH, Volume 32, Pages 4423-4432, October 2012). Sunshine Biopharma is direct owner of all issued and pending worldwide patents pertaining to Adva-27a including U.S. Patents Number 8,236,935 and 10,272,065.

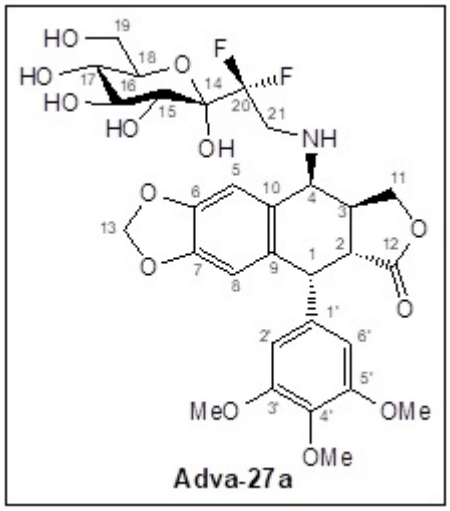

Figure 1

Adva-27a is a GEM-difluorinated C-glycoside derivative of Podophyllotoxin (see Figure 1). Another derivative of Podophyllotoxin called Etoposide 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. Etoposide is one of the most widely used anticancer drugs. Adva-27a and Etoposide are similar in that they both attack the same target in cancer cells, namely the DNA unwinding enzyme, Topoisomerase II. Unlike Etoposide however, Adva-27a is able to penetrate and destroy Multidrug Resistant Cancer cells. Adva-27a is the only compound known today that is capable of destroying Multidrug Resistant Cancer. In addition, Adva-27a has been shown to have distinct and more desirable biological and pharmacological properties compared to Etoposide. In side-by-side studies using Multidrug Resistant Breast Cancer cells and Etoposide as a reference, Adva-27a showed markedly greater cell killing activity (see Figure 2).

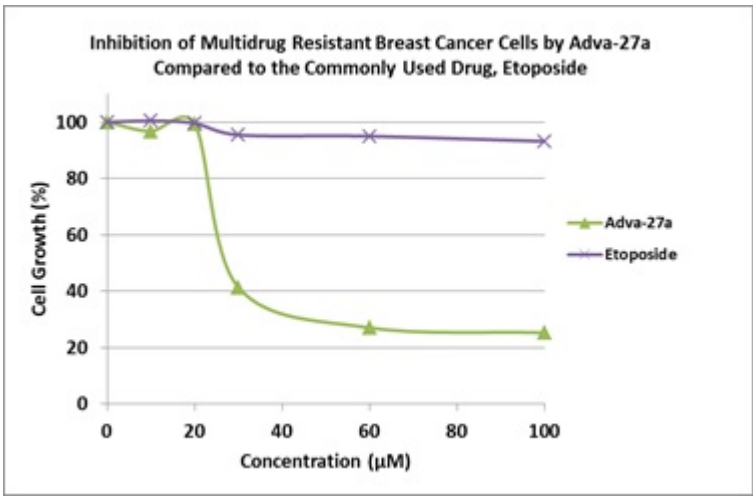

Figure 2

Our preclinical studies to date have shown that:

- Adva-27a is effective at killing different types of Multidrug Resistant cancer cells, including Pancreatic Cancer Cells (Panc-1), Breast Cancer Cells (MCF-7/MDR), Small-Cell Lung Cancer Cells (H69AR), and Uterine Sarcoma Cells (MES-SA/Dx5).

- 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 (this number has recently been reduced to 1.44 micromolar as a result of resolving the two isomeric forms of Adva-27a).

- 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 been published in ANTICANCER RESEARCH, a peer-reviewed International Journal of Cancer Research and Treatment. The publication which is entitled "Adva-27a, a Novel Podophyllotoxin Derivative Found to Be Effective Against Multidrug Resistant Human Cancer Cells" [ANTICANCER RESEARCH 32: 4423-4432 (2012)] is available on our website at www.sunshinebiopharma.com.

We have been delayed in our clinical development program due to lack of funding. See "Liquidity and Capital Resources" below for a discussion of our financing requirements.

Our fund raising efforts are continuing and as soon as adequate financing is in place we will continue our clinical development program of Adva-27a by conducting the following next sequence of steps:

- GMP Manufacturing of 2 kilogram for use in IND-Enabling Studies and Phase I Clinical Trials,

- IND-Enabling Studies;

- Regulatory Filing (Fast-Track Status Anticipated); and

- Phase I Clinical Trials (Pancreatic Cancer Indication).

Adva-27a's initial indication will be Pancreatic Cancer for which there are currently little or no treatment options available. We are planning to conduct our clinical trials at McGill University's Jewish General Hospital in Montreal, Canada. All aspects of the clinical trials in Canada will employ FDA standards at all levels.

According to the American Cancer Society, nearly 1.5 million new cases of cancer are diagnosed in the U.S. each year. While particularly effective against Multidrug Resistant Cancer, we believe Adva-27a can potentially treat all cancer types, particularly those in which Topoisomerase II has been amplified. It is possible 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 on our own.

The following, Figure 3, is a space-filling molecular model of our Adva-27a.

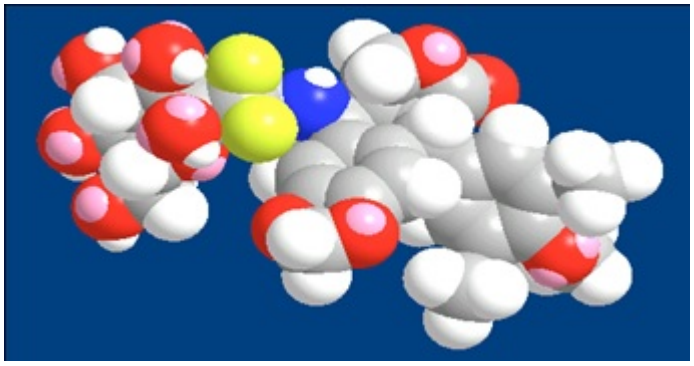

Figure 3

Generic Pharmaceuticals Operations

In July 2014, we formed a wholly owned Canadian subsidiary, Sunshine Biopharma Canada Inc. ("Sunshine Canada") for the purposes of offering generic pharmaceutical products in Canada and elsewhere around the world. Due to unfavorable evolution of the generic drugs marketplace, Sunshine Canada has recently terminated its Generic Pharmaceuticals Operations and shifted its focus to the development and marketing of Science-Based Nutritional Supplements.

Science-Based Nutritional Supplements Operations

In December 2018, we completed the development of Essential 9™, the first in a line of essential micronutrients products that we are planning to launch. On December 14, 2018, Health Canada issued NPN 80089663 through which it authorized Sunshine Biopharma Inc. to manufacture and sell the Essential 9™ product. Our Essential 9™ nutritional supplement tablets contain a balanced formula of the 9 Essential Amino Acids that the human body cannot make. Essential Amino Acids are 9 out of the 20 amino acids required for protein synthesis. Proteins are involved in all body functions – From the musculature and immune system to hormones and neurotransmitters. Like vitamins, Essential Amino Acids cannot be made by the human body and must be obtained through diet. Deficiency in one or more of the 9 Essential Amino Acids can lead to loss of muscle mass, fatigue, weight gain and reduced ability to build muscle mass in athletes. Sunshine Biopharma's Essential 9™ provides all 9 Essential Amino Acids in freeform and in the proportions recommended by Health Canada. Essential 9™ is currently available on Amazon.com and Amazon.ca. Figure 4 below shows our 60-Tablet Essential 9™ product.

Figure 4

RESULTS OF OPERATIONS

Comparison of Results of Operations for the Six Months ended June 30, 2021 and 2020

During the six months ended June 30, 2021, we generated revenues of $92,932 from the sale of products generated by our Science-Based Nutritional Supplements Operations which we launched in March 2019. The direct cost for generating these sales was $37,035 (40%). We generated $26,247 in sales revenues during the comparable period in 2020. The direct cost for generating these sales was $9,044 (34.5%). The decrease in our gross margin during the six months ended June 30, 2021, was due to the introduction of new products that have lower profitability margins.

General and administrative expenses during the six months ended June 30, 2021 was $1,720,141, compared to $183,471 during the six months ended June 30, 2020, an increase of $1,536,670. The reason for this relatively large increase was due to a general increase in our business activities as funding for our drug development projects became available. Specifically, all of our expense categories saw increases including executive compensation which increased by $988,097 due to issuance of Common Stock to our Directors. Similarly, our R&D expenditures increased by $358,546 and our patenting fees by $14,570. Our other expense categories, including accounting, consulting, legal and office expenses together increased by a total of $176,085.

We incurred $7,205,843 in losses arising from debt conversion during the six months ended June 30, 2021, compared to $807,414 in losses from debt conversion during the similar period in 2020. This large increase was due to more costly convertible debt financing that we took on in order to fund our R&D activities. The other contributing factor is related to recent volatility in our stock price. We also incurred $245,341 in interest expense during the six months ended June 30, 2021, compared to $40,575 in interest expense during the similar period in 2020. The increase was a result of the aforementioned more costly debt financing we took on.

As a result, we incurred a Net Loss of $9,064,180 ($0.02 per share) during the six month period ended June 30, 2021, compared to a net loss of $1,001,703 ($0.01 per share) during the six month period ended June 30, 2020.

Comparison of Results of Operations for the Three Months Ended June 30, 2021 and 2020

During the three months ended June 30, 2021, we generated $52,874 in revenues, compared to $15,145 in revenues for the same three month period in 2020, an increase of $37,729. The increase is attributable to an enhanced advertising campaign we initiated in 2021. All of these revenues were generated from our new Science-Based Nutritional Supplements Operations which we launched in March 2019. The direct cost for generating these revenues was $18,515 (35%) for the period ended June 30, 2021, compared to $5,161 (34.1%) for the same period in 2020. Our gross profit increased to $34,359 for the period ended June 30, 2021, compared to a gross profit of $9,984 for the same period in 2020.

General and administrative expenses during the three month period ended June 30, 2021 were $422,957, compared to general and administrative expenses of $138,553 incurred during the three month period ended June 30, 2020, an increase of $284,404. Nearly all categories of our general and administrative expenses saw an increase during the three month period ended June 30, 2021, compared to the same period in 2020. Specifically, the increases included R&D expenditures by $191,760, consulting fees by $19,493, office expenses by $37,790, patenting fees by $8,377, and legal fees by $74,683. These increases were due to expansion of our drug development and nutritional supplements operations. Overall, we incurred a loss of $388,598 from our operations in the three month period ended June 30, 2021, compared to a loss of $128,569 in the similar period of 2020.

In addition, we incurred $195,630 in interest expense during the three months ended June 30, 2021, compared to $24,219 in interest expense during the similar period in 2020. We also incurred $2,295,057 in losses arising from debt conversion during the three months ended June 30, 2021, compared to $756,021 in losses from debt conversion during the similar period in 2020. These increases were due to increased, more costly borrowings to fund our expanded drug development and nutritional supplements operations.

As a result, we incurred a net loss of $2,879,054 ($0.01 per share) for the three month period ended June 30, 2021, compared to a net loss of $907,444 ($0.00 per share) during the three month period ended June 30, 2020.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2021, we had cash or cash equivalents of $1,735,094.

As discussed in Note 2 to the consolidated financial statements included in this Report for going concern, we have incurred significant continuing losses in 2021 and 2020. Our total accumulated deficits as of June 30, 2021 and December 31, 2020 were $29.3 million and $20.2 million, respectively. Our ability to continue operating is highly dependent upon continued funding from the debt and equity markets. Based on past experience, we believe that we will be able to raise the necessary capital to continue operations. Our historical and ongoing dependence on proceeds from debt and/or equity issuances to fund operating expenses could raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements included in this Report have been prepared assuming that our Company will continue as a going concern and, accordingly, do not include any adjustments that may result from the outcome of this uncertainty.

Net cash used in operating activities was $916,207 during the six month period ended June 30, 2021, compared to $113,050 for the six month period ended June 30, 2020. We anticipate that overhead costs and other expenses will increase in the future as we move forward with our Proprietary Drug Development activities and our Science-Based Nutritional Supplements operations discussed above.

Cash flows provided by financing activities were $1,652,648 for the six month periods ended June 30, 2021, compared to $159,007 during the six months ended June 30, 2020. Cash flows used in investing activities were $-0- for both, the six month period ended June 30, 2021 and the same six month period ended in 2020.

During the six month period ended June 30, 2021, we issued a total of 79,673,969 shares of our Common Stock valued at $8,237,072 for the conversion of outstanding notes payable, reducing debt by $993,028 and interest payable by $38,201 and generating a loss on conversion of $7,205,843.

During the six months ended June 30, 2020, we issued a total of 234,501,258 shares of our Common Stock valued at $1,160,690 for the conversion of outstanding notes payable, reducing the debt by $324,769 and interest payable by $28,507 and generating a loss on conversion of $807,414.

During the six months ended June 30, 2021, we did not sell any of our capital stock for cash; however we entered into the following new debt arrangements:

- On January 12, 2021, we received monies in exchange for a Note Payable having a Face Value of $150,000 with interest accruing at 5% is due January 12, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share.

- On January 27, 2021, we received monies in exchange for a Note Payable having a Face Value of $300,000 with interest accruing at 5% is due January 27, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.50 per share.

- On February 12, 2021, we received monies in exchange for a Note Payable having a Face Value of $700,000 with interest accruing at 5% is due February 12, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.60 per share.

- On April 5, 2021, we received monies in exchange for a Note Payable having a Face Value of $330,000 with interest accruing at 10% is due January 5, 2022. The Note is convertible after 180 days from issuance into Common Stock at a price 35% below market value.

- On April 20, 2021, we received monies in exchange for a Note Payable having a Face Value of $500,000 with interest accruing at 5% is due February April 20, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share.

On September 8, 2020, we executed a financing agreement with RB Capital Partners, Inc., La Jolla, CA, who agreed to provide us with a minimum of $2 million in convertible debt financing during the ensuing three to six month period pursuant to the terms and conditions included in relevant Promissory Notes (the "Promissory Notes"). The Promissory Notes bear interest at the rate of 5% per annum and have a maturity date of two years from the date of issuance. We have the right to pay off all or any part of the Promissory Notes at any time without penalty. As of June 30, 2021, we have received a total of $2,554,000 in funding under this agreement.

We are not generating adequate revenues from our operations to fully implement our business plan as set forth herein. As a result, our future success will depend on the future availability of financing, among other things. Such financing will be required to enable us to actualize our Drug Development program and further develop our Science-Based Nutritional Supplements operation. We intend to raise funds through private placements of our Common Stock and/or debt financing. We estimate that we will require approximately $20 million (approximately $18 million for our Proprietary Drug Development projects and $2 million for our Science-Based Nutritional Supplements operations) to fully implement our business plan in the future and there are no assurances that we will be able to raise this capital. 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.

We are currently in discussion with various investment groups for additional financing. There are no assurances that we will be successful in raising any funds.

Our cost of operations is expected to increase as we move forward with implementation of our business plan. We do not have sufficient funds to cover the anticipated increase in the relevant expenses. We need to raise additional capital in order to continue our existing operations and finance our expansion plans for the next year. If we are successful in raising additional funds, we expect our operations and business efforts to continue and expand. There are no assurances this will occur.

SUBSEQUENT EVENTS

On July 6, 2021, we received monies in exchange for a Note Payable having a Face Value of $900,000 with interest accruing at 5% is due July 6, 2023. The Note is convertible after 180 days from issuance into Common Stock at a price equal to $0.30 per share. In connection with this debt financing, we agreed to allow the lender, who is also the holder of a Note Payable dated November 25, 2020, to convert a total of $240,000 in principal into 24,000,000 shares of Common Stock leaving a principal balance of $10,000 and accrued interest of $7,750. On July 6, 2021, we paid off the remaining principal balance of this Note and secured forgiveness of the accrued interest.

OFF BALANCE SHEET ARRANGEMENTS

None

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 to allow timely decisions regarding required disclosure.

Based on this evaluation, our CEO and CFO have concluded that our disclosure controls and procedures were not effective as of June 30, 2021, at reasonable assurance level, for the following reasons:

- Ineffective control environment and lack of qualified full-time CFO who has SEC experience to focus on our financial affairs;
- Lack of qualified and sufficient personnel, and processes to adequately and timely identify making any and all required public disclosures;
- Deficiencies in the period-end reporting process and accounting policies;
- Inadequate internal controls over the application of new accounting principles or the application of existing accounting principles to new transactions;
- Inadequate internal controls relating to the authorization, recognition, capture, and review of transactions, facts, circumstances, and events that could have a material impact on the Company's financial reporting process;
- Deficient revenue recognition policies;
- Inadequate internal controls with respect to inventory transactions; and
- Improper and lack of timely accounting for accruals such as prepaid expenses, accounts payable and accrued liabilities.

Our Board of Directors has assigned a priority to the short-term and long-term improvement of our internal control over financial reporting. We are reviewing various potential solutions to remedy the processes that would eliminate the issues that may arise due to the absence of separation of duties within the financial reporting functions. Additionally, the Board of Directors will work with management to continuously review controls and procedures to identified deficiencies and implement remediation within our internal controls over financial reporting and our disclosure controls and procedures.

We believe that our financial statements presented in this quarterly report on 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, does 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.

Changes in Internal Control over Financial Reporting – There were no changes in our internal control over financial reporting during the six month period ended June 30, 2021, 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

To the best of our management's knowledge and belief, there are no material claims that have been brought against us nor have there been any claims threatened.

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 six month period ended June 30, 2021, we issued a total of 79,673,969 shares of our Common Stock valued at $8,237,072 for the conversion of outstanding notes payable, reducing debt by $993,028 and interest payable by $38,201 and generating a loss on conversion of $7,205,843.

During the six months ended June 30, 2020, we issued a total of 234,501,258 shares of our Common Stock valued at $1,160,690 for the conversion of outstanding notes payable, reducing the debt by $324,769 and interest payable by $28,507 and generating a loss on conversion of $807,414.

We relied upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, to issue these shares.

Other than reduction of debt from the conversion of the outstanding convertible notes payable described above, we did not receive any direct proceeds from the issuance of these shares. The proceeds from the convertible notes payable were used for working capital.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in IXBRL, and included in exhibit 101).

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 August 9, 2021.

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

EXHIBIT 31.1

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: August 9, 2021

/s/ Dr. Steve N. Slilaty
Dr. Steve N. Slilaty, Chief Executive Officer

EXHIBIT 31.2

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: August 9, 2021

/s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer

EXHIBIT 32

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 six month period ended June 30, 2021, as filed with the Securities and Exchange Commission on August 9, 2021 (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: August 9, 2021

/s/ Dr. Steve N. Slilaty
Dr. Steve N. Slilaty, Chief Executive Officer

Dated: August 9, 2021

/s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer