LIPIDVIRO TECH INC
Form 10QSB
November 14, 2005

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-QSB

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

For the quarterly period ended September 30, 2005

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

For the transition period from _____ to _____

Commission File No. 0-49655

LIPIDVIRO TECH, INC.

(Exact Name of Small Business Issuer as specified in its Charter)

Nevada	87-0678927
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

1338 South Foothill Blvd. #126
Salt Lake City, Utah 84108
(Address of Principal Executive Offices)

Issuer's Telephone Number: (801) 583-9900

Check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter Period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

N/A

Check whether the Registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

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

September 30, 2005

Common Voting Stock 2,156,862 shares

Transitional Small Business Disclosure Format (Check one): Yes X No

ITEM 1 Financial Statements

The Financial Statements of the Registrant required to be filed with this 10-QSB Quarterly Report were prepared by management and commence below, together with related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Registrant.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Unaudited Condensed Financial Statements

September 30, 2005

LipidViro Tech, Inc.
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Condensed Balance Sheet
(Unaudited)

ASSETS

	September 30, 2005
Current assets	
Cash	$ 1,555
Total Current Assets	1,555
Equipment, net	1,983
Other Assets	
Deferred Financing Costs	5,000
Definite Life Intangible Assets, net	34,291
Goodwill	290,318
Total Other Assets	329,609
TOTAL ASSETS	$ 333,147
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accounts Payable	$ 139,908
Shareholder Advances	338,300
Total Current Liabilities	478,208
Long-term Liabilities	
Notes Payable	600,000
Total Liabilities	1,078,208
Stockholders' Equity	

Common stock, authorized 150,000,000 Shares Par Value $.001, 2,156,862 shares issued and outstanding	2,157
Additional paid in capital	(247,773)
Deficit accumulated during the development stage	(499,445)
Total Stockholders' Deficit	(745,061)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 333,147

See accompanying notes

LipidViro Tech, Inc.
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Condensed Statements of Operations
(Unaudited)

	For the Three Months Ended September 30, 2005	For the Three Months Ended September 30, 2004
Revenue	$ 0	$ 0
Operating Expenses		
General and Administrative Expenses	8,657	34,184
Research & Development	3,982	13,383
Total Operating Expenses	12,639	47,567
Net Operating (Loss)	(12,639)	(47,567)
Other income or expense	0	0
Total Other Income	0	0
Net Loss before income taxes	(12,639)	(47,567)
Provision for income taxes	0	0
Net (Loss)	$ (12,639)	$ (47,567)
Net (Loss) per Share	$ 0.00	$ (0.01)
Weighted Average Number of Shares Outstanding	10,031,862	10,031,862

See the accompanying notes

LipidViro Tech, Inc.
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Condensed Statements of Operations
(Unaudited)

	For the Nine Months Ended September 30, 2005	For the Nine Months Ended September 30, 2004	From Inception on May 6, 2003 Through September 30 2005

Revenue	$ 0	$ 0	$ 0
Operating Expenses			
General and Administrative Expenses	38,668	57,690	191,923
Research and Development	66,085	62,540	307,545
Total Operating Expenses	104,753	120,230	499,468
Net Operating (Loss)	(104,753)	(120,230)	(499,468)
Other income	0	0	23
Total Other Income	0	0	23
Net Loss before income taxes	(104,753)	(120,230)	(499,445)
Provision for income taxes	0	0	0
Net (Loss)	$(104,753)	$(120,230)	$ (499,445)
Net Income per Share	$ (0.01)	$ (0.01)	$ (0.05)
Weighted Average Number of Shares Outstanding	10,031,862	10,020,973	9,621,233

See accompanying notes

LipidViro Tech, Inc.
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Condensed Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30, 2005	For the Nine Months Ended September 30, 2004	From Inception on May 6, 2003 Through September 30 2005
Cash Flows from Operating Activities:			
Net (loss)	$(104,753)	$(120,230)	$ (499,445)
Adjustments to reconcile net loss to net cash used for operating activities:			
Depreciation & Amortization	488	602	1,792
Non-cash expenses and services paid by issuance of common stock	0	0	863
Increase in Prepaid Expense	0	3,919	0
(Decrease) in Bank Overdraft	(1,023)	0	0
(Decrease) Increase in Accounts Payable	(19,156)	10,986	139,908
Net Cash Used by Operating Activities	(124,444)	(104,723)	(356,882)
Cash Flows from Investing Activities:			
Purchase of Property and Equipment	0	(960)	(3,263)
Payments for Intangible Assets	(4,801)	(20,425)	(34,804)
Payments for Goodwill	0	0	(269,006)
Net Cash Flows From Investing Activities	(4,801)	(21,385)	(307,073)

Cash Flows From Financing Activities:			
Deferred Financing Costs	(5,000)		(5,000)
Proceeds from Shareholder Advances	135,800	127,500	338,300
Proceeds from Issuance of Common Stock	0	0	293,700
Proceeds from Sale of Warrants	0	0	38,510
Purchase of stock for Cancellation	(600,000)	0	(600,000)
Proceeds from Issuance of Notes Payable	600,000	0	600,000
Net Cash Flows from Financing Activities	130,800	127,500	665,510
Net Increase (Decrease) in Cash	1,555	1,392	1,555
Beginning Cash Balance	0	3,702	0
Ending Cash Balance	$ 1,555	$ 5,094	$ 1,555
Supplemental disclosure information:			
Cash paid for interest	$ 0	$ 0	$ 0
Cash paid for income taxes	$ 0	$ 0	$ 0

See accompanying notes

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 1 CONDENSED FINANCIAL STATEMENTS

The accompanying condensed financial statements have been prepared by the company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 2005 and for the periods then ended have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on form 10KSB for the year ended December 31, 2004. The results of operations for the periods ended September 30, 2005 are not necessarily indicative of the operating results for the full year.

NOTE 2 - RELATED PARTY TRANSACTIONS

Management Compensation - The Company has not paid any cash compensation to any officer or director of the Company. However, in June 2003 the Company issued 3,750 shares of common stock to an officer of the Company for services rendered valued at $113.

Office Space - The Company has not had a need to rent office space. A shareholder (former officer) of the Company is allowing the Company to use her mailing address, as needed, at no expense to the Company.

Stock Issuance - In May 2003, in connection with their organization, the Company issued 25,000 shares of their previously authorized but unissued common stock to an officer of the Company as repayment of organization costs of $750 or $0.03 per share.

Shareholder Advances - During the nine months ended September 30, 2005, shareholders of the Company have advanced $135,800 to the Company to pay operating expenses. As of September 30, 2005, the Company has recorded a liability to shareholders of $338,300. This balance is unsecured, non-interest bearing and is payable on demand.

Stock Cancellation - During September 2005 the Company acquired 7,875,000 shares of common stock for cancellation from a shareholder for a note payable in the amount of $600,000.

LipidViro Tech, Inc.
(Formerly Anticline Uranium, Inc.)
[A Development Stage Company]
Notes to Unaudited Condensed Financial Statements
September 30, 2005

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company was only recently formed and has not yet been successful in establishing profitable operations. Further, the Company has current liabilities in excess of current assets. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of their common stock. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The financial statement do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Agreements - In August 2004, the Company signed a one-year agreement for the use of a research facility and staff to conduct research on behalf of the Company and to have a researcher coordinate the activities. The Company agreed to pay up to $600,000 for supplies, facilities a laboratory technician and coordination efforts. From January 31, 2005 through September 30, 2005, the Company has paid a total of $72,000 under this agreement. From the start of this contract the Company had paid a total of $77,000.

In May 2005, the Company signed a six-month agreement to have a researcher coordinate the research activities. The Company agreed to pay $30,000 for the coordination efforts. Through September 30, 2005, the Company has paid a total of $20,000 under this agreement. During the nine months ended September 30, 2005, the Company also paid an additional $5,000 on a previous contract.

NOTE 5 - NOTES PAYABLE

On September 30, 2005 the Company issued a note payable for $600,000 to acquire 7,875,000 shares of common stock for cancellation. The note provides for interest at 5% per annum and is due in 48 months. But also provides for an extension of an additional 24 months.

NOTE 6 - SUBSEQUENT EVENTS

Contracts - In October 2005 the Company entered into a contract to have a researcher coordinate efforts in order to introduce the Company into the European Union. (e.g. Sweden, Norway, and England). The purpose of

this is to be able to gain approval to commence clinical trial studies for the Company's treatment of acute ischemic stroke. The researcher received $5,000 in consideration for this during October 2005.

ITEM 2 Management Discussion and Analysis or Plan of Operation

Plan of Operation.

Overview.

LipidViro Tech, Inc. is a development-stage biotechnology company engaged in developing drug products, fluid purification processes, and drug production and delivery systems (DPD System). Utilizing the Company's proprietary DPD System, LipidViro is currently developing two products for commercialization: therapeutic treatments for Cardiovascular diseases, and processes to inactivate virus, bacteria and prions producing pathogen-free biological products.

Technology.

LipidViro's technology is based on three components:

* Our proprietary Drug Production and Delivery System (LipidViro DPD System) which produces and delivers a precise, measured dose of ozone;

* Our proprietary Gas-Fluid Exchange Device (GFE Device) which efficiently mixes ozone with a fluid; and,

* Our proprietary methods that utilize precise, measured dosages of ozone (LVT3), to treat disease and purify bio-fluids.

The Company has applied for patent protection on all aspects of this technology.

While medicinal ozone therapies have been used for decades in European countries, the FDA rejected applications to develop ozone as a drug in the United States. The common reason underlying these repeated failures was poor measuring and mixing techniques and the inability to produce and deliver ozone in precise, measured dosages.

LipidViro's proprietary ozone Drug Production and Delivery System (DPD System) solve both of these problems. The LipidViro DPD System produces a precise, measured dose of ozone, accurate within 2% of the total dose. The technology behind the DPD system allows for a precise, standardized treatment to be delivered by any clinician throughout the world. The LipidViro GFE Device efficiently mixes ozone with a fluid by achieving superior surface area contact between the gas and the fluid. The LipidViro GFE Device produces efficient, controlled, consistent, and reproducible mixing, allowing for reliable, repeatable ozone delivery, maximizing treatment results.

We believe Lipidviro's technology provides the first and only process able to deliver precise, measured doses of ozone that are consistent and reproducible.

We believe this proprietary technology establishes LipidViro as the exclusive market leader, with the only process capable of achieving regulatory approval for use of ozone as a drug.

2005 Milestones and Operational Plan.

Corporate Development. Our corporate operations objectives for 2005 include financing operations, establishing corporate governance sufficient to apply for NASDAQ SM cap or AMEX listing and, developing and implementing a public relations strategy to enhance shareholder liquidity and value.

Scientific Agenda. Our scientific agenda for 2005 includes, site selection and contracting for initial cardiovascular clinical trials; design and initiate cardiovascular clinical trials to produce pilot data; and, selection of a strategic partner for sera purification.

Technology Development. Our technology agenda for 2005 includes: selecting a strategic partner to produce our Drug Production and Delivery System; and, selecting a strategic partner to manufacture our Contact Device.

Financing. We require immediate financing to fund operations for the next 12 months, including our described technology and corporate development and our scientific agenda. During fiscal year 2005 we will attempt to raise $3-7 million dollars from equity, debt and grants, which we believe will sufficiently sustain our projected operations through the end of fiscal '06. We will attempt to raise additional money from the exercise of the Company's Class A and B warrants during June of '06. If fully exercised, these warrants could raise an additional $28 million. We do not have sufficient cash on hand to finance our current plan of operation. Since inception, debt and equity financing have funded all operations including research expenses. We expend and will likely continue to expend substantial funds to complete our research, development and operational objectives. To fund these operations we will consider all options available. Consequently, now and on an ongoing basis we will consider raising capital through collaborative arrangements, strategic alliances, research grants or equity and debt financings or from other sources.

2005 Pre-Clinical Laboratory Research, Product Development.

Our pre-clinical, product development research is designed to evaluate our proprietary technology and process. We utilize the results of our pre-clinical research studies to identify potential products. Each potential product is ranked for development priority based on our assessment of the product's prospects for commercial success. Our evaluation includes studying the efficacy and toxicity of LVT3 in-vitro, the time, expense and anticipated regulatory hurdles likely required to reach commercialization, and, competition in that product category.

Early research suggests our proprietary technology and process possess a capacity to inactivate pathogens including viruses and infectious prions, and may provide therapeutic treatment for cardiovascular and neurological diseases. While our research is preliminary and incomplete, and will require additional research to verify, it does suggest the potential for multiple products that we believe are worthy of further investigation. Product categories we are evaluating include: (i) processing biologicals for pathogen removal and purification; (ii) developing therapeutics to treat serious infectious diseases; (iii) developing therapeutics for treating lipid associated diseases; and, (iv) developing treatments for cardiovascular, neurological and inflammatory diseases.

Biological Fluid Purification. During the first fiscal quarter 2005, we initiated discussion for development of a commercial bio-fluid purification process with several commercial bio-fluid manufacturers. These discussions are ongoing at this time. During the second fiscal quarter the Company

commenced collaboration with a commercial sera manufacturer to develop a bovine sera product that can be labeled free of prion infectivity. This project includes evaluation of sera bio-function post treatment and design of validation studies in cooperation with the USDA. These steps may be characterized as due diligence on behalf of the sera manufacturer, who has committed product and resources to the project.

Prion Research. During the first fiscal quarter, on March 3, 2005 the Company announced pre-clinical research results which demonstrated the ability to substantially inactivate infectious prion proteins in bovine serum. LipidViro's proprietary technology reduced prion infectivity in bovine serum below the limits of detection by both cell and Western blot assays; two gold standards for prion detection. During the second fiscal quarter, these data were presented at the Meeting of the International Union of Microbiological Societies, San Francisco. Also during the second quarter, we designed and initiated dose-ranging studies to help identify optimal dosages demonstrating prion inactivation. These studies are ongoing. We have applied for NIH funding for our prion studies and associated product development.

Clinical Trials. During the first fiscal quarter of 2005, we initiated development and design of pre-clinical studies associated with our Cardiovascular and Neurological Platform. During the second fiscal quarter we applied for NIH funding for our first proposed clinical study. During the third fiscal quarter we determined the site for our clinical trial did not provide access to adequate MRI and other diagnostics we felt necessary to conduct the trial. Mobile, outsourced diagnostics were not available with adequate coverage and were found to be prohibitively expensive. As a result, we relocated the clinical trial to a facility with full diagnostic capabilities required for the trial. Relocation requires amendment and re-application of the NIH grant for funding which will delay potential NIH funding of the trial. Our present objective is to initiate a 20 patient pilot study during the first fiscal quarter of 2006, followed by a 100 patient study that may be expanded to a multi-site clinical trial.

Intellectual Property. We have filed for patent protection covering our LVT3 drug production and delivery technology and, our GEN-1, GEN-2 GEN-3 and GEN-4H drug delivery devices, and for proprietary applications utilized by our process.

ITEM 3 CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our President and Secretary/Treasurer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our President and Chief Financial Officer concluded that our disclosure controls and procedures are effectively designed to ensure that information required to be disclosed or filed by us is recorded, processed or summarized, within the time periods specified in the rules and regulations of the Securities and Exchange Commission. It should be noted that 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, regardless of how remote. In addition, we reviewed our internal controls, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

In addition, we reviewed our internal controls over financial reporting, and there have been no changes in our internal controls or in other factors in the last fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None; not applicable.

Item 2. Changes in Securities and Use of Proceeds.

On April 18, 2005, the Company executed a Securities Purchase Option Agreement (the "Agreement") with Lombard, Inc. ("Lombard"), whereby it purchased for $1.00, an option to acquire 7,875,000 shares of our common stock, for a period of 48 months from the date of the Agreement, for a purchase price of $600,000.

On September 30, 2005, the 7,875,000 shares were acquired and immediately returned to treasury, reducing the Company's issued and outstanding shares from 10,031,863 to 2,156,863. Payment was made to the Seller by a note for $600,000 from the Company. The $600,000 note from us bears simple interest of 5% and is payable within 48 months from September 30, 2005, with an allowance from the Seller of an automatic 24 month extension if requested by us. See the 8-KA-1 Current Report dated April 18, 2005, filed with the Securities and Exchange Commission on October 26, 2005. See Item 6.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

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

None; not applicable.

Item 5. Other Information.

None; not applicable

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

(a) Exhibits.

31 302 Certification of Kenneth P. Hamik

32 906 Certification

(b) Reports on Form 8-K.

8-KA-1 Current Report dated April 18, 2005, filed with the Securities and Exchange Commission on October 26, 2005.

SIGNATURES

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

LIPIDVIRO TECH, INC.

Date: ----------

By/s/Kenneth P. Hamik

Kenneth P. Hamik
President, CFO and Director