AVISTA CORP
Form 424B5
November 30, 2005
Table of Contents

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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not offers to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated November 30, 2005.

Prospectus Supplement to Prospectus dated May 19, 2004.

$50,000,000

Avista Corporation

First Mortgage Bonds, 6.25% Series due 2035

Our First Mortgage Bonds, 6.25% Series due 2035, now being offered in the principal amount of $50.0 million (the Offered Bonds), constitute part of a series of our Bonds described in the accompanying prospectus. We issued $100.0 million of Bonds of the same series on November 17, 2005, and, upon the issuance of the Offered Bonds, the aggregate principal amount of Bonds of this series outstanding will be $150.0 million.

We will pay interest on the Offered Bonds on June 1 and December 1 of each year. The first such payment will be made on June 1, 2006. The Offered Bonds will mature on December 1, 2035, unless redeemed on an earlier date. The Offered Bonds are redeemable at our option, in whole at any time or in part from time to time, at a make-whole price as described herein. See Description of the Offered Bonds .

See Risk Factors beginning on page S-1 to read about certain factors you should consider before buying the Offered Bonds.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Bond	Total
Initial public offering price	%	$
Underwriting discount	%	$
Proceeds, before expenses, to Avista	%	$

The initial public offering price set forth above does not include accrued interest. Interest on the Offered Bonds will accrue from November 17, 2005 and must be paid by the purchasers.

The underwriter expects to deliver the Offered Bonds to the purchasers through the facilities of The Depository Trust Company against payment in New York, New York on December , 2005.

Goldman, Sachs & Co.

Prospectus Supplement dated November , 2005

Table of Contents

This prospectus supplement and the accompanying prospectus incorporate by reference important business and financial information about Avista Corporation that is not included in or delivered with the prospectus. This information is available to you as set forth in the accompanying prospectus under Where You Can Find More Information .

TABLE OF CONTENTS

Prospectus Supplement

Risk Factors	S-1
Safe Harbor For Forward-Looking Statements	S-8
The Company	S-11
Use of Proceeds	S-13
Summary Financial Information	S-13
Capitalization	S-14
Description of the Offered Bonds	S-15
Underwriting	S-19
Legal Matters	S-21
Experts	S-21

Prospectus

About this Prospectus	1
Safe Harbor for Forward-Looking Statements	1
Avista Corporation	3
Use of Proceeds	4
Description of the Bonds	4
Description of the Notes	12
Description of Common Stock	21
Where You Can Find More Information	25
Plan of Distribution	26
Legal Matters	27
Experts	27

We have not authorized anyone to give you any information other than this prospectus supplement and the accompanying prospectus. You should assume that the information contained or incorporated in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. We are not offering to sell the Offered Bonds and we are not soliciting offers to buy the Offered Bonds in any jurisdiction in which offers are not permitted.

Table of Contents

RISK FACTORS

Investing in the Offered Bonds involves risk. You should review all the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest. See Where You Can Find More Information in the accompanying prospectus. In particular, you should carefully consider the risks and uncertainties referred to below. Certain other risks and uncertainties are listed under Safe Harbor For Forward-Looking Statements.

Our results of operations, financial condition and cash flows can be significantly affected by weather.

Weather has a significant impact on our utility operations, both with respect to customer demand and resulting operating revenues (primarily heating requirements in the winter and cooling requirements in the summer) and electric resource costs (primarily the availability of hydroelectric generation). Our utility operation normally experiences its highest retail (electric and natural gas) energy sales during the heating season in the first and fourth quarters of the year. Our utility operation also experiences high electricity demand for air conditioning during the summer (third quarter). In general, warmer weather in the heating season and colder weather in the cooling season will have a negative effect on our results of operations and cash flows. In addition, a reduction in precipitation will decrease our hydroelectric generation capability and have a negative effect on our results of operations and cash flows. Including the forecast for 2005, hydroelectric generation has been below normal for 5 of the past 6 years. We cannot determine if this trend of lower than normal hydroelectric generation will continue in the future. Regional precipitation and snowpack conditions can also have a significant effect on the wholesale price of electricity.

We are subject to the risk that regulators will not grant appropriate recovery of our costs and provide a reasonable rate of return for our shareholders.

We regularly review the need for electric and natural gas rate changes in each state in which we provide service. General rate increases granted since 2002 have been important steps in our financial recovery by improving our results of operations, financial condition and cash flows. We intend to continue to focus on improving earnings and operating cash flows while working to restore an overall corporate investment grade credit rating. We anticipate that part of this process will involve periodically filing for general rate increases with regulatory agencies to recover our costs and provide a reasonable return to our shareholders. If regulators were to grant substantially lower rate increases than we request in the future, it could have a negative effect on our results of operations, financial condition and cash flows, which could result in future downgrades to our credit ratings or prevent us from improving our credit ratings.

Our deferred power and natural gas costs are subject to regulatory review; costs in excess of levels recovered in base rates reduce cash flows and it will take several years to recover current balances of deferred costs.

We defer the recognition in the income statement of certain power and natural gas costs that are in excess of the level currently recovered from our retail customers as authorized by the Washington Utilities and Transportation Commission (WUTC), the Idaho Public Utilities Commission (IPUC) and the Oregon Public Utility Commission (OPUC). These excess power and natural gas costs are recorded as deferred charges on our consolidated balance sheet with the opportunity for recovery through future retail rates. These deferred power and natural gas costs are subject to review by the WUTC, IPUC and OPUC, as applicable, for prudence and as such certain deferred costs may be disallowed by the respective regulatory agencies.

Despite the opportunity to eventually recover a substantial portion of power and natural gas costs in excess of the levels currently recovered from retail customers, our cash flows are negatively affected in the periods in which these costs are paid.

Table of Contents

Factors that could cause our costs to exceed the levels currently recovered from our customers include, but are not limited to, higher prices in wholesale markets combined with an increased need to purchase energy in the wholesale markets. Factors beyond our control that could result in an increased need to purchase energy in the wholesale markets include, but are not limited to, increases in demand (either due to weather or customer growth), low availability of hydroelectric resources, outages at generating facilities and failure of third parties to deliver on energy or capacity contracts.

We currently expect that the recovery of current balances of deferred power and natural gas costs could take several years.

We are subject to the commodity price risk, credit risk and other risks associated with energy markets.

Both of our energy-related businesses, Avista Utilities and Avista Energy, are subject to electric and natural gas commodity price risk. Price risk is, in general, the risk of fluctuation in the market price of the commodity needed, held or traded. Changes in wholesale energy prices can affect, among other things, the market value of derivative assets and liabilities and unrealized gains and losses, as well as the cash requirements to purchase electricity and natural gas for retail customers or wholesale obligations. In the case of electricity, prices can be affected by the adequacy of generating reserve margins, scheduled and unscheduled outages of generating facilities, availability of streamflows for hydroelectric generation, the price and availability of fuel for thermal generating plants, and disruptions of or constraints on transmission facilities, among other things. Natural gas prices are affected by a number of factors, including but not limited to, the adequacy of North American production, the level of imports, the level of inventories, global energy markets, and the availability of pipeline capacity to transport natural gas from region to region. In addition, oil prices can influence natural gas prices, because of the fuel-switching capabilities of certain energy users. Demand changes caused by variations in the weather and other factors can also affect market prices. Any combination of these factors that results in a shortage of energy generally causes the market price of power to move upward.

Increasing energy commodity prices, particularly with respect to natural gas, have a significant effect on liquidity for both Avista Utilities and Avista Energy. Avista Utilities has regulatory mechanisms in place that provide for the deferral and recovery of the majority of its power and natural gas supply costs. However, if current prices hold or increase, deferral balances will increase, which will negatively affect our cash flow and liquidity until such costs are recovered from customers.

Avista Utilities and Avista Energy are also subject to credit risk. Credit risk relates to the losses that we would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy or make financial settlements. We often extend credit to counterparties and customers and we are exposed to the risk that we may not be able to collect amounts owed to us. Credit risk includes the risk that a counterparty may default due to circumstances relating directly to it, and also the risk that a counterparty may default due to circumstances that relate to other market participants that have a direct or indirect relationship with such counterparty. Should a counterparty, customer or supplier fail to perform, we may be required to replace existing contracts with contracts at then-current market prices or to honor the underlying commitment.

Avista Utilities and Avista Energy are also subject to liquidity risk resulting from the exposure that our counterparties perceive with respect to the possible non-performance by us of our physical and financial energy contracts. These counterparties may seek assurances of performance from us in the form of letters of credit, prepayment or cash deposits, and, in the case of Avista Energy, parent company (Avista Capital) performance guarantees. In periods of price volatility, the level of exposure can change significantly, with the result that sudden and significant demands may be made against our capital resource reserves (credit facilities and cash).

S-2

Table of Contents

Avista Energy has concentrations of suppliers and customers in the electric and natural gas industries including but not limited to, electric utilities, natural gas distribution companies, and other energy marketing and trading companies. In addition, Avista Energy has concentrations of credit risk related to geographic location, as Avista Energy operates in the western United States and western Canada. These concentrations of counterparties and concentrations of geographic location may negatively impact Avista Energy s overall exposure to credit risk, because the counterparties may be similarly affected by changes in economic, regulatory or other conditions.

Our commodity trading, marketing and risk management activities may increase the volatility in our results of operations; we cannot, and do not attempt to, fully hedge our assets or positions against changes in commodity prices; and our hedging procedures may not work as planned.

Avista Energy engages in resource management activities, as well as commodity trading and marketing. These activities include entering into financial and physical derivative transactions, and taking speculative positions on future price movements, within established risk management policies. Avista Energy is required by applicable accounting principles to record all derivatives on our consolidated balance sheet at estimated fair value. Changes in the estimated fair value of derivatives are immediately recognized in earnings unless they are designated as hedges of forecasted transactions. Changes in the estimated fair value of derivatives accounted for as cash flow hedges of forecasted transactions are deferred and recorded as a component of accumulated other comprehensive income (loss) until the hedged transactions occur and are recognized in earnings. Most derivative contracts are marked-to-market and changes in their value, brought upon by fluctuations in the underlying commodity prices, flow through our consolidated statements of income. As a result, we are unable to predict the impact that Avista Energy s trading, energy marketing and resource management activities may have on our results of operations or financial condition.

To reduce financial and economic exposure related to commodity price fluctuations, Avista Utilities and Avista Energy routinely enter into contracts to hedge a portion of our purchase and sale commitments for electricity and natural gas, as well as our inventories of natural gas. As part of this strategy, we routinely utilize derivative instruments, such as forwards, futures, swaps and options traded in the over-the-counter markets or on exchanges. However, we do not always cover the entire exposure of our assets or our positions to market price volatility and the coverage will vary over time. To the extent Avista Utilities or Avista Energy have unhedged positions, or if our hedging positions do not work as planned, fluctuating commodity prices could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our risk management procedures may not prevent losses.

Avista Utilities and Avista Energy have risk management policies and control procedures designed to measure and mitigate energy market risks. However, these policies and procedures cannot prevent material losses in all possible situations or from all potential causes. Included in Avista Energy s risk management policies are value-at-risk (VAR) limits and systematic measurement procedures derived from historic price behavior. VAR measures the expected portfolio loss under hypothetical adverse price movements over a given time interval within a given confidence level. Losses could exceed the VAR predictive amounts if prices deviate significantly from their historic patterns and in cases when actual events fall into the extreme end of the VAR confidence interval. In addition, continuing trends of small losses that may be individually less than VAR limits may cumulatively become significant. As a result of these and other factors, there can be no assurance that our risk management procedures will prevent losses that could negatively affect our results of operations, financial condition and cash flows.

Table of Contents

Increased future capital expenditures may negatively affect our liquidity.

Forecasted increases in demand, primarily due to customer growth, as well as ongoing environmental compliance requirements will require us to make significant capital investments in our generation, transmission and distribution systems. In addition, existing utility plant in service periodically needs to be replaced or upgraded. To the extent that internal cash generation is insufficient to meet our capital expenditure needs, we will need to obtain external financing through the issuance of securities, which could include debt and equity securities. This could increase debt levels and debt service costs, which could have a negative effect on our operating results, financial condition and cash flows and our credit ratings until such costs are recovered from customers.

We need to maintain adequate credit with banks.

We need to maintain access to adequate levels of credit with our banks. We currently have in place a committed line of credit in the amount of $350.0 million, which is scheduled to expire in December 2009. We cannot predict whether we will have access to credit beyond the expiration date. The line of credit contains customary covenants and default provisions. In the event of default, it would be difficult for us to obtain financing on any reasonable terms to pay creditors or fund operations, and we would likely be prohibited from paying dividends on our common stock.

Our subsidiary, Avista Energy also needs to maintain adequate levels of credit with its banks and currently has a $145.0 million committed line of credit, which is scheduled to expire in July 2007. We cannot predict whether Avista Energy will have access to credit after the expiration of its current line of credit. Avista Energy s credit agreement contains customary covenants and default provisions, including but not limited to, covenants to maintain minimum net working capital and minimum net worth , as well as a covenant limiting the amount of indebtedness that the co-borrowers may incur. The credit agreement also contains covenants and other restrictions related to Avista Energy s trading limits and positions, including but not limited to, VAR limits, restrictions with respect to changes in risk management policies or volumetric limits, and limits on exposure related to hourly and daily trading of electricity. These covenants, certain counterparty agreements and current market liquidity conditions result in Avista Energy maintaining certain levels of cash and therefore effectively limit the amount of cash dividends that are available for distribution to Avista Capital and ultimately Avista Corp. If Avista Energy were unable to continue to obtain credit from banks or other lenders, Avista Energy would likely not have sufficient liquidity to meet its obligations.

Any default on the line of credit or other financing arrangements of Avista Corp. or any of its significant subsidiaries (including Avista Energy) could result in cross-defaults to other agreements of such entity, and/or to the line of credit or other financing arrangements of any other of such entities, and could induce vendors and other counterparties to demand collateral.

A downgrade in our credit rating could limit our ability to obtain financing.

Our credit ratings were downgraded during the fourth quarter of 2001 resulting in an overall corporate credit rating that is below investment grade. The downgrades were due to liquidity concerns primarily related to the significant amount of purchased power and natural gas costs incurred and the resulting increase in debt levels and debt service costs. We continue to work towards restoring an overall corporate investment grade credit rating. However, any future downgrades could limit our ability to issue debt securities or obtain other financing at reasonable interest rates. In addition, future downgrades could require us to provide letters of credit and/or collateral to lenders and counterparties.

An increase in interest rates could negatively affect our future results of operations and cash flows.

We currently have a significant amount of debt maturing in 2007 and 2008 (approximately $500 million). Our current forecasts indicate that we will need to issue new securities to fund substantially all

Table of Contents

of the maturing debt. We have entered into forward-starting interest rate swap agreements to effectively lock in current market fixed interest rates at that time, which were relatively low compared to historical interest rates, for $200 million of forecasted debt issuances. However, with respect to the remaining debt that we expect to issue to fund maturing debt, rising interest rates could have a negative effect on our future results of operations and cash flows.

We are subject to various operational and event risks, which are common to the utility industry.

Avista Utilities, our regulated utility operation, is subject to operational and event risks including, among others, increases or decreases in load demand, blackouts or disruptions to transmission or transportation systems, fuel quality specifications, forced outages at generating plants and disruptions to information systems and other administrative tools required for normal operations.

We also have exposure to natural disasters and terrorism threats that can cause physical damage to our property, requiring repairs to restore utility service.

We may not be able to relicense our hydroelectric facilities at a cost-effective level with reasonable terms and conditions.

We operate six hydroelectric plants on the Spokane River, and five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street and Post Falls) are under one Federal Energy Regulatory Commission (FERC) license and referred to herein as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The license for the Spokane River Project expires on August 1, 2007; we filed our license application with the FERC in July 2005. We have requested the FERC to consider a license for Post Falls that is separate from the other four hydroelectric plants. This is due to the fact that Post Falls presents more complex issues that may take longer to resolve than those dealing with the rest of the Spokane River Project. The FERC may impose certain environmental, operating and other conditions in connection with the new licenses that could result in significant capital expenditures, higher operating costs and/or reduced hydroelectric generation capability. We plan to request regulatory approval to recover these costs. However, we cannot estimate the magnitude of these costs or provide certainty that they will be recovered through rate increases. Failure to recover these costs from customers could have a negative effect on our results of operations, financial condition and cash flows.

We are currently the subject of several regulatory proceedings and named in multiple lawsuits with respect to our participation in Western energy markets. We cannot predict the outcome of these matters.

Legal and Regulatory Proceedings in Western Power Markets

Avista Energy and Avista Utilities are involved in a number of legal and regulatory proceedings and complaints with respect to power markets in the western United States. Most of these proceedings and complaints relate to the significant increase in the spot market price of energy in western power markets in 2000 and 2001, which allegedly contributed to or caused unjust and unreasonable prices. These proceedings and complaints include, but are not limited to, refund proceedings and hearings in California and the Pacific Northwest, market conduct investigations by the FERC (including a specific investigation of Avista Utilities and Avista Energy), and complaints and cross-complaints filed by various parties with respect to alleged misconduct by other parties in western power markets. As a result of these proceedings and complaints, certain parties have asserted claims for

significant refunds and damages from Avista Energy and Avista Utilities, which could result in a negative impact on our results of operations and cash flows. Avista Energy and Avista Utilities have joined other parties in opposing these refund claims and complaints for damages.

Table of Contents

Market Conduct Investigations

As a result of certain revelations about alleged improper practices engaged in by Enron Corporation and certain of its affiliates, the FERC initiated investigations in February 2002 of Avista Corp. doing business as Avista Utilities, Avista Energy and other unrelated parties. Avista Utilities and Avista Energy cooperated with the FERC investigations by providing requested documents and other information. Several parties filed documents with the FERC in March 2003 alleging improper market conduct by various parties, including Avista Utilities and Avista Energy, and requesting refunds and other relief. Although in 2004 the FERC approved a finding that, among other things, we engaged in no market manipulation, various parties including state agencies requested rehearing with the FERC. The FERC denied the rehearing requests and the parties have appealed to the United States Court of Appeals for the Ninth Circuit.

Securities Litigation

There has also been a class action shareholder lawsuit filed against us. In their complaint, the plaintiffs assert violations of the federal securities laws in connection with alleged misstatements and omissions of material fact in documents filed pursuant to the Securities Exchange Act of 1934, as amended. In particular, the plaintiffs allege that we did not have adequate risk management processes, procedures and controls supporting our activities in the purchase and sale of electricity and natural gas. The plaintiffs further allege that we failed to disclose that we engaged in unlawful energy trading practices and that we manipulated western power markets. The plaintiffs assert that alleged misstatements and omissions have occurred in our filings with the SEC and other information made publicly available by us, including press releases. We filed a motion to dismiss this complaint, which was denied. In November 2004, we filed our answer denying the plaintiffs allegations. In June 2005, we filed a motion for reconsideration of our earlier motion to dismiss this complaint, based, in part, on a recent United States Supreme Court decision with respect to the pleading requirements surrounding a sufficient showing of loss causation. On October 19, 2005, the Court granted our motion for reconsideration and granted our motion to dismiss. The order to dismiss was issued without prejudice. On November 10, 2005, the plaintiffs amended and refiled their complaint.

We have several contingent liabilities, including, but not limited to, environmental matters.

The matters discussed below are the subject of ongoing litigation, mediation, investigation and/or negotiation. We cannot predict the ultimate outcome or potential impact of any particular issue, including the extent, if any, of insurance coverage or the extent, if any, that amounts payable by us may be recoverable through the ratemaking process.

Lake Coeur d Alene Matter

We are liable for compensation (not yet determined as to amount) for the use of portions of the bed and banks of Lake Coeur d Alene and the St. Joe River, which were determined to be property of the Coeur d Alene Tribe of Idaho. We are engaged with the Tribe in discussions with respect to past and future compensation (which may include interest) for use of the portions of the bed and banks of the Lake that are owned by the Tribe. If the parties cannot agree on the amount of compensation, the matter could result in litigation.

Environmental Matters

We are subject to environmental regulation by federal, state and local authorities. Environmental issues include contamination of certain parcels of land that we currently own, have formerly owned or have used as a customer, contamination of certain portions of the Spokane River as well as the levels of dissolved gas in waters downstream of our hydroelectric facilities and the resulting impact on free ranging fish.

Table of Contents

Colstrip Litigation

A lawsuit was filed against the owners of the Colstrip Generating Project (Colstrip). We have a 15 percent ownership interest in units 3 and 4 of Colstrip, which is located in southeastern Montana. The plaintiffs allege damages to buildings as a result of rising ground water as well as damages from contaminated waters leaking from the lakes and ponds of Colstrip. The plaintiffs are seeking punitive damages, an order by the court to remove the lakes and ponds and the forfeiture of all profits earned from the operation of Colstrip.

Montana Hydroelectric Litigation

Further, a lawsuit was filed in Montana against all private owners of hydroelectric dams in Montana, including Avista Corp., alleging that the hydroelectric facilities are located on state-owned riverbeds and the owners have never paid compensation to the state s public school trust fund. The lawsuit was originally filed by private parties and was subsequently joined by other public parties, including the Attorney General of the State of Montana (Montana AG). Our motion to dismiss the Montana AG s complaint was denied, citing, among other things, that the FERC does not have exclusive jurisdiction over this matter. Subsequently, the Montana AG and defendants have filed various motions and responses, including a motion for summary judgment. In June 2005, we moved for leave to amend our complaint to add two causes of action relating to breach of contract and negligent misrepresentations arising out of our Clark Fork Settlement Agreement that was entered in 1999 with the State of Montana relating to the relicensing our Noxon Rapids Hydroelectric Generating Project. On June 28, 2005, the Montana State Court heard the motion for summary judgment of the Montana AG and took the matter under advisement.

We cannot assure you that an active trading market for the Offered Bonds will develop.

We do not intend to apply for listing of the Offered Bonds on any securities exchange or automated quotation system. There can be no assurance as to the liquidity of any market that may develop for the Offered Bonds, the ability of the bondholders to see their Offered Bonds or the price at which the bondholders will be able to see the Offered Bonds. Future trading prices of the Offered Bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

The underwriter has informed us that it intends to make a market in the Offered Bonds. However, the underwriter is not obligated to do so, and any such market making activity may be terminated at any time without notice. If a market for the Offered Bonds does not develop, purchasers may be unable to resell the Offered Bonds for an extended period of time. Consequently, a bondholder may not be able to liquidate its investment readily, and the Offered Bonds may not be readily accepted as collateral for loans. In addition, such market making activity will be subject to restrictions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

Table of Contents

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

From time to time, we make forward-looking statements such as statements regarding future financial performance, capital expenditures, dividends, capital structure and other financial items, and assumptions underlying them (many of which are based, in turn, upon further assumptions), as well as strategic goals and objectives and plans for future operations. Such statements are made both in our reports filed under the Securities Exchange Act of 1934, as amended, and elsewhere. Forward-looking statements are all statements other than statements of historical fact, including, without limitation, those that are identified by the use of words such as, but not limited to, will, may, could, should, intends, plans, seeks, anticipates, estimates, expe predicts, and similar expressions.

All forward-looking statements are subject to a variety of risks and uncertainties and other factors, most of which are beyond our control and many of which could have a significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in such statements. Such risks, uncertainties and other factors include, among others:

- weather conditions, including the effect of precipitation and temperatures on the availability of hydroelectric resources and the effect of temperatures on customer demand;
- the impact of state and federal regulatory decisions affecting our ability to recover costs and/or earn a reasonable return, including, but not limited to, the disallowance of previously deferred costs;
- changes in wholesale energy prices that can affect, among other things, the market value of derivative assets and liabilities and unrealized gains and losses, as well as cash requirements to purchase electricity and natural gas for retail customers;
- the outcome of pending regulatory and legal proceedings arising out of the western energy crisis of 2001 and 2002, and including possible retroactive price caps and resulting refunds;
- changes in the utility regulatory environment in the individual states and provinces in which we operate as well as the United States and Canada in general, which can impact allowed rates of return, financings, or industry and rate structures;
- the outcome of legal proceedings and other contingencies concerning us or affecting directly or indirectly our operations;
- the potential effects of any legislation or administrative rulemaking passed into law, including the Energy Policy Act of 2005 which was passed into law in August 2005;
- the impact from the potential formation of a Regional Transmission Organization;
- wholesale and retail competition (including, but not limited to, electric retail wheeling and transmission costs);

volatility and illiquidity in wholesale energy markets, including the availability and prices of purchased energy and demand for energy sales;

changes in global energy markets that can affect, among other things, the price of natural gas purchased for retail customers and purchased as fuel for electric generation;

Table of Contents

- the ability to relicense the Spokane River Project at a cost-effective level with reasonable terms and conditions;
- unplanned outages at any generating facilities owned by us;
- unanticipated delays or changes in construction costs with respect to present or prospective facilities;
- natural disasters that can disrupt energy delivery as well as the availability and costs of materials and supplies and support services;
- blackouts or large disruptions of transmission systems, which can have an impact on our ability to deliver energy to customers;
- the potential for future terrorist attacks, particularly with respect to utility plant assets;
- changes in the long-term climate of the Pacific Northwest, which can affect, among other things, customer demand patterns and the volume and timing of streamflows to hydroelectric resources;
- changes in future economic conditions in our service territory and the United States in general, including inflation or deflation and monetary policy;
- changes in industrial, commercial and residential growth and demographic patterns in our service territory;
- the loss of significant customers and/or suppliers;
- failure to deliver on the part of any parties from which we purchase and/or sell capacity or energy;
- changes in the creditworthiness of customers and energy trading counterparties;
- our ability to obtain financing through the issuance of debt and/or equity securities, which can be affected by various factors including our credit ratings, interest rate fluctuations and other capital market conditions;
- the impact of any potential change in our credit ratings;
- changes in actuarial assumptions, the interest rate environment and the actual return on plan assets with respect to our pension plan, which can impact future funding obligations, costs and pension plan liabilities;
- increasing health care costs and the resulting effect on health insurance premiums paid for employees and on the obligation to provide postretirement health care benefits;

increasing costs of insurance, changes in coverage terms and the ability to obtain insurance;

employee issues, including changes in collective bargaining unit agreements, strikes, work stoppages or the loss of key executives, as well as the ability to recruit and retain employees;

Table of Contents

- changes in rapidly advancing technologies, possibly making some of the current technology quickly obsolete;
- changes in tax rates and/or policies; and
- changes in, and compliance with, environmental and endangered species laws, regulations, decisions and policies, including present and potential environmental remediation costs.

Our expectations, beliefs and projections are expressed in good faith and are believed by us to have a reasonable basis including, without limitation, management s examination of historical operating trends, data contained in our records and other data available from third parties. However, there can be no assurance that our expectations, beliefs or projections will be achieved or accomplished. Furthermore, any forward-looking statement speaks only as of the date on which such statement is made. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Table of Contents

THE COMPANY

General

Avista Corp., which was incorporated in the State of Washington in 1889, is an energy company engaged in the generation, transmission and distribution of energy as well as other energy-related businesses. Our corporate headquarters are in Spokane, Washington, center of the Inland Northwest geographic region. Agriculture, mining and lumber were the primary industries in the Inland Northwest for many years; today health care, education, finance, electronic and other manufacturing, tourism and service sectors are growing in importance.

Avista Corp. has four business segments:

- Avista Utilities;
- Energy Marketing and Resource Management;
- Avista Advantage, Inc. (Avista Advantage); and
- Other.

Avista Utilities is an operating division of Avista Corp. comprising the regulated utility operations that started in 1889. Avista Capital, our wholly-owned subsidiary, is the parent company of all of the subsidiary companies in the non-utility business segments.

Avista Utilities

Avista Utilities generates, transmits and distributes electricity and distributes natural gas. Retail electric and natural gas customers include residential, commercial and industrial classifications. Avista Utilities also engages in wholesale purchases and sales of electric capacity and energy as part of its resource management and load-serving obligations.

Avista Utilities provides electric distribution and transmission as well as natural gas distribution services in parts of eastern Washington and northern Idaho with a population of approximately 855,000. It also provides natural gas distribution service in parts of northeast and southwest Oregon with a population of approximately 465,000. At September 30, 2005, Avista Utilities supplied retail electric service to a total of approximately 333,000 customers and retail natural gas service to a total of approximately 290,000 customers across its entire service territory.

In addition to providing electric transmission and distribution services, Avista Utilities generates electricity from its generating facilities which have a total net capability of approximately 1,800 megawatts (MW). Avista Utilities owns and operates hydroelectric projects having a total net capability of approximately 980 MW, a wood-waste fueled generating station having a net capability of 50 MW, gas-fired generating facilities having a total net capability of 548 MW and an undivided interest in a coal-fired generating station with entitlement to 222 MW of net capability. In addition to its own resources, Avista Utilities is party to a number of long-term power purchase and exchange contracts that increase its available resources.

Energy Marketing and Resource Management

The Energy Marketing and Resource Management business segment includes Avista Energy, Inc. (Avista Energy) and Avista Power, LLC (Avista Power), both subsidiaries of Avista Capital.

Avista Energy is an electricity and natural gas marketing, trading and resource management business, operating primarily within the Western Electricity Coordinating Council geographic area,

Table of Contents

which is comprised of eleven western states as well as the provinces of British Columbia and Alberta, Canada. Avista Energy focuses on optimization of generation assets owned by other entities, long-term electric supply contracts, natural gas storage, and electric transmission and natural gas transportation arrangements. Avista Energy is also involved in trading electricity and natural gas, including derivative commodity instruments.

Avista Power is an investor in certain generation assets, primarily its 49 percent interest in a 270-megawatt natural gas-fired combustion turbine power plant in northern Idaho. All of the output from this plant is contracted to Avista Energy through 2026.

Avista Advantage

Avista Advantage is a provider of utility bill processing, payment and information services to multi-site customers throughout North America. Avista Advantage s solutions are designed to provide multi-site companies with critical and easy-to-access information that enables them to proactively manage and reduce their facility-related expenses. Its primary product lines include consolidated billing, resource accounting, energy analysis and load profiling services.

Other

The Other business segment includes several subsidiaries, including Avista Ventures, Inc., Pentzer Corporation, Avista Development and certain other operations of Avista Capital. Included in this business segment is Advanced Manufacturing and Development, a subsidiary of Avista Ventures, Inc. We continue to limit our future investment in the Other business segment. Over time as opportunities arise, we plan to dispose of assets and phase out of operations in the Other business segment.

Table of Contents

USE OF PROCEEDS

We will use net proceeds from the sale of the Offered Bonds to repay a portion of the borrowings outstanding under our committed line of credit. As of October 31, 2005, the weighted average rate of interest on these borrowings was 4.94%.

SUMMARY FINANCIAL INFORMATION

Set forth below is certain summary unaudited consolidated financial information for the nine months ended September 30, 2005 and 2004 and audited consolidated financial information for the years ended December 31, 2004 and 2003. This financial information has been derived from the consolidated financial statements of Avista Corporation, which are incorporated herein by reference. This information should be read in conjunction with our consolidated financial statements and related notes, management s discussion and analysis of results of operations and other financial information which are incorporated by reference herein.

	9 Months Ended September 30,		Year Ended December 31,	
	2005	2004	2004	2003
	(dollars in millions)			
Operating Revenues	$ 901	$ 811	$ 1,152	$ 1,123
Income from Operations	92	84	140	172
Income From Continuing Operations	20	13	36	51
Net Income	20	13	35	45

	12 Months Ended September 30,		Year Ended December 31,	
	2005	2004	2004	2003
Ratios of Earnings to Fixed Charges[(1)]	1.70	1.47	1.60	1.88

(1) The ratios for the years 2002, 2001 and 2000 were 1.69, 1.98 and 3.62, respectively. The ratios are computed using the consolidated earnings and fixed charges of Avista Corp. and its subsidiaries. Earnings consist of Income from Continuing Operations increased by income tax expense and fixed charges. Fixed charges consist of interest on debt and preferred trust securities, net amortization of debt expense and premium, and the interest portion of rentals.

Table of Contents

CAPITALIZATION

The following table sets forth our consolidated capitalization as of September 30, 2005 as well as our consolidated cash balance and short-term debt (including the current portion of long-term debt). The following data are unaudited and qualified in their entirety by our financial statements and other information incorporated herein by reference. The As Adjusted column reflects (i) the issuance of $100.0 million of Bonds of the same series as the Offered Bonds on November 17, 2005 (the Initial Offering) and the receipt of net proceeds from the Initial Offering (after discounts and commissions and estimated offering expenses) of approximately $98.3 million, (ii) the application of $91.0 million of the net proceeds from the Initial Offering to repay short-term debt and the application of the balance of such net proceeds to pay other corporate obligations, (iii) the issuance of the Offered Bonds and the receipt of approximately $ million of net proceeds from this offering (after discounts and commissions and estimated offering expenses) and (iv) the application of the net proceeds from this offering to repay short-term debt, as discussed under Use of Proceeds .

	As of September 30, 2005	
	Actual	As Adjusted
	(unaudited) (in millions)	
Cash and cash equivalents	$ 63.0	$ 70.3(1)
Short-term debt (including current portion of long-term debt)(2)	209.0	
Current portion of preferred stock (subject to mandatory redemption)	1.7	1.7
Long-term debt(2)	844.3	994.3
Long-term debt to affiliated trusts	113.4	113.4
Preferred stock (subject to mandatory redemption)	26.3	26.3
Common equity	754.0	754.0
Total capitalization	$ 1,948.7	$

(1) Includes $7.3 million of net proceeds from the Initial Offering used for current needs.

(2) Long-term debt includes $530.5 million of secured debt, which includes first mortgage bonds (or debt secured by first mortgage bonds). Short-term debt includes $50.0 million of maturing secured medium-term notes and indebtedness outstanding under Avista Corp. s $350.0 million revolving credit agreement, of which $157.0 million had been borrowed and was outstanding at September 30, 2005 ($ million, as adjusted). Avista Corp. has delivered $350.0 million of non-transferable first mortgage bonds to the agent bank in order to secure its obligations under the revolving credit agreement.

Table of Contents

DESCRIPTION OF THE OFFERED BONDS

The following description of the particular terms of the Offered Bonds supplements the description of the general terms and provisions of the Bonds set forth under Description of the Bonds in the accompanying prospectus, to which description reference is hereby made. Certain capitalized terms used and not defined in this prospectus supplement are defined under Description of the Bonds in the accompanying prospectus.

General

The Offered Bonds will be issued as part of a series of Bonds under our Mortgage, which is more fully described in the accompanying prospectus.

The Offered Bonds are our senior secured obligations and will rank senior in right of payment to all of our existing and future subordinated indebtedness and will rank equally with all other Mortgage Securities now or hereinafter outstanding under our Mortgage.

The Offered Bonds will be issued in fully registered form only, without coupons. The Offered Bonds will be initially represented by one or more fully registered global securities (the Global Securities) deposited with or on behalf of The Depository Trust Company (DTC), as depositary, and registered in the name of DTC or DTC s nominee. A beneficial interest in a Global Security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under Book-Entry Only Issuance The Depository Trust Company . The authorized denominations of the Offered Bonds will be $1,000 and any larger amount that is an integral multiple of $1,000. Except in limited circumstances described below, the Offered Bonds will not be exchangeable for Offered Bonds in definitive certificated form.

Principal, Maturity and Interest

We are issuing $50.0 million aggregate principal amount of Offered Bonds. We issued $100.0 million of Bonds of the same series, having identical terms (except the public offering price and issue date) and the same CUSIP number, on November 17, 2005, and, upon the issuance of the Offered Bonds, the aggregate principal amount of Bonds of this series outstanding will be $150.0 million. We may, without the consent of holders of the Offered Bonds or any other Bonds of the same series, issue additional bonds of the same series having the same interest rate, maturity and other terms (except the public offering price and issue date) as the Offered Bonds.

The Offered Bonds, and all other Bonds of the same series, will mature on December 1, 2035. Interest on the Offered Bonds, and on all other Bonds of the same series, will accrue at the rate of 6.25% per annum and will be payable semi-annually in arrears on June 1 and December 1 of each year (each such date, an Interest Payment Date), and at maturity. The first such payment will be made on June 1, 2006. We will make each interest payment to the holders of record on the immediately preceding May 15 and November 15.

Interest on the Offered Bonds, and on all other Bonds of the same series, will accrue from November 17, 2005 or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

The Offered Bonds (and all other Bonds of the same series) will be redeemable in whole at any time, or in part from time to time, at the option of Avista Corp. The redemption price of the Offered Bonds (which is the same as that of any other Bonds of the same series) will be equal to the greater of:

100% of the principal amount of the Offered Bonds being redeemed; and

Table of Contents

the sum of the present values of the remaining scheduled payments of principal of and interest (not including any portion of any scheduled payment of interest which accrued prior to the redemption date) on the Offered Bonds being redeemed discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield plus 25 basis points,

plus, in either of the above cases, accrued interest on such Offered Bonds to the redemption date.

Treasury Yield means, with respect to any redemption of Offered Bonds, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price. The Treasury Yield will be calculated as of the third business day preceding the redemption date or, if the Offered Bonds to be redeemed are to be defeased prior to the redemption date in accordance with the terms of the Mortgage, then as of the third business day prior to the earlier of (x) the date notice of such redemption is mailed to bondholders and (y) the date irrevocable arrangements with the Mortgage Trustee for the mailing of such notice have been made, as the case may be (the Calculation Date).

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Offered Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Offered Bonds.

Comparable Treasury Price means (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding the Calculation Date, as set forth in the H.15 Daily Update of the Federal Reserve Bank of New York or (2) if such release (or any successor release) is not published or does not contain such prices on the Calculation Date, the Reference Treasury Dealer Quotation for the Calculation Date.

H.15(519) means the weekly statistical release entitled Statistical Release H.15 (519) , or any successor publication, published by the Board of Governors of the Federal Reserve System.

H.15 Daily Update means the daily update of H.15(519) available through the worldwide website of the Board of Governors of the Federal Reserve System or any successor site or publication.

Independent Investment Banker means Goldman, Sachs & Co., Lehman Brothers Inc. or, if so determined by us, any other independent investment banking institution of national standing appointed by Avista Corp. and reasonably acceptable to the Mortgage Trustee.

Reference Treasury Dealer Quotation means, with respect to the Reference Treasury Dealer, the average, as determined by the Mortgage Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount and quoted in writing to the Mortgage Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding the Calculation Date).

Reference Treasury Dealer means a primary U.S. Government securities dealer in New York City appointed by Avista Corp. and reasonably acceptable to the Mortgage Trustee.

Table of Contents

Book-Entry Only Issuance The Depository Trust Company

DTC will act as initial securities depositary for the Offered Bonds. The Offered Bonds will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC s nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered global certificates will be issued, representing in the aggregate the total principal amount of Offered Bonds and will be deposited with DTC or a custodian therefor.

The following is based upon information furnished by DTC:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within thoman; FONT-SIZE: 8pt; FONT-WEIGHT: bold">

	September 30,	September 30,	to September 30,		
	2013	2012	2013	2012	2013
Operating expenses					
General and administrative	$1,255,029	$2,152,133	$3,298,742	$2,775,734	$15,440,390
Impairment of advances to Immunovative Therapies, Ltd. for future stock ownership	-	1,585,999	-	1,829,049	3,533,214
Depreciation and amortization expense	11,664	4,378	16,007	7,658	62,594
Total operating expenses	1,266,693	3,742,510	3,314,749	4,612,441	19,036,198
Loss from operations	(1,266,693)	(3,742,510)	(3,314,749)	(4,612,441)	(19,036,198)
Other income (expense)					
Interest expense					

	(44,684)	(10)	(50,299)	-	(66,709)
Loss on conversion of debt	-	-	(321,000)	-	(321,000)
Gain on settlement of law suit	-	-	-	-	20,000
Amortization of debt discount	(127,550)	-	(203,992)	(2,512)	(227,808)
Total other income (expense)	(172,234)	10	(575,291)	2,512	(595,517)
Net loss	(1,438,927)	(3,742,520)	(3,890,040)	(4,614,953)	(19,631,715)
Other comprehensive income					
Translation adjustment	(2,914)	6,626	1,526	5,706	1,526
Impairment on available for sale investments	(122,500)	-	(122,500)	-	(122,500)
Total other comprehensive income	(125,414)	6,626	(120,974)	5,706	(120,974)
Comprehensive loss	$(1,564,341)	$(3,735,894)	$(4,011,014)	$(4,609,247)	$(19,752,689)
Net loss per share (basic and diluted)	$(0.01)	$(0.02)	$(0.02)	$(0.03)	
Weighted average common shares outstanding					
Basic and diluted	277,262,355	149,791,921	258,545,255	136,108,457	

See accompanying notes to unaudited consolidated financial statements.

4

TAURIGA SCIENCES, INC. AND SUBSIDIARY
(Formerly Immunovative, Inc. and Subsidiary)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
For the period from inception December 12, 2011 to September 30, 2013
(UNAUDITED)

	Number of shares	Amount	Additional paid-in capital	Deficit accumulated from prior operations	Deficit accumulated during the development stage	Accumulated other comprehensive income (loss)	Total stockholders' deficit
Balance March 31, 2012	116,667,888	$1,166	$20,770,505	$(16,244,237)	$(4,595,168)	$(2,243)	$(69,977)
Sale of common stock under private placement agreements at $0.10 to $0.15 per share	48,844,286	489	5,190,633				5,191,122
Amendment to former chief executive officer's employment agreement at $0.10 per share	2,500,000	25	249,975				250,000
Issuance of shares under consulting contract for strategic planning officer at $0.10 per share	2,500,000	25	249,975				250,000
Issuance of shares to purchase domain name at $0.125 per share	200,000	2	24,998				25,000
Issuance of shares under							

consulting contracts at $0.10 to $0.29 per share	30,878,983	308	4,505,881	4,506,189
Issuance of shares to convert Caete Invest & Trade, S.A. debt under conversion agreement	2,720,000	27	225,792	225,819
Conversion of accounts payable at $0.10 per share	1,592,920	16	95,559	95,575
Stock issued for commissions under private placement agreements	5,335,000	53	688,947	689,000
Commission expense paid with stock issuances under private placements			(689,000)	(689,000)
Commission paid under private placement agreements in cash			(643,956)	(643,956)
Issuance of shares to CEO under employment contract for achieving capital raise goal of $7,500,000 at $0.25 per share	2,500,000	25	624,975	625,000
Issuance of shares to former CEO under employment contract for achieving				

capital raise goal of $7,500,000 at $0.25 per share	2,500,000	25	624,975	625,000
Issuance of shares to CEO in lieu of salary at a price of $0.04 to $0.24 per share	360,000	4	47,396	47,400
Issuance of shares to JMJ Financial to obtain loan at $0.15 per share	200,000	2	29,998	30,000
Beneficial conversion feature related to JMJ Financial			92,391	92,391
Issuance of shares to CEO as signing bonus under employment contract at $0.20 per share	1,500,000	15	299,985	300,000
Issuance of shares to CEO as additional compensation at $0.04 per share	4,000,000	40	159,960	160,000
Issuance of shares to CFO under consulting agreement at $0.06 to $0.20 per share	2,000,000	20	246,480	246,500
Issuance of shares to company attorneys for services rendered at $0.10 to $0.25 per share	2,150,000	22	287,478	287,500

Consulting contract vesting amortization adjustment			(2,082,680)				(2,082,680)
Translation adjustment						982	982
Net loss for the year ended March 31, 2013					(11,146,507)		(11,146,507)
Balance at March 31, 2013	226,449,077	$2,264	$31,000,267	$(16,244,237)	$(15,741,675)	$ (1,261)	$(984,642)

See accompanying notes to unaudited consolidated financial statements.

TAURIGA SCIENCES, INC. AND SUBSIDIARY
(Formerly Immunovative, Inc. and Subsidiary)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
For the period from inception December 12, 2011 to September 30, 2013
(UNAUDITED)

	Number of shares	Amount	Additional paid-in capital	Deficit accumulated from prior operations	Deficit accumulated during the development stage	Accumulated other comprehensive income (loss)	Total stockholders' deficit
Issuance of shares to chief financial officer at $0.04 to $0.07 per share	360,000	$4	$15,896	$-	$-	$ -	$ 15,900
Issuance of shares for cash at $0.01 to $0.06 per share	4,569,848	46	141,304				141,350
Issuance of shares to chief executive officer at $0.02 to $0.08 per share	7,610,000	77	462,323				462,400
Issuance of shares to chief operating officer at $0.07 to $0.09 per share	5,250,000	53	342,447				342,500
Issuance of shares to convert convertible							

debt at $0.03 to $0.09 per share	12,500,000	125	550,875	551,000
Issuance of shares to consultants at $0.04 to $0.09 per share	34,076,224	339	1,319,699	1,320,038
Contribution of 2,500,000 shares by chief executive officer to finalize licensing agreement at $0.04 per share			106,250	106,250
Issuance of shares to settle accounts payable at $0.04 per share	1,500,000	15	59,985	60,000
Issuance of shares for loan commitment fee at $0.03 per share	7,000,000	70	209,930	210,000
Issuance of shares for available for sale investments $0.06 per share	4,347,826	43	249,957	250,000
Beneficial conversion feature of convertible				

notes			477,688				477,688
Stock-based compensation vesting			69,172				69,172
Net loss for the six months ended September 30, 2013					(3,890,040)		(3,890,040)
Impairment of available for sale securities						(122,500)	(122,500)
Translation adjustment						2,787	2,787
Balance at September 30, 2013 (unaudited)	303,662,975	$3,036	$35,005,793	$(16,244,237)	$(19,631,715)	$ (120,974)	$ (988,097)

See accompanying notes to unaudited consolidated financial statements.

6

TAURIGA SCIENCES, INC. AND SUBSDIARY
(Formerly Immunovative, Inc. and Subsidiary)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended September 30, 2013	2012	Period from December 12, 2011 (Inception of Development) to September 30, 2013
Cash flows from operating activities			
Net loss	$ (3,890,040)	$ (4,614,953)	$ (19,631,715)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Stock-based compensation	2,420,010	1,038,171	10,817,343
Shares issued in Settlement Agreement	-	-	153,000
Impairment of advances to Immunovative Therapies, LTD, for future stock ownership	-	-	3,533,214
Amortization of debt discounts to interest expense	84,588	-	108,404
Write-off intangible asset - domain name	-	-	32,892
Depreciation and amortization	16,007	7,658	29,702
Loss on conversion of debt	321,000	-	321,000
Decrease (increase) in assets			
Other receivables	7,206	-	(700)
Prepaid expenses	19,534	(16,500)	16,758
Increase (decrease) in liabilities			
Accounts payable	(4,853)	106,239	142,689
Accrued salaries and wages	-	34,748	-
Accrued interest	46,145	(31,600)	33,997
Accrued expenses	(789)	150,220	90,099
Accrued professional fees	(79,439)	(42,932)	8827
Related party payables	-	90,000	(96,884)
Cash used in operating activities	(1,060,631)	(3,278,949)	(4,441,374)
Cash flows from investing activities			
Purchase of equipment	(3,829)	-	(27,649)
Purchase of intangible asset - domain name	-	(7,893)	(7,893)
Purchase of intangible asset - licensing fee	(143,750)	-	(143,750)
Purchase of marketable securities	-	(300,000)	-
Advances to Immunovative Therapies LTD, for future stock ownership	-	(1)	- (3,533,214)
Cash used in investing activities	(147,579)	(307,894)	(3,712,506)
Cash flows from financing activities			
Proceeds from notes payable	-	-	225,000

Repayment of note payable to former chief executive officer	-	(52,364)	(125,503)
Sale of common stock	141,350	4,121,047	7,402,827
Proceeds from convertible debentures	1,122,638	-	1,297,638
Commissions paid on sale of common stock	-	(623,956)	(643,956)
Cash provided by financing activities	1,263,988	3,444,727	8,156,006
Foreign currency translation effect	2,787	4,486	29,930
Net increase / (decrease) in cash	58,565	(137,630)	32,056
Cash, beginning of period	143,034	619,624	169,543
Cash, end of period	$201,599	$481,994	$ 201,599

See accompanying notes to unaudited consolidated financial statements.

7

TAURIGA SCIENCES, INC. AND SUBSDIARY
(Formerly Immunovative, Inc. and Subsidiary)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended September 30, 2013	For the Six Months Ended September 30, 2012	Period from December 12, 2011 (Inception of Development) to September 30, 2013
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest and Taxes Paid	$-	$-	$ -
NON CASH ITEMS			
Conversion of accounts payable to common stock	$-	$(65,000)	$ (95,559)
Conversion of note payable to common stock	$(175,000)	$(179,572)	$ (354,572)
Issuance of common stock to settle commissions on private placement offering	$-	$(676,400)	$ (689,000)
Conversion of accrued interest on Caete Invest & Trade, S.A. to common stock	$-	$(46,247)	$ (46,247)
Purchase of intangible asset - domain name with common stock	$-	$(25,000)	$ (25,000)
Issuance of common stock	$99	$88	$ 197
Additional paid in capital	$174,901	$992,131	$ 1,210,181
Beneficial conversion features	$(105,331)	$-	$ (212,940)
Additional paid in capital	$105,331	$-	$ 212,940
Issuance of common stock for investments held for available sale	250,000	-	250,000
Investments - available for sale securities	(250,000)	-	(250,000)
Capital contribution	(106,250)	-	(106,250)
License Agreement	106,250	-	106,250
Note conversion	(65,000)	-	65,000
Common stock	41	-	41
Additional paid in Capital	124,959	-	124,959
Accrued professional fees	(60,000)	-	60,000

See accompanying notes to unaudited consolidated financial statements.

8

TAURIGA SCIENCES, INC. AND SUBSIDIARY
(Formerly Immunovative, Inc. and Subsidiary)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2013
(unaudited)

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Nature of Business

The Company, prior to December 12, 2011, was involved in the business of exploiting new technologies for the production of clean energy. The Company is now moving in the direction of a diversified biotechnology company which includes medical devices and the development of proprietary drug compounds. The mission of the company is to acquire a diversified portfolio of medical technologies.

In May 2011, the Company had entered into an exclusive memorandum of understanding with Immunovative Therapies, Ltd. ("ITL") (an Israeli company) whereby the Company would acquire a subsidiary of ITL. On December 12, 2011, the Company terminated this memorandum of understanding and entered into a License Agreement (the "License Agreement") with ITL, pursuant to which the Company received an immediate exclusive and worldwide license to commercialize all the Licensed Products based on ITL's current and future patents and a patent in-licensed from the University of Arizona. The license granted covers two experimental products for the treatment of cancer in clinical development called AlloStim TM and Allo Vax TM ("Licensed Products"). On May 8, 2012, the Company changed its name to Immunovative, Inc. to better reflect its new direction on the development and commercialization of the next generation of immunotherapy treatments.

On January 8, 2013, the Company received from ITL, a notice by which ITL purported to terminate the License Agreement dated December 9, 2011 between the Company and ITL (the "ITL Notice"), along with alleged damages. It is the Company's position that ITL breached the License Agreement by delivering the ITL Notice and, that prior to the ITL Notice, the License Agreement was in full force and, on January 17, 2013, and that the Company had complied in all material respects with the License Agreement and therefore the Company believes that there are no damages to ITL. As such, on January 17, 2013, the Company filed a lawsuit against ITL, which included the request for various injunctive relief against ITL for damages stemming from this breach. On February 19, 2013, the Company and ITL entered into a settlement agreement whereby the parties have agreed to the following: (1) the Company will submit a letter to the Court advising the Court that the parties have reached a settlement and that the Company is withdrawing its motion, (2) ITL will pay the Company $20,000, (3) ITL will issue to the Company, ITL's share capital equivalent to 9% of the issued and outstanding shares of ITL, (4) the Company will change its name and (5) the settling parties agree that the license agreement will be terminated.

On March 13, 2013, the Company changed its name to Tauriga Sciences, Inc. to better reflect its new direction.

On May 31, 2013, the Company signed a Licensing Agreement with Green Hygienics, Inc. ("GHI") to enable the Company on an exclusive basis for North America, to market and sell 100% tree-free, bamboo-based, biodegradable, hospital grade wipes, as well as other similar products. The Company contracted to pay $250,000 for the licensing rights and issued 4,347,826 shares of common stock of the Company to GHI whereas GHI's parent company, Green Innovations Ltd. ("GNIN") has issued the Company 625,000 shares of common stock of GNIN. The Company paid $143,730 in cash to GHI and, in lieu of the remaining $106,270 to be paid in cash, the chief executive officer issued from his personal holdings of Company stock to GHI an additional 2,500,000 shares of common stock of the Company. The shares issued by the chief executive officer were recorded as a capital contribution. See Notes 4, 5, and

8.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") for interim financial statement presentation and in accordance with Form 10-Q. Accordingly, they do not include all of the information and footnotes required in annual financial statements. In the opinion of management, the unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position and results of operations and cash flows. The results of operations presented are not necessarily indicative of the results to be expected for any other interim period or for the entire year.

These unaudited consolidated financial statements should be read in conjunction with our 2013 annual financial statements included in our Form 10-K, filed with the U.S. Securities and Exchange Commission ("SEC") on June 12, 2013.

9

Going Concern

As indicated in the accompanying consolidated financial statements, the Company has incurred net operating losses of $3,890,040 for the six months ended September 30, 2013. Since inception of development stage, the Company has incurred net losses of $19,631,715. Management’s plans include the raising of capital through equity markets to fund future operations and cultivating new license agreements or acquiring ownership in medical companies. Failure to raise adequate capital and generate adequate sales revenues could result in the Company having to curtail or cease operations. Additionally, even if the Company does raise sufficient capital to support its operating expenses, acquire new license agreement or ownership interests in medical companies and generate adequate revenues, there can be no assurances that the revenues will be sufficient to enable it to develop business to a level where it will generate profits and cash flows from operations. These matters raise substantial doubt about the Company’s ability to continue as a going concern. However, the accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Foreign Currency Translation

Commencing with the quarter ended June 30, 2012, the Company considers the U.S. dollar to be its functional currency. Prior to March 31, 2012, the Company considered the Canadian dollar to be its functional currency. Assets and liabilities were translated into U.S. dollars at year-end exchange rates. Statement of operations amounts were translated using the average rate during the year. Gains and losses resulting from translating foreign currency financial statements were included in accumulated other comprehensive gain or loss, a separate component of stockholders’ deficit.

Cash Equivalents

For purposes of reporting cash flows, cash equivalents include investment instruments purchased with an original maturity of three months or less.

Equipment and Depreciation

Equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

Intangible Asset

Intangible asset, consisting of a licensing fee, is stated at cost and has been determined to have a five year life based on the terms of the licensing agreement.

Consolidated Financial Statements

The financial statements include the accounts and activities of Tauriga Sciences, Inc. and its wholly-owned Canadian subsidiary, Tauriga Canada, Inc. (formerly known as Immunovative Canada, Inc.) All inter-company transactions have been eliminated in consolidation.

10

Net Loss Per Common Share

The Company computes per share amounts in accordance with ASC Topic 260 Earnings per Share (“EPS”) which requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of Common Stock and Common Stock equivalents outstanding during the periods. A fully diluted calculation is not presented since the results would be anti-dilutive.

Stock-Based Compensation

The Company accounts for Stock-Based Compensation under ASC 718 “Compensation-Stock Compensation”, which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 requires measurement of cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized.

The Company accounts for stock-based compensation awards to non-employees in accordance with ASC 505-50, Equity-Based Payments to Non-Employees. Under ASC 505-50, the Company determines the fair value of the warrants or stock-based compensation awards granted as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Any stock options or warrants issued to non-employees are recorded in expense and an offset to additional paid-in capital in shareholders’ equity/(deficit) over the applicable service periods through the vesting dates based on the fair value of the options or warrants at the end of each period.

The Company issues stock to consultants for various services. The costs for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (1) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (2) the date at which the counterparty’s performance is complete. The Company recognized consulting expense and a corresponding increase to additional paid-in-capital related to stock issued for services.

Comprehensive Income

The Company has adopted ASC 211-05 effective January 1, 2012 which requires entities to report comprehensive income within a continuous statement of comprehensive income.

Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of information that historically has not been recognized in the calculation of net income.

Income Taxes

The Company accounts for income taxes utilizing the liability method of accounting. Under the liability method, deferred taxes are determined based on differences between financial statement and tax bases of assets and liabilities at enacted tax rates in effect in years in which differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

Impairment of Long-Lived Assets

Long-lived assets, primarily fixed assets and intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. The Company will perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, the Company would recognize an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and estimated fair value.

Research and Development

The Company expenses research and development costs as incurred.

Fair Value Measurements

ASC 820 Fair Value Measurements defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements.

11

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1- fair value measurements are those derived from quoted prices (unadjusted in active markets for identical assets or liabilities);

Level 2- fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3- fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments classified as Level 1 - quoted prices in active markets include cash.

These consolidated financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. In addition, since estimates are as of a specific point in time, they are susceptible to material near-term changes. Changes in economic conditions may also dramatically affect the estimated fair values.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2013. The respective carrying value of certain financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable, accrued expenses and due to related parties.

Uncertainty in Income Taxes

Income taxes are accounted for under the liability method of accounting for income taxes. Under the liability method, future tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply when the asset is realized or the liability settled. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

ASC 740 "Income Taxes" clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

As a result of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by ASC 740 and concluded that the tax position of the Company does meet the more-likely-than-not threshold as of September 30, 2013.

Recent Accounting Pronouncements

Management does not believe any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying consolidated financial statements.

NOTE 3 – EQUIPMENT

The Company's equipment is as follows:

	September 30, 2013		March 31, 2013		Estimated Life
Computer and office equipment	$	53,780	$	49,951	5 years
Less: accumulated depreciation		25,995		21,569	
	$	27,785	$	28,382	

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of the cost of a license fee with Green Hygienics, Inc. (see Notes 1, 5 and 8). The Company has paid cash of $143,750 and the chief executive officer contributed 2,500,000 shares of the Company's common stock valued at $106,250 for a total license fee value of $250,000. The Company's intangible asset is as follows:

	September 30, 2013		March 31, 2013		Estimated Life
Licensing fee	$	250,000	$	-	5 years
Less: accumulated amortization		11,581		-	
	$	238,419	$	-	

NOTE 5 – LICENSE AGREEMENT

Immunovative Therapies, Ltd.

On December 12, 2011, the Company entered into a License Agreement (the "License Agreement") with Immunovative Therapies, Ltd., an Israeli Corporation ("ITL"), pursuant to which the Company received an immediate exclusive and worldwide license to commercialize all product candidates (the "Licensed Products") based on ITL's current and future patents and a patent in-licensed from the University of Arizona. The license granted covers two experimental products for the treatment of cancer in clinical development called AlloStim TM and Allo Vaz TM ("Licensed Products").

On January 8, 2013, the Company received from ITL, a notice by which ITL purported to terminate the License Agreement dated December 9, 2011 between the Company and ITL (the "ITL Notice"), along with alleged damages. It is the Company's position that ITL breached the License Agreement by delivering the ITL Notice and, that prior to the ITL Notice, the License Agreement was in full force and, on January 17, 2013 and that the Company had complied in all material respect with the License Agreement therefore the Company believes that there are no damages to ITL. As such, on January 17, 2013, the Company filed a lawsuit against ITL, which included the request for various injunctive relief against ITL for damages stemming from this breach. On February 19, 2013, the Company and ITL entered into a settlement agreement whereby the parties have agreed to the following: (1) the Company will submit a letter to the Court advising the Court that the parties have reached a settlement and that the Company is withdrawing its motion, (2) ITL will pay the Company $20,000, (3) ITL will issue to the Company, ITL's share capital equivalent to 9% of the issued and outstanding shares of ITL, (4) the Company will change its name and (5) the settling parties agree that the license agreement will be terminated. No value has been assigned to the ITL shares as they are deemed to be worthless.

Green Hygienics, Inc.

On May 31, 2013, the Company executed a licensing agreement with GHI (see Notes 1 and 8). The Licensing Agreement with GHI will enable the Company, on an exclusive basis for North America, to market and sell 100% tree-free, bamboo-based, biodegradable, hospital grade wipes, as well as other similar products to commercial entities including medical facilities, schools, and more. The Company agreed to pay $250,000 for the licensing rights and issued 4,347,826 shares of common stock of the Company to GHI whereas GHI's parent company, GNIN, issued the Company 625,000 shares of common stock of GNIN. The terms of the Licensing Agreement provides the equal recognition of profits between the Company and GHI on the sales by the Company.

As of September 30, 2013, the Company has paid $143,750 of the $250,000 licensing fee in cash and the Chief Executive Officer contributed 2,500,000 shares of common stock of the Company in lieu of the remaining $106,270. The Company will amortize the licensing fee over the five year life of the licensing agreement.

NOTE 6 – CONVERTIBLE NOTES AND NOTES PAYABLE

Convertible Notes Payable

During the period of February 22, 2013 to September, 2013, the Company entered into 8% convertible promissory notes with various individuals aggregating $361,425. The notes are unsecured and are due 180 days from the date of issue. Should the notes not be repaid at the respective maturity date, the lender has the right to convert the unpaid principal and interest into common stock of the Company at $0.025 per share. During the quarter ended September 30, 2013, $65,000 of the notes were converted into 2,600,000 shares of the Company's common stock. The balance at September 30, 2013 was $296,425.

On October 19, 2012, the Company entered into a one year convertible promissory note agreement for $445,000 with JMJ Financial, a California based institutional investor. The note is non-interest bearing for the first 90 days and subsequent to that, the note has an interest rate of 5% per annum. The note, at the holder's option, is convertible at $0.15 per share and if the price per share at the time of conversion is greater than $0.15 per share, on average for the previous 25 trading days, the conversion rate shall have a 25% discount, with the minimum price of $0.15 per share. The Company paid an origination fee of 200,000 shares of its common stock to secure the loan. On November 14, 2012, the Company received $150,000 and an additional $25,000 on March 27, 2013. The 25% discount created a beneficial conversion feature at the commitment date aggregating $37,500 representing a discount which is being accreted monthly from the issuance date of the note through maturity and is recorded as additional interest expense. At March 31, 2013, the loan balance is $106.425, net of unamortized discount of $68,575. During the six months ended September 30, 2013, the Company issued 9,900,000 shares of its common stock to convert the note. Under the terms of the original agreement, approximately 4,125,000 shares were required to be issued. To entice the conversion, the Company issued an additional 5,775,000 shares resulting in a loss on conversion of $321,000.

The Company during the six months ended September 30, 2013 and at various times has entered into convertible debt instruments with interest rates ranging between 8 and 10% per annum. The total proceeds from the notes aggregated $996,213. The notes are convertible into shares of the Company's common stock with varying price ranges. During the six months ended September 30, 2013, the Company recorded a beneficial conversion feature of $477,688. At September 30, 2013, the Convertible notes were carried at $534,538 net of unamortized discount of $461,675.

NOTE 7 – RELATED PARTIES

On May 31, 2013, the Company executed a licensing agreement with GHI (see Notes 1, 4, 5 and 8). The Company's former CFO, Bruce Harmon, is the CFO and Chairman of GNIN, the parent company of GHI.

NOTE 8 – STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

During the year ended March 31, 2012, the Company sold for cash under private placement agreements 6,624,452 shares of its common stock at $0.05 per share.

During the year ended March 31, 2012, the Company issues to various consultants 14,485,000 shares of its common stock at prices ranging between $0.10 and $0.14 per share. These shares were valued at the market price of the stock on the date of the commitment. These consulting agreements were issued to the consultants to assist the Company in developing business strategies, assist in capital introductions, and other mutually agreed upon services. The aggregate value of the shares has been recorded as stock based compensation.

The Company issues 1,565,000 shares of its common stock in connection with the settlement agreements. The shares were valued at $0.14, the value at the date of settlement

During the year ended March 31, 2012, the Company converted unpaid rent on the corporate office in the amount of $78,000. Accordingly, 709,090 shares of the Company's common stock were issued at $0.1098 per share. The rent was payable to a party related to the former chief executive officer.

On July 11, 2011, the Company converted a $500,000 debenture along with accrued penalties for being in default and accrued unpaid interest into 10,000,000 shares of the Company's common stock and recognized a loss on extinguishment of $336,836.

During the year ended March 31, 2013, the Company sold for cash under private placement agreements, 48,844,286 shares of its common stock at an average price of $0.10 per share.

On May 15, 2012, the former chief executive officer's employment contract was amended to award him an additional 2,500,000 shares of the Company's common stock at $0.10 per share, the value at the date of commitment. Additionally, his employment contract was amended to award him an additional 2,500,000 shares conditional upon the Company raising a total of $7,500,000 in private placement funds.

On May 15, 2012, the strategic planning vice president was issued a consulting agreement for 36 months. In connection with the agreement, he was issued 2,500,000 shares of the Company's common stock and an additional 2,500,000 shares conditional upon the Company raising a total of $7,500,000 in private placement funds.

The Company issued 200,000 shares of its common stock at $0.125 per share to obtain the rights to a domain name.

On May 21, 2012, the Company issued 2,720,000 shares of its common stock to convert the Caete Invest & Trade, S.A. debt plus accrued interest. The note principal and accrued interest aggregated $225,819.

During the year ended March 31, 2012, the Company converted $95,575 of accounts payable by issuing 1,592,920 shares of its common stock at an average price of $0.06 per share.

On October 19, 2012, the Company issued 200,000 shares of its common stock to obtain a loan at $0.15 per share.

On August 22, 2012, a signing bonus in the amount of 1,500,000 shares was issued to the chief executive officer in connection with his employment contract. The shares were valued at $0.20 per share, the value at commitment date.

In December 2012, the board approved the issuance of an additional 4,000,000 shares to the Company's chief executive officer. The shares were valued at $0.04 per share, the value at the date of commitment.

In connection with the chief financial officer consulting agreement dated September 1, 2012, and subsequent modification, 2,000,000 shares were awarded at a price ranging from $0.06 to $0.20 per share.

The Company, during the course of the year has issued 2,150,000 shares of its common stock at prices ranging from $0.10 to $0.25 per share for legal services.

Commencing October 2012, the chief executive officer received 360,000 shares (60,000 per month) of the Company's common stock as salary in lieu of cash. These shares were valued between $0.04 and $0.24 per share. His employment agreement was subsequently modified in December 2012 to begin cash compensation in addition to the 60,000 shares award per month.

During the year ended March 31, 2013, the Company issued to various consultants 30,878,983 shares of its common stock at prices ranging between $0.10 and $0.29 per share. These shares were valued at the market price of the common stock on the date of commitment. There consulting agreement were issued to the consultants to assist the Company in developing business strategies, assist in capital introductions and the mutually agreed upon services. The aggregate value of the shares has been recorded as stock-based compensation.

The Company issued 5,335,000 shares of its common stock and 643,956 in cash as commissions related to the private placement agreements.

During the six months ended September 30, 2013, the Company issued to its chief financial officer 360,000 shares of its common stock at $0.04 to $0.07 per share for services rendered in accordance with his consulting contract.

During the six months ended September 30, 2013, the Company issued 4,569,848 shares of its common stock in exchange for $141,350.

During the six months ended September 30, 2013, the Company issued to its chief executive officer a total of 7,610,000 shares of its common stock at prices ranging from $0.02 to $0.08 per share for services in lieu of cash compensation.

During the six months ended September 30, 2013, the Company issued to its chief operating officer a total of 5,250,000 shares of its common stock at prices ranging from $0.02 to $0.08 per share for services in lieu of cash compensation.

During the six months ended September 30, 2013, the Company issued collectively 12,500,000 at prices ranging from $0.03 to $0.09 per share for the conversion of a $240,000 convertible note.

During the six months ended September 30, 2013, the Company issued to various consultants collectively 34,076,224 shares of its common stock at prices ranging from $0.02 to $0.09 per share.

During the six months ended September 30, 2013, the Company issued 1,500,000 at $0.04 per share in settlement of legal fees.

During the six months ended September 30, 2013, the Company issued 7,000,000 shares at $0.03 per share for a committment fee relating to a convertible debt arrangement.

During the six months ended September 30, 2013, the Company issued 4,387,826 shares of its common stock to Green Hygienics in connection with a license agreement.

During the six months ended September 30, 2013, the chief executive officer contributed 2,500,000 shares to the Company to fully pay up the Green Hygienics license fee. The shares were valued at $0.04 per share totaling $106,250.

In connection with the consulting agreements and the board advisory agreements, the agreements have as part of the compensation arrangements, the following clauses: a) the consultant will be reimbursed for all reasonable out of pocket, b) to the extent the consultant introduces the Company to any sources of equity or debt arrangements, the Company agrees to pay 8% to 10% in cash and 8% to 10% in common stock of the Company of all cash amounts actually received by the Company and 2% for debt arrangements, and c) the Company, in its sole discretion, may make additional cash payments and/or issue additional shares of common stock to the consultant based upon the consultant's performance.

Warrants for Common Stock

The following table summarizes the activity of the warrants for common stock issued in 2010 in connection with consulting agreements outstanding as at September 30, 2013:

	Number of Warrants	Exercise Price	Expiration Date
Balance March 31, 2013	394,465	$ 0.75	8/2014
Exercised	-		
Balance September 30, 2013	394,465		

The warrants were valued utilizing the following assumption employing the Black-Scholes Pricing Model:

Volatility	241.65% to 244.92%
Risk-free rate	1.34% to 0.41%
Dividend	-
Expected life of warrants	3

15

Stock Options

On February 1, 2012, the Company awarded 5,000,000 options to purchase common shares to its former Chief Executive Officer and 5,000,000 options to purchase common shares to the vice president – strategic planning. These options vested immediately and were for services performed. The Company recorded stock-based compensation expense of $1,400,000 for the issuance of these options. The following weighted average assumptions were used for Black-Scholes option-pricing model to value these stock options:

Volatility	220%
Expected dividend rate	-
Expected life of options in years	10
Risk-free rate	1.87%

A summary of option activity as of September 30, 2013, and changes during the period then ended, is presented below:

Options	Weighted Average Exercise Price	Number of Shares	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance March 31, 2013	$ 0.10	10,000,000	8.92	$ 400,000
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options cancelled/forfeited	-	-	-	-
Balance at September 30, 2013	$ 0.10	10,000,000	8.92	$ 400,000
Exercisable at September 30, 2013	$ 0.10	10,000,000	8.92	$ 400,000

NOTE 9 – COMMITMENTS

On August 22, 2012, the Company entered into an employment agreement with Seth M. Shaw, its chief executive officer. The agreement provides for annual compensation of $132,000. Mr. Shaw previously elected to forgo cash compensation and receive 60,000 shares of the Company’s common stock on a monthly basis. However, as the only principal officer and director, he decided to take the cash compensation as well and is in the process of modifying his employment agreement.

NOTE 10 – SUBSEQUENT EVENTS

On October 29, 2013, the Company entered into a Strategic Alliance Agreement (the “BR Agreement”) with Bacterial Robotics, LLC (“BR”).

The BR Agreement creates a strategic relationship between the Company and BR with the aim of research and development of genetically enhanced bacteria for nuclear waste water remediation (“NuclearBot Technology”). As consideration for the rights set forth in the BR Agreement, the Company made an initial cash payment of $25,000. Pursuant to the BR Agreement, within ninety (90) days of signing, BR will deliver to the Company a whitepaper on utilization of NuclearBot Technology to cleanse water used in the cooling of nuclear power plants (“Whitepaper”).

Following acceptance of the Whitepaper by the Company, the Company shall pay an additional $25,000 to BR. The parties further agreed to enter into a joint venture ("JV") in which the Company will be the majority and controlling owner. The purpose of the JV is to market and sell products and services based on the NuclearBot Technology, sublicense and own all improvements to the NuclearBot Technology in addition to owning other jointly-developed intellectual property. The Company will be the majority and controlling owner of the JV, which will also use the NuclearBot Technology to further the growth of the nuclear wastewater treatment market (the "Field of Use") and further the individual strategic objectives of each of the Parties.

In connection with the BR Agreement, Bacterial Robotics also granted to the Company (or its affiliated assignee) a right of first refusal to obtain a 10-year, fully-paid, worldwide license agreement (the "BR Definitive License Agreement") related to the NuclearBot Technology to sell, offer for sale and distribute products and services utilizing the NuclearBot Technology (i) exclusively in the Field of Use; and (ii) non-exclusively in all other fields of use.

The BR Agreement also provides for the entry by the parties thereto into a "BR Definitive Reseller Agreement" pursuant to which the Company (or its assignee) will be an authorized Bacterial Robotics marketing and sales representative of products and services utilizing the NuclearBot Technology and BR Technology in all fields of use.

The BR Definitive License Agreement and the BR Definitive Reseller Agreement are to be negotiated, executed and delivered prior to consummation of the transactions involving NuclearBot Technology as described in the Agreement.

In addition to the cash payments described above, the Company issued to Bacterial Robotics a Warrant exercisable for a period of five (5) years for up to 75,000,000 shares (plus an amount, if any, to cover a cashless exercise related to the strike price, collectively, the "BR Warrant Shares") of its Common Stock. Under the terms of the BR Agreement, the Company agreed to file a registration statement (the "Registration Statement") with the Securities and Exchange Commission to register 35,000,000 of the BR Warrant Shares issued to BR within thirty (30) days following the closing of this transaction (the "Filing Deadline").

The Company will use its commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC as promptly as possible after the filing thereof, but in any event prior to the Required Effectiveness Date. The Required Effectiveness Date means (i) if the Registration Statement does not become subject to review by the SEC, the date which is the earliest of (a) ninety (90) days after the Closing Date or (b) five (5) business days after the Company receives notification from the SEC that the Registration Statement will not become subject to review, or (ii) if the Registration Statement becomes subject to review by the SEC, the date which is the earliest of (a) one hundred and fifty (150) days after the Closing Date or (b) five (5) business days after the Company receives notification from the SEC that the SEC has no further comment to the Registration Statement.

Subsequent to September 30, 2013, the Company issued 24,750,506 shares in connection with the Conversion of Convertible Notes and issued 19,410,000 in connection with consulting agreements.

PART I - FINANCIAL INFORMATION

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

We believe that it is important to communicate our future expectations to our security holders and to the public. This report, therefore, contains statements about future events and expectations which are "forward-looking statements" within the meaning of Sections 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including the statements about our plans, objectives, expectations and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." You can expect to identify these statements by forward-looking words such as "may," "might," "could," "would," "will," "anticipate," "believe," "plan," "project," "expect," "intend," "seek" and other similar expressions. Any statement contained in this report that is not a statement of historical fact may be deemed to be a forward-looking statement. Although we believe that the plans, objectives, expectations and prospects reflected in or suggested by our forward-looking statements are reasonable, those statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements, and we can give no assurance that our plans, objectives, expectations and prospects will be achieved.

Important factors that might cause our actual results to differ materially from the results contemplated by the forward-looking statements are contained in the "Risk Factors" section of and elsewhere in our Form 10-K dated March 31, 2013 for the fiscal year ended March 31, 2013 and in our subsequent filings with the Securities and Exchange Commission.

THIS REPORT CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933 AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934. THESE FORWARD LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM HISTORICAL RESULTS OR ANTICIPATED RESULTS, INCLUDING THOSE SET FORTH UNDER "RISK FACTORS" IN THIS "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" AND ELSEWHERE IN THIS REPORT. THE FOLLOWING DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH "SELECTED FINANCIAL DATA" AND THE COMPANY'S FINANCIAL STATEMENTS AND NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

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

We are a Florida corporation formed on April 8, 2001. We were originally organized to be a blank check company.

On June 8, 2009, the Board of Directors approved the change of name to "Novo Energies Corporation". As described in a report filed with the United States ("U.S.") Securities and Exchange Commission on June 26, 2009, a majority of shareholders executed a written consent in lieu of an Annual Meeting (the "Written Consent") effecting the change of the name of our business from "Atlantic Wine Agencies, Inc." to "Novo Energies Corporation" on June 8, 2009 to better reflect what we then intended to be our future operations. We filed an amendment to our Articles of Incorporation on June 8, 2009 with the Florida Secretary of State to affect this name change after receiving the requisite corporate approval.

On June 23, 2009, the Board of Directors approved a 3-for-1 forward stock split. Accordingly, all share and per share amounts have been retroactively adjusted in the accompanying financial statements.

On July 30, 2009, Novo Energies Corporation ("Novo") formed a wholly-owned subsidiary, WTL Renewable Energy, Inc. ("WTL"). WTL was established as a Canadian Federal Corporation whose business is to initially research available technologies capable of transforming plastic and tires into useful energy commodities. Simultaneously, WTL also intended to plan, build, own, and operate renewable energy plants throughout Canada utilizing a third party technology and using plastic and tire waste as feedstock. On May 8, 2012, the name was changed to Immunovative Canada, Inc.

On May 17, 2011, Novo entered into an exclusive memorandum of understanding with Immunovative Clinical Research, Inc. ("ICRI"), a Nevada corporation and wholly-owned subsidiary of Immunovative Therapies, Ltd. ("ITL"), an Israeli corporation pursuant to which the Company and ICRI intended to pursue a merger resulting in Novo owning ICRI.

In April 2012, the Board of Directors approved the change of name to "Immunovative, Inc." As described in a report filed with the United States ("U.S.") Securities and Exchange Commission on April 30, 2012, a majority of shareholders executed a written consent in lieu of an Annual Meeting (the "Written Consent") effecting the change of the name of our business from "Novo Energies Corporation" to "Immunovative, Inc." on April 2, 2012 to better reflect what we then intended to be our future operations. We filed an amendment to our Articles of Incorporation on April 30, 2012 with the Florida Secretary of State to affect this name change after receiving the requisite corporate approval.

On January 8, 2013, the Company received from ITL, a notice by which ITL purported to terminate the License Agreement dated December 9, 2011 between the Company and ITL (the "ITL Notice"), along with alleged damages. It is the Company's position that ITL breached the License Agreement by delivering the ITL Notice and, that prior to the ITL Notice, the License Agreement was in full force and, on January 17, 2013 and that the Company had complied in all material respect with the License Agreement therefore the Company believes that there are no damages to ITL. As such, on January 17, 2013, the Company filed a lawsuit against ITL, which included the request for various injunctive relief against ITL for damages stemming from this breach.

On February 19, 2013, the Company and ITL entered into a settlement agreement whereby the parties have agreed to the following: (1) the Company will submit a letter to the Court advising the Court that the parties have reached a settlement and that the Company is withdrawing its motion, (2) ITL will pay the Company $20,000, (3) ITL will issue to the Company, ITL's share capital equivalent to 9% of the issued and outstanding shares of ITL, (4) the Company will change its name and (5) the settling parties agree that the license agreement will be terminated.

On March 13, 2013, the Board of Directors approved the change of name to "Tauriga Sciences, Inc." from "Immunovative, Inc." We filed an amendment to our Articles of Incorporation on March 13, 2013 with the Florida Secretary of State to affect this name change after receiving the requisite corporate approval. The Company's symbol change to "TAUG" was approved by FINRA effective April 9, 2013.

In March 2013, the Company signed a Memorandum of Understanding ("Marvanal MOU") with Marvanal, Inc. ("Marvanal"), a company who is an approved vendor with the State of Connecticut public school food lunch program ("CT Food Program"). Marvanal's lactose-free dairy products are authorized for the 2012-2013 CT Food Program and is currently developing a comprehensive line of dairy products utilizing a specific food-protein concentration-based technology. The Marvanal MOU was for the Company to acquire the exclusive marketing rights within the State of New York for Marvanal's lactose-free, dairy product line. The Company is not pursuing the Marvanal MOU.

In May 2013, the Company signed a Memorandum of Understanding ("Constellation MOU") with Constellation Diagnostics, Inc. ("Constellation"). Constellation is a developer of camera-based technology with the goal of preventing skin cancer through early detection. Under the terms of the Constellation MOU, the Company and Constellation will establish a joint venture partnership to develop and commercialize a novel, imaging-based diagnostic technology for use in predictive and preventative oncology. Constellation has already begun product development in collaboration with professors at the Massachusetts Institute of Technology ("MIT") and Harvard University. The Company made an initial investment in Constellation of $100,000 for a 2% equity stake. The Constellation MOU provides the potential of the Company earning an equity stake in Constellation of up to 35% with up to $1,000,000 in investments.

On May 31, 2013, the Company signed a Licensing Agreement with Green Hygienics, Inc. ("GHI") to enable the Company on an exclusive basis for North America, to market and sell 100% tree-free, bamboo-based, biodegradable, hospital grade wipes, as well as other similar products.

The Company has signed Memorandum of Understandings ("MOU") and/or Letter of Intents ("LOI") with various groups and/or companies and is currently negotiating for completion of the respective agreements to include one or more operations into the Company. These MOUs and/or LOIs have all been released as public information through a Form 8-K and/or a press release. There are no guarantees that the outstanding MOUs and/or LOIs will be finalized.

The following Management Discussion and Analysis should be read in conjunction with the consolidated financial statements and accompanying notes included in this Form 10-K.

RESULTS OF OPERATIONS

Three months ended September 30, 2013 compared to the three months ended September 30, 2012

Revenue. The Company is currently developing its business, and as a result has no products or services to offer and no revenues.

Selling, General and Administrative Expenses. For the three months ended September 30, 2013, selling, general and administrative expenses were $1,255,029 compared to $2,152,133 for the same period in 2012.

Impairment of advances to Immunovative Therapies, Ltd. for future stock ownership. For the three months ended September 30, 2013, the impairment expense was $0 compared to $1,585,999 for the same period in 2012. The Company, under the license agreement with Immunovative Therapies, Ltd., advanced funding to facilitate research and development. The Company impaired the advances as the value was undeterminable at the time.

Net Loss. We generated net losses of $1,438,927 for the three months ended September 30, 2013 compared to $3,742,520 for the same period in 2012, a decrease of 63.5%.

Six months ended September 30, 2013 compared to the six months ended September 30, 2012

Revenue. The Company is currently developing its business, and as a result has no products or services to offer and no revenues.

Selling, General and Administrative Expenses. For the six months ended September 30, 2013, selling, general and administrative expenses were $3,298,742 compared to $2,775,734 for the same period in 2012. The expense for 2013 is primarily composed of a stock-based compensation ($2,420,052), accounting fees ($78,843), legal fees ($98,518), and consulting fees ($232,568), .

Impairment of advances to Immunovative Therapies, Ltd. for future stock ownership. For the six months ended September 30, 2013, the impairment expense was $0 compared to $1,829,049 for the same period in 2012. The Company, under the license agreement with Immunovative Therapies, Ltd., advanced funding to facilitate research and development. The Company impaired the advances as the value was undeterminable at the time.

Net Loss. We generated net losses of $3,890,040 for the six months ended September 30, 2013 compared to $4,614,953 for the same period in 2012, a decrease of 17.3%.

Liquidity and Capital Resources

We continue to fund our operations through private placement offerings and other financings.

During the six months ending September 30, 2013, the Company sold 4,569,848 shares of common stock for a total of $143,750.

At September 30, 2013, we had cash and cash equivalents of $201,599 compared to $143,034 at March 31, 2013.

Cash Flows

Net cash used in operating activities amounted to $14,441,374 for the period from December 12, 2011 (inception of Development Stage) to September 30, 2013. Net cash used in operating activities for the six months ended September 30, 2013 and 2012 was $1,060,631 and $3,278,949, respectively.

During the six months ended September 30, 2013, we used $147,579 in investing activities, primarily the acquisition of the license agreement.

During the six months ended September 30, 2012, we used $307,894 in investing activities primarily related to the purchase of marketable securities.

During the period from inception December 12, 2011 (inception of the Development Stage) to September 30, 2013, we generated $7,402,127 net of $643,956 in cash paid for commission and issued 5,325,000 shares of the common stock for commission paid with stock.

During the six months ended September 30, 2013, we generated cash from financing activates of $141,350 primarily from the sale of common stock. During the six months ended September 30, 2012, we generated cash from financing activities of $4,121,047 primarily from the sale of common stock.

We do not believe that our cash on hand at September 30, 2013 will be sufficient to fund our license agreement requirements if all the conditions of the license agreement required of the licensor are met. We will continue to seek additional equity financing. However, there is no assurance that we will be successful in our equity private placements.

Going Concern Qualifications

The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had no revenue and net losses of $3,890,040 for the period ended September 30, 2013 compared to sales of $0 and net loss of $4,614,953 for the six months ended September 30, 2012. As discussed in Note 1 to the financial statements, since inception of the Development Stage (December 12, 2011) the Company had losses of $19,631,715 and there are

existing uncertain conditions which the Company faces relative to its obtaining financing and capital in the equity markets. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company had working capital deficit, stockholders' deficit, and accumulated deficit during the development stage of $1,551,121, $939,220 and $19,557,068, respectively, at September 30, 2013, and used cash in operations of $1,060,631 in the six months ended September 30, 2013. The Company is highly dependent on its ability to continue to obtain investment capital from future funding opportunities to fund the current and planned operating levels. The unaudited consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to bring in income generating activities and its ability to continue receiving investment capital from future funding opportunities. No assurance can be given that the Company will be successful in these efforts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Securities and Exchange Commission defines the term “disclosure controls and procedures” to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer’s management, including its chief executive and chief financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to the chief executive and interim chief financial officer to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures are not effective as of such date. The Chief Executive Officer and Chief Financial Officer have determined that the Company continues to have the following deficiencies which represent a material weakness:

1. The Company does not have an Audit Committee;
2. Lack of in-house personnel with the technical knowledge to identify and address some of the reporting issues surrounding certain complex or non-routine transactions. With material, complex and non-routine transactions, management has and will continue to seek guidance from third-party experts and/or consultants to gain a thorough understanding of these transactions;
3. Insufficient personnel resources within the accounting function to segregate the duties over financial transaction processing and reporting;
4. Insufficient written policies and procedures over accounting transaction processing and period end financial disclosure and reporting processes.

To remediate our internal control weaknesses, management intends to implement the following measures:

The Company will add sufficient number of independent directors to the board and will form an Audit Committee with a qualified person to chair the committee.

The Company has hired a part-time chief financial officer and will add sufficient accounting personnel to properly segregate duties and to effect a timely, accurate preparation of the financial statements.

The Company will hire staff technically proficient at applying U.S. GAAP to financial transactions and reporting.

Upon the hiring of additional accounting personnel, the Company will develop and maintain adequate written accounting policies and procedures.

The additional hiring is contingent upon the Company's efforts to obtain additional funding through equity or debt and the results of its operations. Management expects to secure funds in the coming fiscal year but provides no assurances that it will be able to do so.

Changes in Internal Control over Financial Reporting

Except as set forth above, there were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of the control system must reflect that there are resource constraints and that the benefits 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 the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on 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. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of September 30, 2013, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations.

On January 8, 2013, the Company received from ITL, a notice by which ITL purported to terminate the License Agreement dated December 9, 2011 between the Company and ITL (the "ITL Notice"), along with alleged damages. It is the Company's position that ITL breached the License Agreement by delivering the ITL Notice and, that prior to the ITL Notice, the License Agreement was in full force and, on January 17, 2013 and that the Company had complied in all material respect with the License Agreement therefore the Company believes that there are no damages to ITL. As such, on January 17, 2013, the Company filed a lawsuit against ITL, which included the request for various injunctive relief against ITL for damages stemming from this breach.

The Company, as of the date of this report, has funded ITL approximately $3.7 million under the Licensing Agreement and other related costs in connection with raising the capital and fulfillment of the Licensing Agreement by the Company.

On February 19, 2013, the Company and ITL entered into a settlement agreement whereby the parties have agreed to the following: (1) the Company will submit a letter to the Court advising the Court that the parties have reached a settlement and that the Company is withdrawing its motion, (2) ITL will pay the Company $20,000, (3) ITL will issue to the Company, ITL's share capital equivalent to 9% of the issued and outstanding shares of ITL, (4) the Company will change its name and (5) the settling parties agree that the license agreement will be terminated.

ITEM 1A. RISK FACTORS.

Not applicable.

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

On February 8, 2012, the Company issued 14,131,500 shares of its common stock to various investors at $0.10 per share. The shares mentioned above were issued in reliance on exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended, including Rule 506 of Regulation D and Regulation S promulgated under the Securities Act of 1933, as amended. These transactions qualified for exemption from registration because among other things, the transactions did not involve a public offering, each investor was an accredited investor, each investor had access to information about our Company and their investment, each investor took the securities for investment and not resale, there was no general solicitation or advertising in connection with the placement and we took appropriate measures to restrict the transfer of the securities.

On February 15 and 28, 2012, the Company entered into consulting agreements with Bridgeview Capital. In consideration for these services, the Company issued 3,000,000 shares of its common stock vesting immediately.

On February 15, 2012, the Company entered into a consulting agreement with an individual to assist the Chief Executive Officer with day to day operating activities. In consideration for these services, the Company issued 250,000 shares vesting immediately.

On February 28, 2012, the Company entered into a consulting agreement with an individual to provide capital introduction and other services as mutually agreed upon with the Company. In consideration for these services, the Company issued 1,195,000 shares of its common stock vesting immediately.

On February 28, 2012, the Company entered into a consulting agreement with Rubicon Capital Advisors, LLC to assist the Company in developing marketing and investor relations strategies and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 2,500,000 shares of its common stock.

On February 28, 2012, the Company entered into a consulting agreement with Sirton International, Inc. to assist the Company in developing a marketing and investor relations, assist the Company in developing an acquisition strategy and structure with the European market and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 5,400,000 shares of its common stock.

In connection with settlement agreements dated February 21 and 23, 2012, the Company issued 1,100,000 shares of its common stock to Satellite Advisors Group, LLC and Dr. Stella Sung.

On February 15, 2012, the Company entered into a consulting with an individual to act in the capacity of office manager. The agreement provides for the issuance of 25,000 shares per month. During the nine months ended December 31, 2012, the consultant was issued 125,000 shares.

On February 25, 2012, the Company entered into an agreement with Momentum Public Relations, Inc. for strategic business development activities. In connection with the agreement, the consultant is to receive 600,000 shares of the common stock.

On March 1, 2012, the Company entered into a consulting agreement with an individual to render strategic advisory services. The agreement calls for the issuance of 25,000 shares of common stock on a monthly basis. During the nine months ended December 31, 2012, 175,000 shares were issued.

On March 15, 2012, the Company entered into a consulting contract with an individual to assist the Company with web design and branding, develop online marketing strategies and other services agreed to between the Company and the consultant. The agreement is for a period of 24 months. The consultant will receive 25,000 shares of the Company's common stock monthly. During the nine months ended December 31, 2012, the consultant received 75,000 shares.

On April 1, 2012, the Company entered into a consulting agreement with an individual to be an advisory board member. The agreement is for a period of one year. The individual will receive 25,000 shares of the Company's common stock on a monthly basis. During the quarter ended December 31, 2012, the individual received 75,000 shares of common stock.

On April 26, 2012, the Company entered into a consulting agreement to provide investor relation services. The contract is for a period of 12 months and the consultant received 805,000 shares of the Company's common stock.

On May 10, 2012, the Company entered into a consulting agreement with an individual to render strategic marketing services assisting the Company with search engine online marketing strategies and developing such strategies and other services mutually agreed to by the Company and the consultant. The contract is for a period of twelve months. As part of the consultant's compensation, he will receive monthly 15,000 shares of the Company's common stock. During the quarter ended December 31, 2012, the consultant received 15,000 shares.

On May 15, 2012, the chief executive officer's contract was amended to award him an additional 2,500,000 shares.

On May 15, 2012, the Company entered into an agreement with a consultant to render strategic advisory services to include securing a well-qualified management team, developing acquisition strategy and other services mutually agreed to by the Company and consultant. The term of the contract is for 36 months. In connection with the contract, the consultant was awarded 2,500,000 shares of the Company's common stock.

On May 21, 2012, the Company under the provisions of a note payable to Caete Invest & Trade, S.A., converted the note payable of $179,572 and accrued interest of $46,247, or an aggregate of $225,819, into 2,720,000 shares of the Company's common stock.

On June 4, 2012, the Company purchased its Internet domain name and issued 200,000 shares of the Company's common stock.

On June 26, 2012, the Company entered into a consulting agreement with XS Invest, LLC and issued 100,000 shares of its common stock.

Subsequent to the three months ended December 31, 2012, the Company, through various private placements, sold approximately 13,263,000 shares of its common stock.

On July 1, 2012, the Company entered into a consulting agreement with an individual to render strategic advisory services. The agreement is for one year and requires the issuance of 500,000 shares of the Company's common stock.

On July 1, 2012, the Company entered into a consulting agreement with an individual to provide strategic advisory services to assist the Company in developing corporate structures, the development of potential strategic and business partners in Europe and other services mutually agreed to by the Company. In consideration for the services to be rendered, the Company issued 500,000 shares of its common stock which vest immediately.

On July 15, 2012, the Company entered into a monthly consulting contract with an entity to render strategic advisory services specifically to provide strategic business partners in Europe, develop corporate structures and other services mutually agreed to by the Company. As consideration for the services to be performed, the Company issued 150,000 shares of its common stock.

On July 23, 2012, the Company entered into a consulting agreement with Wall Street Relations, Inc. to provide strategic advisory services with the implementation of branding concepts, marketing, and strategic introductions to institutional investors and accredited individual investors and introductions to prospective advisory board and management candidates. The agreement is for a period of six months. The consultant as consideration will receive 2,000,000 shares of the Company's common stock.

On July 24, 2012, the Company appointed an individual to the Company's advisory board for a period of one year. The advisory board member will receive 25,000 shares of common stock of the Company on a monthly basis as compensation. During the quarter ended December 31, 2012, the board member received 50,000 shares of the Company's common stock.

On August 1, 2012, the Company appointed an individual to the Company's advisory board for a two year period and issued 500,000 shares of its common stock as compensation. The shares vest immediately.

On August 22, 2012, the Company entered into an employment agreement with Seth M. Shaw, its chief executive officer. At the execution of the agreement, Mr. Shaw was issued 1,500,000 shares as compensation.

On August 23, 2012, the Company issued 500,000 shares of the common stock to the Company's corporate secretary who is a consultant to the Company. The shares vest immediately.

On September 1, 2012, the Company entered into a consulting agreement with Lakeport Business Services, Inc. ("LBS") whereas the president of LBS, Bruce Harmon ("Harmon"), would serve as chief financial officer of the Company. As a part of the contract, Harmon was issued 500,000 shares of the Company's common stock on the execution date and an additional 50,000 shares quarterly thereafter.

On September 19, 2012, the Company converted $65,000 of accounts payable to common stock and issued 650,000 shares of its common stock. The shares were valued based upon the invoice amounts.

On September 1, 2012, the Company entered into a consulting agreement with an individual to provide strategic advisory services to the Company primarily to introduce strategic and business development partners, assist in developing corporate structures, and other services mutually agreed to by the Company. The agreement is for a period of 12 months and the Company issued 200,000 shares of its common stock as consideration and vest immediately.

On August 22, 2012, the chief executive officer, under the terms of his employment agreement, was issued a signing bonus of 1,500,000 shares of the Company's common stock.

On October 1, 2012, the Company entered into a consulting agreement to assist the Company with investor introductions and develop strategic partners. The agreement is for 24 months. In connection with the agreement, the Company issued 750,000 shares of its common stock.

Under the terms of the chief executive officer's employment contract, he is to receive 60,000 shares of the Company's common stock monthly as salary. During the three months ended December 31, 2012, he received 180,000 shares.

The chief executive officer was awarded 2,500,000 shares of the Company's common stock for achieving the private placement goal of $7,500,000 in accordance with his former consulting agreement and current employment contract.

The former chief executive officer was awarded 2,500,000 shares of the Company's common stock for achieving the private placement goal of $7,500,000 in accordance with his employment contract and his severance agreement.

On October 1, 2012, the Company entered into a three year agreement with an individual to serve as an Advisory Board member assisting the Company to identify and retain investment banking firms. In connection with the agreement, the Company issued 2,250,000 shares of its common stock.

On October 1, 2012, the Company entered into a two year agreement with an individual to serve as an Advisory Board member assisting the Company to identify and retain investment banking firms. In connection with the agreement, the Company issued 1,375,000 shares of its common stock.

On October 23, 2012, the Company entered into a consulting agreement with an individual to provide strategic marketing concepts to the Company over a two year period. In connection with the agreement, the Company issued 600,000 shares of its common stock.

On October 24, 2012, the Company converted $10,000 of local accounting fees to stock and issued 100,000 shares of its common stock.

On October 29, 2012, the Company entered into a two year consulting agreement with an investor relations firm. In consideration for the agreement, the Company issued 400,000 shares of its common stock. The 400,000 shares were considered a signing bonus. Additionally, each quarter, the Company is to issue 50,000 shares as normal compensation.

On October 31, 2012, the Company’s attorney was awarded 150,000 shares of the Company’s common stock for legal services.

On November 6, 2012, the Company entered into a consulting agreement with an individual for radio and television commercials related to the Company. In addition for paying for the services, the Company issued 300,000 shares of its common stock. The contract is for 3 months.

On November 7, 2012, the Company entered into a consulting agreement with an individual to perform services related to corporate business development. The agreement is for a period of three years. In connection with the agreement, the Company issued 1,850,000 shares of its common stock.

On November 9, 2012, the Company entered into a consulting agreement with an individual to promote business consulting services. In connection with the agreement, the Company issued 400,000 shares of its common stock. The agreement is for 8 months.

On November 21, 2012, the Company entered into a two year consulting contract with an entity to serve as advisor to the management team. In connection with the agreement, the company issued 2,175,000 shares of its common stock.

On December 18, 2012, the Company entered into three consulting agreements with an individual to assist the Company with investor introductions and potential strategic and business development partners. The agreements are for 12 months. In connection with the agreements, the Company issued 367,000 shares of its common stock.

During the six months ended September 30, 2013, the Company issued to its chief financial officer 100,000 shares of its common stock at $0.07 per share for services rendered in accordance with his consulting contract.

During the six months ended September 30, 2013, the Company issued 1,986,667 shares of its common stock in exchange for $119,200.

During the six months ended September 30, 2013, the Company issued to its chief executive officer a total of 5,180,000 shares of its common stock at prices ranging from $0.07 to $0.08 per share for services in lieu of cash compensation.

During the six months ended September 30, 2013, the Company issued to its chief operating officer a total of 3,750,000 shares of its common stock at prices ranging from $0.07 to $0.08 per share for services in lieu of cash compensation.

During the six months ended September 30, 2013, the Company issued collectively 9,900,000 at prices ranging from $0.04 to $0.09 per share for the conversion of a $175,000 convertible note.

During the six months ended September 30, 2013, the Company issued to various consultants collectively 12,096,224 shares of its common stock at prices ranging from $0.04 to $0.09 per share.

Subsequent to September 30, 2013, the Company issued 4,347,826 shares of its common stock to Green Hygienics, Inc. (“GHI”) as part of the licensing agreement with GHI.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. MINE SAFETY DISCLOSURES.

None

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

Exhibit 31.1	Certification of Chief Executive Officer and Interim Chief Financial Officer
Exhibit 32.1	Certification of Chief Executive Officer and Interim Chief Financial Officer

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Exhibit 101

101.INS	- XBRL Instance Document
101.SCH	- XBRL Taxonomy Extension Schema Document
101.CAL	- XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	- XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	- XBRL Taxonomy Extension Label Linkbase Document
101.PRE	- XBRL Taxonomy Extension Presentation Linkbase Document

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.

	TAURIGA SCIENCES, INC. (formerly Immunovative, Inc.) (Registrant)	
Date: November 19, 2013	By:	/s/ Seth Shaw Seth Shaw Chief Executive Officer and Interim Chief Financial Officer

26