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

FORM 10-Q

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

For the Quarterly Period Ended: June 30, 2017

or

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

For the Transition Period from ____________ to ____________

Commission file number: 000-54004

AVANT DIAGNOSTICS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**98-0599151**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1050 30th Street NW Suite 107 Washington DC	20007
(Address of Principal Executive Offices)	(Zip Code)

(708) 710-9200
(Registrant's telephone number, including area code)

217 Perry Parkway, Suite 8
Gaithersburg, MD 20877
(Former name or former address, if changed since last report)

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

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

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[X]

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

The number of outstanding shares of the Registrant's common stock, par value $0.00001 per share, at September 28, 2018 was 336,957,722.

AVANT DIAGNOSTICS, INC.
FORM 10-Q
June 30, 2017

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FORWARD-LOOKING STATEMENTS

Statements in this quarterly report may be "forward-looking statements." Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this prospectus, including the risks described under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as discussed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 and in other documents which we file with the Securities and Exchange Commission. In addition, such statements could be affected by risks and uncertainties related to our ability to raise any financing which we may require for our operations, competition, government regulations and requirements, pricing and development difficulties, our ability to make acquisitions and successfully integrate those acquisitions with our business, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the filing of this annual report, except as may be required under applicable securities laws.

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of forward-looking statements that reflect Management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Forward-looking statements made in this quarterly report on Form 10-Q includes statements about:

- our plans to identify and acquire products that we believe will be prospective for acquisition and development;
- concentration of our customer base and fulfillment of existing customer contracts;
- our ability to maintain pricing;
- the cyclical nature of the health care industry;
- deterioration of the credit markets;
- delays in obtaining required regulatory approvals;
- our ability to raise additional capital to fund future capital expenditures;
- increased vulnerability to adverse economic conditions due to indebtedness;
- competition within the health care industry;
- asset impairment and other charges;
- our limited operating history on which investors will evaluate our business and prospects;
- our identifying, making and integrating acquisitions;
- our ability to obtain raw materials and specialized equipment;
- technological developments or enhancements;
- loss of key executives;
- management control over stockholder voting;
- the ability to employ skilled and qualified workers;

- work stoppages and other labor matters;
- hazards inherent to the health care industry;
- inadequacy of insurance coverage for certain losses or liabilities;
- regulations affecting the health care industry;
- federal legislation and state legislative and regulatory initiatives relating to health care;
- costs and liabilities associated with environmental, health and safety laws, including any changes in the interpretation or enforcement thereof;
- future legislative and regulatory developments;
- our beliefs regarding the future of our competitors;
- our expectation that the demand for our products will eventually increase; and
- our expectation that we will be able to raise capital when we need it.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AVANT DIAGNOSTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2017 (Unaudited)		September 30, 2016
ASSETS			
Current Assets:			
Cash	67,693	$	851
Accounts receivable	20,500		41,383
Prepaid expenses	-		-
Total current assets	88,193		42,234
Non-current Assets			
Intellectual Property	5,186,599		5,497,134
Website development cost, net	4,516		5,312
Other Assets	247,521		20,000
Patent costs, net	102,081		111,361
Total non-current assets	5,540,716		5,633,807
Total Assets	**5,628,909**	**$**	**5,676,041**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	866,860	$	536,630
Accrued expenses	567,702		518,932
Accrued payroll and benefits	273,436		256,480
Convertible notes payable	-		250,807
Convertible notes payable to related party	405,000		429,280
Derivative liability	1,604,688		123,239
Total current liabilities	3,717,686		2,115,369
Total Liabilities	**3,717,686**		**2,115,369**
Commitments and Contingencies			
Stockholders' Equity			
Preferred stock, $0.001 par value; 50,000,000 shares authorized			
Series B preferred stock $0.001 par value; 3,000 and -0- shares outstanding as of June 30, 2017 and September 30, 2016 respectively	98		-
Common Stock ($0.00001 par value), 450,000,000 shares authorized; 280,421,208 and 219,254,543 shares outstanding as of June 30, 2017 and September 30, 2016, respectively	2,805		2,193
Additional paid-in capital	32,901,126		25,131,601
Accumulated deficit	(30,992,805)		(21,573,123)
Total Stockholders' Equity	1,911,223		3,560,671
Total Liabilities and Stockholders' Equity	**5,628,909**	**$**	**5,676,041**

See accompanying notes which are an integral part of these condensed consolidated financial statements.

AVANT DIAGNOSTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)

	For the three months ended June 30		For the nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Revenue	-	$ 91,533	255,951	91,533
Cost of revenue	-	52,762	24,787	52,762
Gross profit	-	38,771	231,164	38,771
Operating expenses:				
Selling, general and administrative	810,127	475,426	1,806,998	780,739
Amortization Fees	-	-	-	-
Research and development	-	-	-	-
Research and development - license acquired	-	10,080,000	-	10,080,000
Professional fees	1,997,212	97,931	6,896,682	216,181
Merger costs	-	-	-	-
Total operating expenses	2,807,339	10,653,357	8,703,680	11,076,920
Loss from operations	(2,807,339)	(10,614,586)	(8,472,516)	(11,038,149)
Other income				
Interest income	4,034	-	4,034	-
Gain on other comprehensive income	68,897	-	68,897	-
Total other expense	72,931	-	72,931	-
Other expense				
Interest expense	36,742	(36,131)	553,315	(49,977)
Other finance expense	45,500	-	542,083	-
Loss on change in fair value of derivative	(334,711)	(236,270)	(75,300)	(231,149)
Total other expense	(252,469)	(272,401)	1,020,097	(281,126)
Net Loss	**(2,481,939)**	**$ (10,886,987)**	**(9,419,682)**	**(11,319,275)**
Loss per Share:				
Basic and diluted net loss per common share outstanding	(0.01)	$ (0.07)	(0.05)	(0.09)
Basic and diluted weighted average number of common shares outstanding	187,261,237	167,095,654	175,994,679	120,526,942
Comprehensive loss:				
Net loss	(2,481,939)	$ (10,886,987)	(9,419,682)	(11,319,275)
Unrealized loss on available for sale securities	-	-	-	-
Comprehensive loss	**(2,481,939)**	**$ (10,886,987)**	**(9,419,682)**	**(11,319,275)**

See accompanying notes which are an integral part of these condensed consolidated financial statements.

AVANT DIAGNOSTICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
NINE MONTHS ENDED JUNE 30, 2017
(unaudited)

	Preferred stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balances at September 30, 2016	**-**	**$ -**	**219,254,543**	**$ 2,193**	**$25,131,601**	**$ (21,573,123)**	**$ 3,560,671**
Sale of common stock	-		10,000,000	100	(20)	-	80
Sale of Preferred Stock	-		-	-	-	-	-
Common stock issued for services	-	-	51,166,665	512	7,671,643	-	7,672,154
Stock based compensation	-	98	-	-	97,902	-	98,000
Common stock issued to pay debt to officer	-	-	-	-	-		-
Adjustment related to prior period	-	-	-	-	-	-	-
Reclass derivative liability to equity upon note payments	-	-	-	-	-	-	-
Net loss	-	-	-	-		(9,419,682)	(9,419,682)
Balances at June 30, 2017	**-**	**$ 98**	**280,421,208**	**$ 2,805**	**$32,901,126**	**$ (30,992,805)**	**$ 1,911,223**

See accompanying notes which are an integral part of these condensed consolidated financial statements.

AVANT DIAGNOSTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the nine months ended June 30,	
	2017	**2016**
Cash Flows from Operating Activities:		
Net loss	$ (9,419,682)	$ (11,319,275)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	335,737	194,812
Amortization of debt discounts	-	29,755
Amortization of patent and web design costs	-	-
Research and development - license acquired	-	10,080,000
Stock-based compensation expenses	7,770,153	71,252
Loss on change in fair value of derivatives	1,481,449	231,149
Changes in operating assets and liabilities:		
Accounts receivable	20,883	19,101
Prepaid Expenses	-	42
Accounts payable	330,230	54,609
Accrued payroll and benefits	-	(72,075)
Due to related party	16,956	-
Accrued liabilities	48,770	280,229
Net cash used in operating activities	584,496	(430,401)
Cash Flows from Investing Activities:		
Cash acquired with acquisition of Theranostics Health, Inc. assets	-	37,518
Licensing costs	(15,127)	(12,924)
Other Assets	(227,521)	(21,250)
Website development costs	-	-
Net cash provided by (used in) investing activities	(242,648)	3,344
Cash Flows from Financing Activities:		
Proceeds from sale of common stock, net	80	310,000
Proceeds from convertible notes payable	(275,086)	100,000
Proceeds from convertible notes payable, related party	-	100,000
Net cash provided by financing activities	(275,006)	510,000
Net increase in cash	66,842	82,943
Cash at beginning of period	851	43,635
Cash at end of period	**$ 67,693**	**$ 126,578**
Supplemental disclosure of noncash investing and financing activities:		
Shares issued in settlement of related party debt	$ -	$ 428,575
Reclass derivative liability to equity upon note payment	$ -	$ 52,389
Common stock issued to acquire net assets of Theranostics Health, Inc.	$ -	$ 3,150,000

See accompanying notes which are an integral part of these condensed consolidated financial statements

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Company was incorporated on October 16, 2008 in the State of Nevada as "Oreon Rental Corporation". At the time of its incorporation, the management of the Company intended to operate electronics rental stores in Ternopil and other similar cities throughout Ukraine. However, at the time of its incorporation and its initial public offering of common stock in October 2008, the Company did not own any such stores, nor did it have any ongoing business operations. The Company underwent a change in management in January 2010. Following the change in management, the Company decided not to proceed with its original plan of operations and to shift its business focus to that of an independent oil and gas company engaged in the acquisition, drilling and production of oil and natural gas properties and prospects. During 2014, the Company wound down its oil and natural gas operations and decided to complete a reverse recapitalization with Avant Diagnostics, Inc., a Nevada Corporation established in 2009.

Avant Diagnostics, Inc. ("Avant", "we" or the "Company"), a Nevada corporation established in 2009, is a commercial-stage molecular diagnostic company that focuses on the development and commercialization of a series of proprietary diagnostic tests that provide important actionable information for physicians and patients in the areas of oncology. Avant was originally named Arrayit Diagnostics, Inc. which was formed as a majority owned subsidiary of Arrayit Corporation ("Arrayit") through a technology transfer in July 2009. In January 2013, the Company effected a name change to Avant Diagnostics, Inc.

Acquisition of Avant Diagnostics, Inc.

Effective December 29, 2014, the Company completed a reverse recapitalization, as agreed in the definitive Agreement and Plan of Reorganization, of 100% of the outstanding equity interests of American Liberty Petroleum Corp. ("ALP"). Avant stockholders received 74,354,139 shares of common stock for a 93% equity interest in ALP. Such share exchange was calculated based on a one-for-one conversion ratio after a 1 for 17 reverse stock split of ALP which was subsequently effected in March 2015. The split affected the ALP common stock and not the Avant common stock. All references in the accompanying consolidated financial statements to the number of shares, options and other common stock equivalents, price per share and weighted-average number of shares outstanding of common stock have been adjusted to retroactively reflect the effect of the reverse stock split. Per the terms of the Agreement and Plan of Reorganization, ALP was delivered with zero assets and $70,000 in liabilities at time of closing. Following the reverse merger, we changed the name of ALP to "Avant Diagnostics, Inc." The transaction was regarded as a reverse recapitalization whereby Avant was considered to be the accounting acquirer as it retained control of ALP after the exchange. Although ALP is the legal parent company, the share exchange was treated as a recapitalization of ALP. Avant is the continuing entity for financial reporting purposes. Accordingly, the assets and liabilities and the historical operations reflected in the financial statements are those of Avant for all periods presented.

As of June 30, 2017, there remained a total of 3,510,000 shares of common stock that still had not been converted by Avant stockholders as part of the reverse recapitalization. The Agreement and Plan of Reorganization does not provide for cash in lieu of exchange of shares and provides that upon the merger, the stockholders acquired their rights in ALP shares and all outstanding shares of Avant were deemed to be cancelled. There is no timeframe as to when the stockholders must convert their shares and, as of the date of this report, the shares have not been issued.

Since the end of the fiscal year ended September 30, 2016 and through the fiscal year ended September 30, 2017, we have focused on executing our business plan by acquiring proprietary diagnostic technology in the areas of oncology, as well as the addition of a revenue producing CLIA/CAP laboratory. We succeeded in executing on these objectives by the purchase of Amarantus Diagnostics, Inc. ("ADI") and the purchase of the business assets and certain liabilities of Theranostics Health, Inc. ("THI"). We intend on executing unique commercialization strategies for each of our proprietary diagnostic tests. ADI business and THI assets and liabilities were combined into the new subsidiary Avant Diagnostics Acquisition Corporation (ADAC).

Amarantus Diagnostic, Inc. Acquisition

On May 11, 2016, the Company entered into a Share Exchange Agreement with Amarantus BioScience Holdings, Inc. ("AMBS") to purchase 100% of the outstanding capital stock of Amarantus Diagnostics, Inc. ("ADI").

The Company paid an aggregate consideration of 80,000,000 shares of its common stock for the ADI acquisition, subject to the issuance of additional shares upon the occurrence of certain events set forth in the Share Exchange Agreement. Each share of Avant common stock issued in connection with the ADI Acquisition shall be subject to a lock-up beginning on the May 11, 2016 and ending on the earlier of (i) eighteen (18) months after such date or (ii) a Change in Control (as defined in the Share Exchange Agreement) or (iii) written consent of the parties to that certain escrow agreement entered into between the Company, ADI, the Shareholder and certain creditors of the Shareholder.

AMBS issued the Company a $50,000 convertible promissory note bearing interest at 12% per annum and matures one year from the date of issuance. The note was convertible at the option of the Investor at any time into shares of common stock, at an initial conversion price equal to $0.20, subject to adjustment and certain setoffs. The note was fully paid off on May 24, 2016.

Theranostics Health, Inc. Acquisition

On May 11, 2016, the Company entered into an Asset Purchase Agreement with Theranostics Health, Inc. ("THI"). The Company purchased substantially all of the assets related to THI's business and assumed certain liabilities.

The Company paid an aggregate consideration of 25,000,000 shares of its common stock for the THI acquisition. Each share of Avant common stock issued in connection with the THI Acquisition shall be subject to a lock-up beginning on May 11, 2016 and ending on the earlier of (i) eighteen (18) months after such date or (ii) a Change in Control (as defined in the Asset Purchase Agreement) or (iii) written consent of the Company, at the Company's sole discretion.

Recent Developments

During the period subsequent to June 30, 2017 through the fiscal year ended September 30, 2017, management has engaged in cost cutting measures primarily in the area of THI corporate overhead. These measures have resulted in bringing operating costs in line with current sales and improving revenue from the new and existing THI pharma services, heading into in the fourth quarter of 2017 – traditionally the fourth quarter of the calendar year is THI's best performing quarter.

The Company is operationally focused on improving revenues in the THI pharma services business by acquiring customers and expanding existing service agreements with oncology-focused pharmaceutical companies. The Company is now focused on establishing business relationships with pharmaceutical companies in late stage clinical companion diagnostic development and supportive CLIA commercial launches for combination products in the area of personalized medicine for cancer treatments, including immuno-oncology.

The Company's product OvaDx®, a noninvasive proteomics diagnostic screening test for the early detection of ovarian cancer. The Company believes this test will be approved by the U.S. Food and Drug Administration ("FDA") as the first pre-symptomatic screening test for ovarian cancer in the United States, (although there can be no assurance that approval will be obtained), detecting all types and all stages of ovarian cancer with high sensitivity and specificity. The Company's primary activities since inception has been focused preparing sample specimens in order for OvaDx to obtain FDA approval. The Company has generated minimum revenues since inception.

On May 11, 2016, the Company acquired the rights to MSPrecise®, a proprietary next-generation DNA sequencing (NGS) assay for the identification of patients with relapsing-remitting multiple sclerosis (RRMS) at first clinical presentation, has an exclusive worldwide license to the Lymphocyte Proliferation test (LymPro Test®) for Alzheimer's disease, which was developed by Prof. Thomas Arendt, Ph.D., from the University of Leipzig, and owns intellectual property for the diagnosis of Parkinson's disease (NuroPro).

On May 11, 2016, the Company acquired substantially all of the assets and assumed certain liabilities related to the business of THI. THI is a leading developer of proteomic technologies for measuring the activation status of key signaling pathways that are instrumental in the development of companion diagnostics for molecular-targeted therapies. THI has used these proteomic technologies to support the drug development programs of most major pharmaceutical and biotechnology drug development companies. THI is also providing these testing capabilities to clinical oncologists to advance personalized medicine through its TheraLink® Diagnostic Assays.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed consolidated financial statements of the Company as of June 30, 2017 and the condensed consolidated results of its operations and cash flows for the nine months ended June 30, 2017. The results of operations for the nine months ended June 30, 2017 are not necessarily indicative of the operating results for the full year ending September 30, 2017, or any other period. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related disclosures of the Company as of September 30, 2016 and for the year then ended, which was filed with the Securities and Exchange Commission on Form 10-K on August 27, 2018.

NOTE 2 – GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

Since inception, the Company has financed its operations primarily through equity and debt financings and advances from related parties. As of June 30, 2017, the Company had an accumulated deficit of $30.99 million. During the nine months ended June 30, 2017 and 2016, the Company incurred net losses of $9.42 million and $11.32 million, respectively, and used cash in operating activities of $584,496 and ($430,401), respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company recognizes it will need to raise additional capital in order to fund operations, met its payment obligations and execute its business plan. There is no assurance that additional financing will be available when needed or that management will be able to obtain financing on terms acceptable to the Company and whether the Company will generate revenues, become profitable and generate positive operating cash flow.

If the Company is unable to raise sufficient additional funds on favorable terms, it will have to develop and implement a plan to further extend payables and to raise capital through the issuance of debt or equity on less favorable terms until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. If the Company is unable to obtain financing on a timely basis, the Company could be forced to sell its assets, discontinue its operations and/or pursue other strategic avenues to commercialize its technology, and its intellectual property could be impaired.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Avant Diagnostics Acquisition Corporation (ADAC). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of expenses during the reporting period. The Company's significant estimates include the valuation of derivative liabilities, useful lives of long-lived assets, the valuation of debt and equity instruments, the valuation allowance relating to stock based compensation and the Company's deferred tax assets. Actual results could differ from those estimates.

Revenue Recognition

For revenue from product sales and services, the Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product or services has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

The Company derives its revenue from the performance under research and development contracts. These contracts require the Company to provide services directed towards specific objectives and include developmental milestones and deliverables. Up-front payments are recorded as deferred revenue and recognized when milestones are achieved. The Company may be reimbursed for certain costs incurred in preforming the specific research and development activities and records the reimbursement as revenues. As of June 30, 2017, and September 30, 2016, deferred revenue was $-0- and $-0-, respectfully.

Cost of Sales and Service

The cost of sales and service consists of the cost of labor, equipment depreciation and supplies and materials.

Accounts Receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

Allowance for Doubtful Accounts

Any charges to the allowance for doubtful accounts on accounts receivable are charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and the current status of accounts receivable. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. As of June 30, 2017 and September 30, 2016, allowance for doubtful accounts was $-0-.

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight line method over their estimated useful lives as follows:

Office equipment	5 years
Lab equipment	3 to 7 years

Net Loss per Share of Common Stock

The Company computes basic net loss per share by dividing net loss per share available to common stockholders by the weighted average number of common shares outstanding for the period, adjusted to give effect to the 17-for-1 reverse stock split, which was effective in the market in March 2015, and excludes the effects of any potentially dilutive securities. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the "treasury stock" and/or "if converted" methods as applicable. The computation of basic and diluted loss per share for the Nine Months ended June 30, 2017 and 2016 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

The following securities are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	June 30, 2017	June 30, 2016
Shares issued upon conversion of convertible notes and accrued interest	-	1,805,220

Intangible Assets

The Company's intangible assets consists of the following:

Intellectual property for the technology transfer agreement and licensing payments for use of various patent for its worldwide exclusive licensed rights to OvaDx, a diagnostic screening test for the early detection of ovarian cancer. As of June 30, 2017 the Company has not yet received FDA approval with respect to the clinical use of these intangible assets. The carrying value of June 30, 2017 and September 30, 2016 was $1,375,197 and $1,483,278, respectively.

Intellectual property acquired from the THI Acquisition leading to the development of proteomic technologies for measuring the activation status of key signaling pathways that are instrumental in the development of companion diagnostics for molecular-targeted therapies. The Company uses these proteomic technologies to support the drug development programs of most major pharmaceutical and biotechnology drug development companies. The carrying value of June 30, 2017 and September 30, 2016 was $3,811,402 and $4,013,813, respectively.

Intangible assets with finite lives are amortized over their estimated useful lives. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually. The Company's intangible asset with a finite life included intellectual property acquired from THI acquisition, capitalized website development costs and patent costs, which are being amortized over their economic or legal life, whichever is shorter.

The gross carrying amounts and accumulated amortization related to acquired intangible assets as of June 30, 2017 are as follows (in thousands, except year amounts):

Description	Book Value as of March 31, 2017	Additions during the year	Total after Additions	Remaining life In years	Amortization Expense for the Three Months Ended June 30, 2017	Book Value as of June 30, 2017
License Rights to OvaDx	1,417	-	1,417	9	42	1,375
THI Acquisition on May 11, 2016	3,878	-	3,878	15	67	3,811
Website development cost	5	-	5	5	-	5
Patent costs	105	-	105	9	3	102
	5,405	-	5,405		112	5,293

The Company incurred amortization expense associated with its finite-lived intangible assets of $112,000 for the three months ended June 30, 2017.

On April 26, 2017, the Company's license to MSPrecise® from the University of Texas Southwestern ("UTSW") was terminated due to non-compliance with certain diligent prosecution provisions under the license ("Terminated License"). The Company maintains full ownership over significant intellectual property in the form of patents, patent applications, know-how and data that it believes will limit the UTSW's, or a future licensor's, freedom to operate ("Limiting IP") in commercializing MSPrecise in the form in which it has been clinically tested to date. The Company has informed UTSW of the Company's Limiting IP, as well as the Company's desire to regain certain commercial rights previously granted under the Terminated License.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the condensed consolidated statements of operations and comprehensive loss, as if such amounts were paid in cash.

Convertible Instruments

U.S. GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional, as that term is described under applicable ASC 480-10.

When the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Derivative Financial Instruments

The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provide the Company with a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock. The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement).

The Company assesses classification of its common stock purchase warrants, if any, and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

The Company's free standing derivatives consist of embedded conversion options with issued convertible notes. The Company evaluated these derivatives to assess their proper classification in the condensed consolidated balance sheets as of June 30, 2017 using the applicable classification criteria enumerated under ASC 815-Derivatives and Hedging. The Company determined that certain embedded conversion features do not contain fixed settlement provisions. The convertible notes contain a conversion feature such that the Company could not ensure it would have adequate authorized shares to meet all possible conversion demands.

As such, the Company was required to record the debt derivatives which do not have fixed settlement provisions as liabilities and mark to market all such derivatives to fair value at the end of each reporting period.

Recent Accounting Pronouncements

Cash Flows

In August 2016, the FASB issued ASU No. 2016-15 Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments, which addresses specific cash flow classification issues where there is currently diversity in practice including debt prepayment and proceeds from the settlement of insurance claims. ASU 2016-15 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. The Company elected to early adopt ASU 2016-15 effective as of September 30, 2016. The adoption of ASU 2016-15 did not impact our results of operations or cash flows.

In November 2016, the FASB issued ASU No. 2016-18 Statement of Cash Flows - Restricted Cash, which requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. The Company elected to early adopt ASU 2016-18 including retrospective adoption for all prior periods. The impact of the adoption of ASU 2016-18 is the addition of a reconciliation of the totals in the statement of cash flows to the related captions in the balance sheet and was not material to the results.

Stock Compensation

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendment is to simplify several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public entities, the amendments in ASU 2016-09 are effective for interim and annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact that ASU 2016-09 will have on its consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU 2017-09, Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. It is effective prospectively for the annual period ending December 31, 2018 and interim periods within that annual period. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on the consolidated financial statements and disclosures, but does not expect it to have a significant impact.

Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* which supersedes FASB ASC Topic 840, *Leases (Topic 840)* and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard will be effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. The Company is currently evaluating the impact that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Business Combinations

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) Clarifying the Definition of a Business" The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted, including for interim or annual periods for which the financial statements have not been issued or made available for issuance. The Company adopted this guidance as of September 30, 2016.

In July 2017, the FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815). The amendments in Part I of this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception. Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments in Part I of this Update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact of adopting this standard on the consolidated financial statements and disclosures.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements, except as disclosed.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable based on an entity's own assumptions, as there is little, if any, related market activity (for example, cash flow modeling inputs based on assumptions)

Financial liabilities as of June 30, 2017 measured at fair value on a recurring basis are summarized below:

The Company determined that certain conversion option related to convertible notes issued did not have fixed settlement provisions and are deemed to be derivative financial instruments, since the exercise price was subject to adjustment based on certain subsequent equity transactions that would change the exercise price, the Company elected to use a lower reset provision. Accordingly, the Company was required to record such conversion option as a derivative liability and mark such derivative to fair value each reporting period. Such instrument was classified within Level 3 of the valuation hierarchy. For the purpose of calculating the potential embedded derivatives, the Company utilized an estimated conversion price of $0.05 (or $0.10 floor as is the case with one note) in estimating the fair value of the conversion option.

The fair value of the conversion option was calculated using a binomial lattice formula with the following range of assumptions during the nine months of June 30, 2017:

	At Inception	June 30, 2017
Common Stock Estimated Fair Value	$ 0.05	0.05 to 0.25
Conversion Price per share	0.05-0.10	0.06-0.25
Conversion Shares	3,125,000	0
Call Option Value	0.0104 to 0.0226	0.006 to 0.11
Dividend Yield	0.00%	0.00%
Volatility	120.00%	65.60%
Risk-free Interest rate	0.68%	0.96 to 1.22%
Contractual Term	0.75 to 1.00 years	0.14 to 1.55 years

In the opinion of management, there is not a sufficient viable market for the Company's common stock to determine its fair value, therefore management considers recent sales of its common stock to independent qualified investors and estimated fair value of net assets acquired through issuance of common stock. Since the valuation model inputs are not fixed, management has estimated the fair value to be utilizing a binomial lattice model. Considerable management judgment is necessary to estimate the fair value at each reporting period. Accordingly, actual results could vary significantly from management's estimates.

Conversion price per share and conversion shares are based on the lower of reset or floor price of the respective notes.

The risk-free interest rate is the United States Treasury rate on the measurement date having a term equal to the remaining contractual life of the instrument. Since the Company's stock has not been publicly traded with significant volume, the Company is utilizing an expected volatility based on a review of historical volatilities over a period of time equivalent to the expected life of the instrument being valued of similarly positioned public Companies within. The dividend yield is 0% as the Company has not made any dividend payment and has no plans to pay dividends in the foreseeable future.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liabilities.

Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

Significant observable and unobservable inputs include stock price, exercise price, annual risk free rate, term, and expected volatility, and are classified within Level 3 of the valuation hierarchy. An increase or decrease in volatility or interest free rate, in isolation, can significantly increase or decrease the fair value of the derivative liabilities. Changes in the values of the derivative liabilities are recorded as a component of other income (expense) on the Company's condensed consolidated statements of operations and comprehensive loss.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis for the Nine Months ended June 30, 2017:

Balance - Beginning of period	$	1,614,398
Aggregate fair value of derivative instruments issued		325,000
Transfers out upon payoff of notes payable		-
Change in fair value of derivative liabilities		(334,711)
Balance - End of period	$	1,604,688

NOTE 5 – CONVERTIBLE NOTES PAYABLE

On June 19, 2017, the Company entered into a securities purchase agreement (the "Agreement") with an accredited investor (the "June 2017 Investor") pursuant to which the June 2017 Investor purchased a Senior Secured Convertible Note for an aggregate purchase price of $325,000 (the "June 2017 Note"). The June 2017 Notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to $0.06 per share, subject to adjustment ("June 2017 Initial Conversion Price"). Upon an investment of an additional $75,000 by the June 2017 Investor or another financier approved by the June 2017 Investor, bringing the total investment under the terms of the June 2017 Note to a minimum of $400,000, the Preferred Stock issued pursuant to the Exchange Agreement described above shall be cancelled. In connection with the Agreement, the June 2017 Investor received an aggregate of 650,000 shares of common stock (the "June 2017 Commitment Shares"), a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price (the "June 2017 Warrant") and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price (the "June 2017 Right"). The June 2017 Note, June 2017 Commitment Shares, June 2017 Warrant and June 2017 Purchase Right are collectively referred to herein as the "June 2017 Investment". The June 2017 Warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The June 2017 Right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06. The securities purchase agreement entered into with the June 2017 Investor limited the size of the June 2017 Investment to a total of $750,000.

NOTE 6 – STOCKHOLDERS' EQUITY

Common Stock

The board of directors authorized the following issuances of stock for services. The Company evaluated in accordance with ASC 505-50 "Equity-Based Payments to Non-Employees":

During the nine months ended June 30, 2017, the Company issued an aggregate of 2,666,665 restricted shares of common stock for bonus equity to the notes for a fair value of $536,500.

During the nine months ended June 30, 2017, the Company issued an aggregate of 20,500,000 restricted shares of common stock to certain board of directors for a fair value of $3,160,000. An aggregate of 15,000,000 of these shares vest over a three-year period.

During the nine months ended June 30, 2017, the Company issued 10,000,000 restricted shares of common stock to the Company former Chief Executive Officer for a fair value of $2,600,000.

During the nine months ended June 30, 2017, the Company issued 5,000,000 restricted shares of common stock as a settlement for a fair value of $550,000.

During the nine months ended June 30, 2017, the Company issued an aggregate of 9,000,000 restricted shares of common stock for consulting services for a fair value of $820,600.

During the nine months ended June 30, 2017, the Company issued an aggregate of 4,000,000 restricted shares of common stock to a consultant for a fair value of $40.

During the nine months ended June 30, 2017, the Company sold an aggregate of 10,000,000 restricted shares of common stock to an investor for waiving certain closing conditions for a fair value of $100.

On May 10, 2017, the Company issued an aggregate of 5,000,000 restricted shares of common stock to a settlement for a fair value of $550,000.

On June 2, 2017, the Company issued an aggregate of 15,000,000 restricted shares of common stock to the former CEO and Board of Directors for a fair value of $1,800,000. These shares vest over a three-year period.

On June 2, 2017, the Company issued an aggregate of 4,000,000 restricted shares of common stock to a former consultant for a fair value of $40.

On June 2, 2017, the Company issued an aggregate of 500,000 restricted shares to a former Board of Directors for a fair value of $60,000.

On June 2, 2017, the Company issued an aggregate of 500,000 restricted shares of common stock to a former consultant for a fair value of $60,000.

On June 19, 2017, the Company issued an aggregate of 650,000 restricted shares of common stock for bonus shares to a note for a fair value of $45,500.

On June 20, 2017 the Company sold an aggregate of 10,000,000 restricted shares of common stock to an investor for waiving certain closing conditions for a fair value of $100.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Legal

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. There are no such matters that are deemed material to the condensed consolidated financial statements as of June 30, 2017, except as discussed below.

On January 13, 2014, Plaintiff Tamarin Lindenberg sued Arrayit, the Company, John Howell, Steven Scott and Gregg Linn in Civil Action No. L7698-13. Plaintiff alleged violations of the New Jersey Conscientious Employee Protection Act NJSA 34:19-1 to NJSA 34:19-8 ("CEPA"), breach of contract, breach of covenant of good faith and fair dealing, economic duress and intentional infliction of emotional distress. On August 6, 2014, the District Court dismissed Plaintiff's complaint against Arrayit for failure to state a claim upon which relief may be granted and against John Howell for lack of jurisdiction. The Company and its officers remain as defendants in the action. The Company and its officers have mounted a vigorous defense against these claims and believe they are without legal merit. As of the date of this filing, a range of potential loss is not estimable.

On or about September 16, 2016, Memory DX, LLC ("MDX") filed a lawsuit against Amarantus Biosciences Holdings, Inc. ("AMBS"), Amarantus Bioscience Holdings, Inc., Amarantus Diagnostics, Inc., the Company and Avant Diagnostics Acquisition Corporation, et al (collectively the "Defendants") in the Superior Court of the State of Arizona, County of Maricopa (Case Number CV2016-015026) (the "AZ Court"). On or about December 14, 2016, a default judgment (the "Default Judgment") was rendered in the Court against the Defendants. On or about February 15, 2017, MDX and the Defendants entered into a settlement agreement related to the satisfaction of the Default Judgment. On May 25, 2017, the parties entered into an amended and restated settlement agreement pursuant to which in consideration for fully satisfying the Default Judgment, the Company paid MDX $30,000, (the "Initial Cash Amount"). In addition, the Company agreed to pay MDX an aggregate of $175,000 by July 30, 2017 (the "Additional Cash Amount" and together with the Initial Cash Amount, the "Cash Consideration"). If the Additional Cash Amount was not paid by July 30, 2017, the Company agreed to pay MDX $20,000 per month beginning August 30, 2017 in full satisfaction of the Additional Cash Amount. On September 19, 2017, the parties entered into a second amended and restated settlement agreement pursuant to which in consideration for fully satisfying the Default Judgment, the Company agreed to provide MDX the following: (i) an aggregate of $250,000 (the "Cash Consideration") payable as follows: (i) $35,000 which has been previously paid, (ii) $3,500 which was paid upon execution of the agreement (iii) $2,000 which will be payable on the last calendar day of each month for October and November 2017, (iv) $5,000 which will be payable on the last calendar day for December 2017 and each of January and February 2018 and (v) $10,000 which will be payable on the last calendar day of each month until the full consideration is paid. Notwithstanding the foregoing, upon the sale by the Company of its equity securities in a single offering for aggregate gross proceeds of at least $7,500,000 (the "Qualified Offering") after the date of the agreement, the Company will pay any remaining amount of the Cash Consideration then outstanding upon the final closing of such Qualified Offering. The Company previously issued to MDX 5,000,000 restricted shares of common stock (the "Initial Shares") on or prior to the date of the amended agreement as partial consideration for the Default Judgment. In addition, the Company agreed to issue MDX an additional 5,000,000 restricted shares of common stock (the "Additional Shares"). Within three (3) business days of the issuance of the Additional Shares, MDX shall take all necessary action to withdraw the recorded Default Judgment. The Default Judgment shall be set aside without prejudice. Upon a default of the obligations to timely pay the Cash Consideration, after written notice and five (5) business days to cure, MDX will be entitled to reinstate the Default Judgment. MDX shall assign the License Agreement between MDX and University of Leipzig dated May 22, 2013, as amended, to the Company, as well as assign the Asset Purchase Agreement between MDX and AMBS to the Company upon final settlement of this matter.

On or about April 24, 2017, John G. Hartwell ("Hartwell") and Corrine Ramos ("Ramos" and collectively with Hartwell, the "Plaintiffs") filed a lawsuit against the Company, Avant Diagnostics Acquisition Corp. and Gregg Linn (collectively the "Defendants") in the Circuit Court for Montgomery County, Maryland (Case Number 432180-V) (the "MD Court"), On or about June 8, 2017, the parties entered into a settlement agreement pursuant to which the Company agreed to pay Defendants an aggregate of approximately $154,000 in installments as set forth in the agreement. The first payment of $29,819.99 was made by the Defendants to Plaintiffs on or about July 10, 2017. As a result of the first payment being made pursuant to the agreement, Plaintiffs dismissed the action against the Defendants without prejudice on or about July 13, 2017.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Company leases corporate office space under a month-to-month operating lease of $200 per month from an entity controlled by the Company's former Chief Executive Officer and an office leased by THI. For the three and nine months ended June 30, 2017, total rent expense was $20,102 and $55,244, respectively.

The Company had accrued expenses due to current and former officers, consisting mainly of salary and expenses. As of June 30, 2017 and September 30, 2016, accrued payroll and benefits due to officers were $273,436 and $256,480, respectively.

On January 25, 2017, the Company entered into an Exchange Agreement (the "Exchange Agreement") with Gregg Linn, the Company's former chief executive officer (the "Executive"). Pursuant to the terms of the Exchange Agreement, the Company agreed to issue 3,000 shares of the Company's series B preferred stock (the "Preferred Stock") in exchange for the cancellation of $98,000 in accrued but unpaid compensation owed to the Executive. Concurrently with the June 2017 Financing discussed in Note 5 above, the Preferred Stock will be cancelled upon the Company raising a total of $400,000 in the June 2017 Financing.

On June 2, 2017, the Company entered into a Separation and Release Agreement (the "Separation Agreement") with Gregg Linn, the Company's former Chief Executive Officer, pursuant to which Mr. Linn's status as chief executive officer and director of the Company ended effective June 2, 2017. Pursuant to the Agreement, the Company shall (a) pay Mr. Linn a lump sum cash payment of $30,000 upon on the Effective Date (as defined in the Agreement), (b) reimburse Mr. Linn for expenses paid on behalf of the Company, $2,500 of which will be paid on the Effective Date and $2,978.41 to be paid out of the proceeds of the first closing of the next financing of the Company's equity and/or debt securities to be consummated after the completion of the Financing and (c) upon the earliest occurrence of a Triggering Event (as defined in the Separation Agreement), the Company shall pay Mr. Linn a lump sum cash payment of $180,000 within three (3) business days of the date a Triggering Event occurs. In addition, the Company shall issue Mr. Linn 15,000,000 restricted shares of the Company's common stock ("Equity Issue") which Equity Issue shall vest quarterly over three (3) years from the termination date in accordance with the terms of that certain restricted stock award agreement. All shares of common stock currently held by Mr. Linn, including the Equity Issue, shall be subject to the terms of that certain lockup agreement, dated May 11, 2016. Finally, Mr. Linn was granted "piggyback" registration rights, subject to certain exceptions, to include on the next registration statement the Company files with SEC for a primary offering (excluding any securities to be included on Form S-4 or S-8) of its equity securities (or on the subsequent registration statement if such registration statement is withdrawn) such number of shares of the Company's common stock held by Mr. Linn and/or his assigns equal to eight percent (8%) of the aggregate value of the securities to be included on such registration statement, subject to certain limitations. Pursuant to the Agreement, Mr. Linn has agreed to comply with the confidential information and noncompetition and non-solicitation provisions in the Executive Employment Agreement dated October 1, 2014 between Mr. Linn and the Company.

The following selling, general and administrative expenses for the nine months ended June 30, 2017 were incurred by Greg Linn, the Company's former CEO:

		For the Nine Months ended June 30, 2017
Auto Allowance	$	12,500
Salaries and wages		180,000
Insurance Expense		38,391
Payroll Expenses		7,867
Travel Expenses		6,375
Cell Phone Expense		900
Total	**$**	**246,033**

During the nine months ended June 30, 2017, Michael Linn, former consultant, incurred $28,000 of consulting fees.

On November 28, 2016, the Company entered into a Binding Letter of Intent (the "Binding LOI") with Prism Health Dx, Inc. ("PHDX") for a business combination transaction wherein the Company agreed to issue such number of shares of common stock equal to 50% of the post-transaction outstanding shares of the Company to the shareholders of PHDX in exchange for the acquisition of 100% of the outstanding common stock of PHDX. At the time, the Company and PHDX entered into the Binding LOI, Mr. Philippe Goix was the President & CEO of PHDX. The Binding LOI contained exclusivity provisions wherein PHDX agreed not to enter into negotiations or discussions with third parties regarding similar transactions for a period of 90 days from the date of the Binding LOI (the "Exclusivity Period"). Concurrently with the execution of the Binding LOI, the Company agreed to lend PHDX an aggregate of $200,000, which was evidenced by a promissory note that bears interest at 5% per annum and matures one year from the date of issuance to support PHDX's ongoing working capital needs to complete the transaction (the "Bridge Note"). The transaction was not consummated within the Exclusivity Period and the parties are no longer pursuing the transaction. The Binding LOI was canceled in March 2017 and companies did not consummate the contemplated business combination transaction.

On June 20, 2017, the board of directors of the Company added Philippe Goix, PhD, MBA as chief executive officer of the Company, effective immediately. The Company entered into an offer letter dated June 20, 2017 (the "Offer Letter") with Dr. Goix. The Offer Letter has no specified term, and Dr. Goix's employment with the Company will be on an at-will basis. Dr. Goix's employment with the Company will commence on June 20, 2017 (the "Start Date").

Base Salary and Bonus. Dr. Goix will receive an annual base salary of $120,000. Upon the Company raising at least an additional $1,750,000 through the sale of its equity and/or debt securities (the "Initial Financing"), Dr. Goix's salary will increase to $240,000 per year. In addition, upon the Company listing its shares on a national securities exchange and completing an additional capital raise for aggregate gross proceeds of an additional $5,000,000 beyond the Initial Financing, Dr. Goix's salary will increase to $360,000 per year.

Sign-on Bonus. Dr. Goix will receive a one-time sign-on bonus of $15,000 and reimbursement for accrued travel expenses incurred during the recruitment process of $4,500.

Performance Bonus. Upon the Company raising an additional $1,500,000 through the sale of its equity and/or debt securities (excluding any securities sold in the Company's financing disclosed on a Current Report on Form 8-K filed with the Commission on June 20, 2017) (the "Financing"), Dr. Goix shall be entitled to a cash bonus equal to the following: (i) $50,000 if the Financing is completed within 3 months of the date of the Offer Letter, (ii) $40,000 if the Financing is completed within 5 months of the date of the Offer Letter, and (iii) $30,000 if the Financing is completed within 7 months of the date of the Offer Letter.

Equity Compensation. Subject to further approval of the Company's board of directors, Dr. Goix will be granted an option to purchase up to 22 million shares of the Company's common stock, subject to mutually agreed upon time milestones and success-based milestones. The exercise price per share will be equal to the fair market value per share on the date the option is granted. The options will be granted upon the Company raising aggregate gross proceeds of $500,000 from the sale of its equity and/or debt securities.

Other Benefits and Terms. Dr. Goix will be eligible to participate in the group benefit programs generally available to senior executives of the Company.

Infusion 51a LP (Related Party)

On June 19, 2017, the Company entered into a securities purchase agreement (the "Agreement") with an accredited investor (the "June 2017 Investor") pursuant to which the June 2017 Investor purchased a Senior Secured Convertible Note for an aggregate purchase price of $325,000 (the "June 2017 Note"). The June 2017 Notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to $0.06 per share, subject to adjustment ("June 2017 Initial Conversion Price"). Upon an investment of an additional $75,000 by the June 2017 Investor or another financier approved by the June 2017 Investor, bringing the total investment under the terms of the June 2017 Note to a minimum of $400,000, the Preferred Stock issued pursuant to the Exchange Agreement described above shall be cancelled. In connection with the Agreement, the June 2017 Investor received an aggregate of 650,000 shares of common stock (the "June 2017 Commitment Shares"), a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price (the "June 2017 Warrant") and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price (the "June 2017 Right"). The June 2017 Note, June 2017 Commitment Shares, June 2017 Warrant and June 2017 Purchase Right are collectively referred to herein as the "June 2017 Investment". The June 2017 Warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The June 2017 Right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06. The securities purchase agreement entered into with the June 2017 Investor limited the size of the June 2017 Investment to a total of $750,000.

NOTE 9 – SUBSEQUENT EVENTS

On July 3, 2017 the Company entered into a settlement agreement with PHDX with respect to The Bridge Note wherein PHDX repaid $100,000 to the Company in exchange for the extinguishment of the Bridge Note.

On July 6, 2017, the Company entered into a satisfaction of note (the "Satisfaction of Note") with Black Mountain Equity Partners LLC, the holder of a promissory note in the aggregate principal amount of $25,000 (the Black Mountain Note") Pursuant to the terms of the Satisfaction of Note, the Company agreed to pay off the Black Mountain Note for an aggregate principal amount of $25,000 by August 1, 2017 (the Black Mountain Settlement") and 62,500 common stock. The parties have agreed to extend the payment of the Settlement Amount until October 31st, 2017.

On July 14, 2017, the Company entered into an Exchange Agreement (the "Coastal Exchange Agreement") with Coastal Investment Partners, LLC. Prior to the execution of the Coastal Exchange Agreement, the Company agreed to exchange the principal amount due under the convertible promissory note issued July 6, 2016 plus accrued but unpaid interest and default and other amounts due and payable under such notes (the "July 2016 Notes") in exchange for the issuance of new convertible promissory notes due January 15, 2018 in the aggregate principal amount of $380,250.00, which new notes are on substantially similar terms to the Nov 2016 Notes (the "New Coastal51 Note"). Pursuant to the terms of the Coastal Exchange Agreement, the Company and Coastal agreed to exchange the New Coastal51 Notes for the issuance of new convertible promissory notes due July 14, 2019 in the aggregate principal amount of $442,325.00, (the "New Coastal Note"). In connection with the Coastal Exchange Agreement, the Company and the investor agreed to a binding letter of intent whereby the Company agreed, to among other things, upon getting current and releasing the New Coastal Note from escrow to issue the investor 750,000 shares of the Company's common stock related to an adjustment that resulted under the July 2016 Notes because of the issuance of the Nov 2016 Notes and the Company agreed to get current in its ongoing reporting requirements with the Securities and Exchange Commission within 90 days of the execution of the Coastal Exchange Agreement. If the Company does not get current within the 90-day period, the New Coastal Notes are null and void and shall revert back to the Coastal51 Notes issued to the investors. The notes issued to Coastal are secured by a first priority security interest to Coastal in the Company's Equipment Assets (as defined in the pledge agreement) and a second prior security interest in the Company's Intellectual Property Assets (as defined in the pledge agreement), all which are currently owned by the Company pursuant to the terms of that certain pledge and security agreement, entered into in connection with the Coastal Exchange Agreement. New Coastal Notes were offered and sold pursuant to an exemption from the registration requirements provided by Section 3(a)(9) of the Securities Act.

On July 14, 2017, the Company exchanged an aggregate of $375,000 in contingent liabilities owed to AMBS in exchange for 6,250,000 shares of the Company's common stock.

On July 28, 2017, the Company entered into an Exchange Agreement (the "October 2016 Investors Exchange Agreement") with the October 2016 Investors. Pursuant to the terms of the October 2016 Exchange Agreement, the Company agreed to exchange the principal amount due under the convertible promissory notes issued to the October 2016 Investors plus other amounts due and payable under such notes in exchange for the issuance of new convertible promissory notes due July 28, 2019 in the aggregate principal amount of $51,200 (the "New October 2016 Notes"). In connection with the October 2016 Investors Exchange Agreement, the Company and the investors agreed to a binding letter of intent whereby the Company agreed, to among other things, the Company agreed to get current in its ongoing reporting requirements with the Securities and Exchange Commission within 120 days of the execution of the October 2016 Investors Exchange Agreement. If the Company does not get current within the 120-day period, the New October 2016 Notes are null and void and shall revert back to the original notes issued to the investors. In connection with the issuance of the New October 2016 Notes, the October 2016 Investors agreed to waive all accrued interest and penalties related to the October 2016 Notes, upon getting current and releasing from escrow to issue through the execution date of the exchange for the purchase an aggregate of 793,390 shares of the Company's common stock, which shares shall be kept by the October 2016 Investors whether or not the Company meets its conditions under the letter of intent. The New October 2016 Notes were offered and sold pursuant to an exemption from the registration requirements provided by Section 3(a)(9) of the Securities Act.

On August 8, 2017, the Company entered into a securities purchase agreement with an accredited investor (the "August 2017 Investor") pursuant to which the August 2017 Investor purchased $75,000 of the June 2017 Investment for an aggregate purchase price of $75,000 (the "August 2017 Investment"). The June 2017 notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to $0.06 per share, subject to adjustment ("June 2017 Initial Conversion Price"). In connection with the Agreement, the August 2017 Investor received an aggregate of 150,000 shares of common stock as commitment shares, a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price. The warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The Purchase right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06.

On August 25, 2017, the Company entered into a securities purchase agreement with the June 2017 Investor pursuant to which the June 2017 Investor purchased $50,000 of the June 2017 Investment for an aggregate purchase price of $50,000 (the "August 2017 Investment"). The June 2017 notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at the June 2017 Initial Conversion Price. In connection with the agreement, the June 2017 Investor received an aggregate of 100,000 shares of common stock as commitment shares, a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price. The warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The purchase right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06.

On August 25, 2017 the Company entered into a binding letter of intent with the June 2017 Investor and the August 2017 Investor (the "Investors") whereby the parties agreed that the offering documents would be amended to add an additional conversion feature wherein the June 2017 Investment could be exchanged and/or converted into a class of the Company's preferred stock to be created (the "Preferred Stock") that is convertible into the equivalent of 49.99% of the then outstanding common stock of the Company pro-rata on an as converted basis based upon a total investment of $750,000 into the June 2017 Investment. The Preferred Stock shall also have the right to vote alongside the common stock on an as converted basis. The ability of the Investors to convert the June 2017 Investment into Preferred Stock is subject to the execution of definitive documentation between the parties. As of September 5, 2017, exactly $525,000 has been invested into the June 2017 Investment.

On August 25, 2017, the Board of Directors accepted the resignation of Gerald Commissiong from the Board of Directors of the Company, effective immediately.

On August 25, 2017, the board of directors of the Company added Philippe Goix, PhD, MBA as a director of the Company, effective immediately.

On September 5, 2017, the Company entered into a securities purchase agreement with an accredited investor (the "September 2017 Investor") pursuant to which the September 2017 Investor purchased $75,000 of the June 2017 Investment for an aggregate purchase price of $75,000 (the "September 2017 Investment"). The June 2017 notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at the June 2017 Initial Conversion Price. In connection with the agreement, the September 2017 Investor received an aggregate of 150,000 shares of common stock as commitment shares, a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price. The warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The purchase right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06.

On September 13, 2017, the Company filed a Certificate of Withdrawal of Certificate of Designations (the "Certificate of Withdrawal") with the Nevada Secretary of State. The Certificate of Withdrawal eliminates the Company's Series B Preferred Stock, par value $0.001 per share, from the Company's articles of incorporation, as amended. No shares of the Series B Preferred Stock were outstanding at the time of filing of the Certificate of Withdrawal.

On October 6, 2017, the Company entered into a securities purchase agreement with the June 2017 Investor pursuant to which the June 2017 Investor purchased $20,000 of the June 2017 Investment for an aggregate purchase price of $20,000 (the "October 2017 Investment"). The June 2017 notes bear interest at 8% and mature thirty-six months from the date of issuance. The June 2017 Notes will be convertible at the option of the holder at any time into shares of common stock, at the June 2017 Initial Conversion Price. In connection with the agreement, the June 2017 Investor received an aggregate of 40,000 shares of common stock as commitment shares, a warrant to purchase such number of shares of common stock equal to 200% of their subscription amount divided by the June 2017 Initial Conversion Price and a purchase right to purchase such number of shares of common stock equal to 800% of their subscription amount divided by the June 2017 Initial Conversion Price. The warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $0.06. The purchase right is exercisable beginning on the eighteen (18) month anniversary of the date of issuance until the five-year anniversary of the date of issuance at an initial exercise price of $0.06.

On December 4, 2017, the Company accepted the resignation of Philippe Goix as the Company's chief executive officer and director, effective immediately. On December 15, 2017, the Company entered into a Separation and Release Agreement (the "Goix Separation Agreement") with Philippe Goix, the Company's former Chief Executive Officer, pursuant to which Dr. Goix's status as chief executive officer and director of the Company ended effective December 4, 2017. Pursuant to the Goix Separation Agreement, upon the occurrence of a Triggering Event (as defined in the Goix Separation Agreement), the Company shall pay Dr. Goix a lump sum cash payment of $27,346.84 within three (3) business days of the date such Triggering Event occurs.

On March 30, 2018, the Company entered into an Asset Purchase Agreement (the " Purchase Agreement") with Amarantus Bioscience Holdings, Inc., a Nevada corporation ("AMBS") pursuant to which the Company sold all intellectual property related to its MSPrecise®, Lympro®, and NuroPro® assets to AMBS in exchange for, among other things, the following: (i) cancellation of all principal, interest and other amounts owed to AMBS pursuant to those certain promissory notes issued on February 28, 2016 (which was assumed by the Company in connection with that certain asset purchase agreement, dated May 11, 2016, by and between the Company and Theranostics Health, Inc.) and March 7, 2016 (of which $100,000 has been paid to date), (ii) assumption by AMBS of $322,500 of contingent liabilities assumed by the Company pursuant to the terms of that certain share exchange agreement, dated May 11, 2016, by and between the Company and AMBS (the "Exchange Agreement"), (iii) the issuance by AMBS of 1,000,000 shares of its common stock to the Company, subject to a lock-up period substantially similar to the lock-up period described below and (iv) the issuance of approximately 30,092,743 shares by the Company to AMBS in satisfaction of all remaining amounts owed to AMBS pursuant to the terms of the Exchange Agreement, subject to the lockup period described below (the "Transaction"). The Transaction closed upon the execution of the Purchase Agreement. The Company issued an aggregate consideration of 30,092,743 shares of its common stock for the Transaction (the "Consideration"). Each share of Company common stock received in connection with the Transaction shall be subject to a lock-up beginning on the Effective Date and ending on the earlier of (i) eighteen (18) months after such date or (ii) a Change in Control (as defined in the Purchase Agreement) or (iii) written consent of the Company, at the Company's sole discretion.

On May 25, 2018 (the "Effective Date"), the Company entered into securities purchase agreements (collectively, the "Purchase Agreement") with accredited investors (the "Investors") pursuant to which the Company sold an aggregate of six hundred and fifty thousand (650,000) shares of its series A convertible preferred stock for aggregate gross proceeds of $650,000 (the "Series A Preferred Stock"). In addition, existing debtholders of the Company exchanged an aggregate of $516,155 (currently due and payable under existing indebtedness) for an aggregate of 516,155 shares of Series A Preferred Stock pursuant to exchange agreements described below. The terms of the Series A Preferred Stock are set forth under Item 3.02 below.

For a period of one year from the date of final closing of the offering, Investors holding at least a majority of the Series A Preferred Stock outstanding from time to time shall have the right to cause the Company to sell for cash to such Investors on a *pro rata* basis up to an aggregate of $1,000,000 of common stock in one or more transactions at a 10% discount to the average closing price of the common stock (as reported for consolidated transactions with respect to securities listed on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if the Common Stock is not listed or admitted to trading on any national securities exchange, then in the over-the-counter market, as reported on any tier maintained by the OTC Markets Group, Inc.) for the thirty (30) consecutive trading days immediately prior to (and including) the Friday preceding the date of such purchase or purchases.

At any time on or after the Effective Date and until the Company's 2019 annual meeting of stockholders, the Investors, jointly and severally, shall have the exclusive right, voting separately as a class, to elect up to six (6) directors (each director, an "Investor Director"). A Preferred Director so elected shall serve for a term of one year and until his successor is elected and qualified. An Investor Director may, during his or her term of office, be removed at any time, with or without cause, by and only by the affirmative vote, at a special meeting of holders of Series A Preferred Stock called for such purpose. Any vacancy created by such removal may also be filled at such meeting or by such consent for the remainder of such initial one year term. At any time on or after the Effective Date and until the Company's 2019 annual meeting of stockholders, Infusion 51a, LP ("Infusion") shall have the right to elect up to three (3) directors (each director, an "Infusion Director"). An Infusion Director so initially elected shall serve for a term of one year and until his successor is elected and qualified. Any vacancy in the position of an Infusion Director may be filled only by the affirmative vote of Infusion. An Infusion Director may, during his or her term of office, be removed at any time, with or without cause. Any vacancy created by such removal may also be filled by Infusion for the remainder of such initial one year term.

As soon as practicable after the final closing of the offering, the Company shall use commercially reasonable efforts to take all necessary actions and to obtain such approvals of the Company's stockholders as may be required to increase the Company's authorized shares of Common Stock such that the Company can issue all of the shares of Common Stock issuable upon completion of the restructuring and undertake a reverse stock split at such ratio where the number of shares of Common Stock outstanding after consummation of such reverse stock split shall be approximately 15,000,000 shares (the "Reverse Split") before the exchange of the Series A Preferred Stock into shares of common stock (the "Stockholder Approval"). Until the consummation of the Reverse Split (as defined herein), the Investors appointed AVDX Investors Group LLC (the "Investor Representative") as its attorney-in-fact for the purpose of carrying out the Stockholder Approval.

On the Effective Date, the Company entered into a Consulting Agreement (the "Agreement") with Investor Representative. Under the Agreement, the Investor Representative shall perform such consulting and advisory services, within Investor Representative's area of expertise, as the Company or any of its subsidiaries may reasonably require from time to time. During the six-month term of the Agreement, Jeff Busch shall perform the services on behalf of Investor Representative ("Designated Person"). The Agreement has an initial term of Nine Months from the date of execution and shall automatically renew on a monthly basis unless either party gives notice of non-renewal to the other party at least fifteen days prior to the date of the Agreement, provided this agreement shall not extend beyond 12 months from the date of the Agreement. Pursuant to the Agreement, the Company shall pay Investor Representative an annual amount of $160,000, payable either in cash or Series A Preferred Stock (or Common Stock upon filing of the Charter Amendment and consummation of the Reverse Split) during the term of the Agreement (the "Base Compensation"). The Company shall promptly reimburse Investor Representative for all travel, meals, entertainment and other ordinary and necessary expenses incurred by Investor Representative in the performance of its duties to the Company. Investor Representative's and Designated Person's position with the Company may be terminated at any time, with or without cause or good reason, upon at least 30 days prior written notice. During the term of the Agreement and for a period of twelve months thereafter, Investor Representative and Designated Person will be subject to non-competition and non-solicitation provisions, subject to standard exceptions. Investors will also provide Investor Representative an irrevocable proxy to vote their shares on all corporate matters until completion of the Reverse Split.

From the Effective Date until the consummation of the Reverse Split, upon any issuance by the Company of common stock or Common Stock Equivalents (as defined in the Series A Certificate of Designations (as defined below)) for cash consideration, indebtedness or a combination of units thereof (a "Subsequent Financing"), each Qualifying Purchaser (as defined below) shall have the right to participate in up to an amount of the Subsequent Financing equal to 50% of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing. For purposes herein, "Qualifying Purchaser" means an Investor with a subscription amount of at least $150,000.

Beginning on the six month anniversary of the final closing of the offering, on or prior to the sixtieth (60th) calendar day after the date of receipt of written demand from Investors holding at least 51% of Registrable Securities (as defined in the Purchase Agreement), the Company shall prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement covering the resale of all of the Registrable Securities that are not then registered on an effective registration statement.

In connection with the offering, we agreed to pay our placement agent, a registered broker-dealer, or the Placement Agent, (i) a cash commission of 8% of the gross proceeds raised from investors in the offering, and to issue to the Placement Agent warrants to purchase a number of shares of common stock equal to 4% of the gross proceeds divided by the respective offering price, with a term of seven years from the date of issuance.

On the Effective Date, the Company entered into an exchange agreement (collectively, the “2017 Investors Exchange Agreement”) with the investors who purchased convertible promissory notes between June 2017 and October 2017 (the “2017 Notes”) for an aggregate principal amount of $545,000 (the “2017 Investors”). Pursuant to the terms of the 2017 Investors Exchange Agreement, the Company agreed to exchange (i) the principal amount due under the 2017 Notes (ii) warrants to purchase 18,166,667 shares of common stock and (iii) purchase rights to purchase shares of common stock for an aggregate of 72,666,667 shares of common stock, in exchange for an aggregate approximately 22,290,800 shares of series B convertible preferred stock having an aggregate value of $545,000 (the “Series B Preferred Stock”). The 2017 Investors have agreed to waive the defaults and breaches that have resulted on or prior to the Effective Date as well as any penalties, interest or other amounts that may have accrued under the 2017 Notes after March 31, 2018. The terms of the Series B Preferred Stock are set forth under Item 3.02 below. In addition, each 2017 Investor entered into a termination agreement with the Company (collectively, the “2017 Investors Termination Agreement”) pursuant to which as of the Effective Date, (i) the securities purchase agreements and pledge agreements entered into with the 2017 Investors (the “2017 Investors Prior Agreements”) were terminated in their entirety and shall have no further force or effect, (ii) the security interests granted by the pledge agreements were terminated and shall have no further force or effect and (iii) neither party shall have any further rights or obligations under the Prior Agreements. The 2017 Investors also authorized the Company or his/her/its representatives to take all actions as they determine in their sole discretion to discharge and release any and all security interests, pledges, liens, and other encumbrances held by such 2017 Investor on the Company’s assets.

In connection with the 2017 Investors Exchange Agreement, the 2017 Investors have agreed to a lock-up agreement with respect to any shares of common stock it may receive beginning on May 25, 2018 and ending on the nine (9) month anniversary of the date the Company’s laboratory is open for business (the “Lockup Period”). For the first one hundred and eighty (180) days after termination of the Lockup Period, the 2017 Investors shall be subject to a daily liquidation limit for any sales of common stock equal to two and a half percent (2.5%) of the average trading volume of the Company’s common stock for the prior five (5) trading days, but excluding the date of sale (the “Leakout Limitation”). For any sale proposed by the 2017 Investors in excess of the Leakout Limitation, the Company will have (a) a right of first refusal for a period of 15 business days after receipt of written notice of such sale from the 2017 Investor, to purchase such shares of common stock subject to the Leakout Limitation at a price equal to the average closing price per share of the Company’s common stock for the prior five (5) trading days prior to such notice, and (b) if not purchased by the Company, the Company will have approval rights of the counter party proposed by a 2017 Investor for the sale of any such securities, such approval in the Company’s sole and absolute discretion.

On the Effective Date, the Company entered into an exchange agreement (collectively, the “2016 Investors Exchange Agreement”) with the investors who purchased convertible promissory notes between November 2016 and January 2017 (the “2016 Notes”) for an aggregate principal amount of $786,500 (the “2016 Investors”). Pursuant to the terms of the 2016 Investors Exchange Agreement, the Company agreed to exchange (i) the principal amount due under the 2016 Notes in exchange for an aggregate of (i) 323,323 shares of Series A Preferred Stock having an aggregate value of $323,323 and (ii) approximately 3,324,065 shares of series B convertible preferred stock having an aggregate value of approximately $498,610 (the “Series B Preferred Stock”) and (iii) exchange for the issuance of new promissory note due twenty-four (24) months from the Effective Date in the aggregate principal amount of $47,259 (the “New 2016 Investor Note”). The New 2016 Investor Note shall bear interest at 12% per annum and has mandatory payments of $2,000 every 30 days until paid in full starting June 25, 2018. In connection with the 2016 Investors Exchange Agreement, the 2016 Investors have agreed to waive the defaults and breaches that have resulted on or prior to the Effective Date as well as any penalties, interest or other amounts that may have accrued under the 2016 Notes after March 31, 2018.

On the Effective Date, the Company entered into an exchange Agreement (the “Coastal Exchange Agreement”) with Coastal Investment Partners, LLC (“Coastal”). Pursuant to the terms of the Coastal Exchange Agreement, the Company agreed to exchange the principal amount due under the convertible promissory note dated July 6, 2016 plus accrued but unpaid interest and default and other amounts due and payable under such notes, which was $305,664 as of the Effective Date (the “Coastal Notes”) in exchange for (i) 192,832 shares of Series A Preferred Stock having an aggregate value of $192,832 and (ii) the issuance of new convertible promissory notes due eighteen (18) months from the Effective Date in the aggregate principal amount of $192,832 (the “New Coastal Note”). The New Coastal Note shall bear interest at 8% per annum and is convertible into shares of the Company’s common stock at $0.015 per share, subject to adjustment. Coastal has contractually agreed to restrict their ability to convert the New Coastal Note such that the number of shares of the Company common stock held by them and their affiliates after such conversion does not exceed 9.99% of the Company’s then issued and outstanding shares of common stock. In connection with the Coastal Exchange Agreement, Coastal agreed to waive the defaults and breaches that have resulted on or prior to the Effective Date as well as any penalties, interest or other amounts that may have accrued under the Coastal Notes after March 31, 2018. In addition, Coastal entered into a termination agreement with the Company pursuant to which as of the Effective Date, (i) the securities purchase agreements and pledge agreements entered into with Coastal (the “Coastal Prior Agreements”) were terminated in their entirety and shall have no further force or effect, (ii) the security interests granted by the pledge agreement were terminated and shall have no further force or effect and (iii) neither party shall have any further rights or obligations under the Coastal Prior Agreements. Coastal also authorized the Company or its representatives to take all actions as they determine in their sole discretion to discharge and release any and all security interests, pledges, liens, and other encumbrances held by it on the Company’s assets.

On the Effective Date, the Company entered into an exchange agreement (the "Black Mountain Exchange Agreement") with Black Mountain Equity Partners LLC ("Black Mountain"). Pursuant to the terms of the Black Mountain Exchange Agreement, the Company agreed to exchange the principal amount due under the convertible promissory note dated November 11, 2016 (the "Black Mountain Note") in exchange for the issuance of new promissory note due twelve (12) months from the Effective Date in the aggregate principal amount of $20,000 (which includes a prepayment amount of $5,000 made on the Effective Date) (the "New Black Mountain Note"). The New Black Mountain Note shall bear interest at 12% per annum and has mandatory payments of $5,000 every 90 days until paid in full. In connection with the Black Mountain Exchange Agreement, Black Mountain agreed to waive the defaults and breaches that have resulted on or prior to the Effective Date as well as any penalties, interest or other amounts that may have accrued under the Black Mountain Note after March 31, 2018.

On May 25, 2018, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A Preferred Stock with the Secretary of State of the State of Nevada (the "Series A Certificate of Designation").

On May 25, 2018, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series B Preferred Stock with the Secretary of State of the State of Nevada (the "Series B Certificate of Designation").

On May 25, 2018, the Company entered into an employment agreement (the "Ruxin Agreement") with Dr. Michael Ruxin under which he will serve as Chief Executive Officer of the Company. The term of the Ruxin Agreement was effective as of May 25, 2018, continues until May 25, 2023 and automatically renews for successive one year periods at the end of each term until either party delivers written notice of their intent not to renew at least 60 days prior to the expiration of the then effective term. Under the terms of the Ruxin Agreement, Dr. Ruxin will receive an annual salary of $250,000. He is eligible to receive a cash bonus of up to 100% of his base salary. The bonus shall be earned upon the Company's achievement of performance targets for a fiscal year to be mutually agreed upon by Dr. Ruxin and the board or a committee thereof. Additionally, following the adoption by the Company of an equity compensation plan and subject to approval of the board or a committee thereof, Dr. Ruxin shall receive (i) a one-time restricted stock unit award having a fair value of approximately $100,000 and which shall vest over a five year period following the date of grant and (ii) an option to purchase ten percent (10%) of the outstanding shares of the Company (calculated on the date of grant), which shall vest over a five-year period following the date of grant and expire on the tenth anniversary of the date of grant. Dr. Ruxin is entitled to participate in any and all benefit plans, from time to time, in effect for senior management, along with vacation, sick and holiday pay in accordance with the Company's policies established and in effect from time to time.

Dr. Ruxin is an "at-will" employee and his employment may be terminated by the Company at any time, with or without cause. In the event Dr. Ruxin's termination of employment is the result of termination by the Company without Cause (as defined in the Ruxin Agreement) with Good Reason (as defined in the Ruxin Agreement) or as a result of a non-renewal of the term of employment under the Ruxin Agreement, Dr. Ruxin shall be entitled to receive the sum of (I) the Severance Multiple (as defined below), *multiplied by* his base salary immediately prior to such termination and (II) a pro-rata portion of his bonus for the year in which such termination occurs equal to (a) his bonus for the most recently completed calendar year (if any), *multiplied by* (b) a fraction, the numerator of which is the number of days that have elapsed from the beginning of such calendar year through the date of termination and the denominator of which is the total number of days in such calendar year. "Severance Multiple" shall mean 2.0; *provided, however*, that if the date of termination occurs on or at any time during the twelve (12)-month period following a Change in Control (as defined in the Ruxin Agreement), the Severance Multiple shall mean 3.0. In addition, the Company shall accelerate the vesting of any outstanding, unvested equity awards granted to Dr. Ruxin prior to the date of termination and he shall be entitled to reimbursement of any COBRA payment made during the 18 month period following the date of termination.

The Ruxin Agreement also contains covenants (a) restricting the executive from engaging in any activity competitive with our business during the term of the employment agreement and in the event of termination, for a period of one year thereafter, (b) prohibiting the executive from disclosing confidential information regarding us, and (c) soliciting our employees, customers and prospective customers during the term of the employment agreement and for a period of one year thereafter.

On May 25, 2018, the Company entered into an employment agreement (the "Busch Agreement") with Mr. Busch under which he will serve as Executive Chairman of the Company. The term of the Busch Agreement was effective as of May 25, 2018, continues until May 25, 2023 and automatically renews for successive one year periods at the end of each term until either party delivers written notice of their intent not to renew at least 60 days prior to the expiration of the then effective term. Under the terms of the Busch Agreement, Mr. Busch will receive an annual salary of $30,000, which amount shall be automatically increased to $120,000 on the first anniversary of the date of the Busch Agreement. He is eligible to receive a discretionary cash bonus at the option of the board based on their evaluation of his performance of duties and responsibility. Additionally, following the adoption by the Company of an equity compensation plan and subject to approval of the board or a committee thereof, Mr. Busch shall receive (i) a one-time restricted stock unit award having a fair value of approximately $100,000 and which shall vest over a five year period following the date of grant and (ii) an option to purchase ten percent (10%) of the outstanding shares of the Company (calculated on the date of grant), which shall vest over a five-year period following the date of grant and expire on the tenth anniversary of the date of grant. Mr. Busch is entitled to participate in any and all benefit plans, from time to time, in effect for senior management, along with vacation, sick and holiday pay in accordance with the Company's policies established and in effect from time to time.

Mr. Busch is an "at-will" employee and his employment may be terminated by the Company at any time, with or without cause. In the event Mr. Busch's termination of employment is the result of termination by the Company without Cause (as defined in the Busch Agreement) with Good Reason (as defined in the Busch Agreement) or as a result of a non-renewal of the term of employment under the Busch Agreement, Mr. Busch shall be entitled to receive the sum of (I) the Severance Multiple (as defined below), *multiplied by* his base salary immediately prior to such termination and (II) a pro-rata portion of his bonus for the year in which such termination occurs equal to (a) his bonus for the most recently completed calendar year (if any), *multiplied by* (b) a fraction, the numerator of which is the number of days that have elapsed from the beginning of such calendar year through the date of termination and the denominator of which is the total number of days in such calendar year. "Severance Multiple" shall mean 2.0; *provided, however*, that if the date of termination occurs on or at any time during the twelve (12)-month period following a Change in Control (as defined in the Busch Agreement), the Severance Multiple shall mean 3.0. In addition, the Company shall accelerate the vesting of any outstanding, unvested equity awards granted to Mr. Busch prior to the date of termination and he shall be entitled to reimbursement of any COBRA payment made during the 18 month period following the date of termination.

The Busch Agreement also contains covenants (a) restricting the executive from engaging in any activity competitive with our business during the term of the employment agreement and in the event of termination, for a period of one year thereafter, (b) prohibiting the executive from disclosing confidential information regarding us, and (c) soliciting our employees, customers and prospective customers during the term of the employment agreement and for a period of one year thereafter.

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

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" set forth in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- general economic and business conditions;
- substantial doubt about our ability to continue as a going concern;
- our needs to raise additional funds in the future which may not be available on acceptable terms or at all;
- our inability to successfully recruit and retain qualified personnel in order to continue our operations;
- our ability to successfully implement our business plan;
- if we are unable to successfully acquire, develop or commercialize new products;
- our expenditures not resulting in commercially successful products;
- third parties claiming that we may be infringing their proprietary rights that may prevent us from manufacturing and selling some of our products;
- the impact of extensive industry regulation, and how that will continue to have a significant impact on our business, especially our product development, manufacturing and distribution capabilities; and
- other factors discussed under the section entitled "Risk Factors" set forth in our Form 10-K for the year ended September 30, 2016 filed with the Securities and Exchange Commission.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission. The following Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company should be read in conjunction with the Condensed Consolidated Financial Statements and notes related thereto included in this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

As used in this Quarterly Report on Form 10-Q and unless otherwise indicated, the terms "we", "us", "our", "Avant") or the "Company" refer to Avant Diagnostics, Inc. and its subsidiaries. Unless otherwise specified, all dollar amounts are expressed in United States dollars.

Overview

Since the end of the fiscal year ended September 30, 2016 and through the fiscal year ended September 30, 2017, we have focused on executing our business plan by acquiring proprietary diagnostic technology in the areas of oncology, as well as the addition of a revenue producing CLIA/CAP laboratory. We succeeded in executing on these objectives by the purchase of Amarantus Diagnostics, Inc. ("ADI") and the purchase of the business assets and certain liabilities of Theranostics Health, Inc. ("THI"). We intend on executing unique commercialization strategies for each of our proprietary diagnostic tests.

During the period, subsequent to June 30, 2017, management has engaged in cost cutting measures primarily in the area of THI corporate overhead. These measures have resulted in bringing operating costs in line with current sales and improving revenue from the new and existing THI pharma services, heading into in the fourth quarter of 2017 – traditionally the fourth quarter of the calendar year is THI's best performing quarter.

The Company is operationally focused on improving revenues in the THI pharma services business by acquiring customers and expanding existing services agreements with oncology-focused pharmaceutical companies. The Company is now focused on establishing business relationships with pharmaceutical companies and a view towards late stage clinical companion diagnostic development and supportive CLIA commercial launches for combination products in the area of personalized medicine for cancer treatments, including immuno-oncology.

Additionally, the Company is evaluating strategic commercialization options with respect to its proprietary diagnostic test portfolio and effectuating a relationship with a commercial high complexity CLIA laboratory that specializes in high volume testing, product launches, reimbursement and functional medicine.

Results of Operations

Comparison of the Nine Months Ended June 30, 2017 to the Nine Months Ended June 30, 2016

Revenue

For nine months ended June 30, 2017, total revenue was $255,951 compared to $91,533 the same period in fiscal 2016. The revenue for the nine months ended June 30, 2017 was related to pharma projects and is comprised of performance under research and development contracts.

Cost of Revenue

Cost of revenue was $-0- or 0.00% of related sales for the three months ended June 30, 2017 giving us a gross profit of $-0- or 0.00%. For the same period in 2016, cost of revenue was $52,762 or 57.64% giving us a gross profit of $38,771 or 42.36%.

Operating Expenses

General and administrative expenses

General and administrative expenses increased by $1,026,259 from $780,739 to $1,806,998 for the nine months ended June 30, 2017, as compared to the same period in 2016. The overall increase is primarily the result of added operating activities of THI, net with reductions in service provider costs of Avant. In addition, during the current year, we amortized certain intangible assets and patents. As such, amortization was $335,737 for the nine months ended June 30, 2017 as compared to $194,812 for the same period last year.

Professional fees

Professional fee expenses increased by $6,680,501 from $216,181 to $6,896,682 for the same period, respectively which was primarily due to the professional acquisition costs and consultant fee incurred in the current period. Common stock issued for professional services was expensed at the grant date stock price.

Research and Development – Licenses Acquired

We recorded approximately $10.1 million research and development regarding license acquired through the purchase of ADI for the nine months of June 30, 2016 and $-0- for June 30, 2017.

Other Expenses:

Interest expense

Interest expense during the nine months ended June 30, 2017 was $553,315 compared to ($49,977) for the nine months ended June 30, 2016. Interest expense primarily consists of amortization of debt discounts and accrued interest incurred relating to our issued convertible notes payable. The debt discount amortization incurred during the nine months ended June 30, 2017 and 2016 was $-0- and $29,755, respectively. Other interest expense during the nine months ended June 30, 2017 was $542,083 compared to $-0- for the nine months ended June 30, 2016 due from the issuance of bonus shares from certain convertible note payables.

Loss on change in fair value of derivative

During nine months ended June 30, 2017, we issued convertible promissory notes with an embedded derivative, all requiring us to fair value the derivatives each reporting period and mark to market as a non-cash adjustment to our current period operations. This resulted in a loss of $1,481,449 on change in fair value of derivative liabilities for the nine months ended June 30, 2017 compared to $231,149 for June 30, 2016.

Liquidity and Capital Resources

Working Capital

The following table sets forth a summary of working capital as of:

	June 30, 2017	September 30, 2016
Current assets	$ 88,193	$ 42,234
Current liabilities	3,717,686	2,115,369
Working capital	$ (3,629,493)	$ (2,073,135)

Current assets increased by $45,959 from $42,234 to $88,193 for the nine months ended June 30, 2017, as compared to September 30, 2016. The overall increase is primarily due to the revenue during the nine months ended June 30, 2017 and 2016 for net proceeds of $255,951 and $91,533, respectively.

The decline in the working capital deficit is primarily due to an increase in accounts payable, accrued interest, notes payable and derivative liabilities offset by an increase of cash and increase in accrued payroll and benefits.

Cash Flows

The following table sets forth a summary of changes in cash flows for the nine months ended June 30, 2017 and 2016:

	Nine Months Ended June 30,	
	2017	2016
Net cash used in operating activities	$ 584,496	$ (430,401)
Net cash provided by (used in) investing activities	(242,648)	3,344
Net cash provided by financing activities	(275,006)	510,000
Change in cash	$ 66,842	$ 82,943

Total net cash increased due to an increase in cash provided by operating activities which was offset by changes in our operating assets and liabilities of $248,759, amortization and depreciation of $335,737, and with loss on change in derivative liability of $1,481,449 for the nine months ended June 30, 2017. Net cash used in investing activities for the nine months ended June 30, 2017 compared to June 30, 2016 was primarily from licensing, other assets, cash acquired by THI, and website development costs of ($242,648) and $3,344, respectively. Net cash provided by financing activities for the nine months ended June 30, 2017 is due to net cash proceeds from the issuance of convertible notes and common stock of $275,006 compared to $510,000 for June 30, 2016.

Going Concern

The unaudited condensed consolidated financial statements contained in this quarterly report have been prepared assuming that the Company will continue as a going concern. We have accumulated losses since inception of approximately $30.99 million. Presently, we do not have sufficient cash resources to meet our plans for the next twelve months. These factors raise substantial doubt about the Company's ability to continue as a going concern. The unaudited condensed consolidated financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. Our continuation as a going concern is dependent on our ability to obtain additional financing as may be required and ultimately to attain profitability.

We believe that we will require additional financing to carry out our intended objectives during the next twelve months. There can be no assurance, however, that such financing will be available or, if it is available, that we will be able to structure such financing on terms acceptable to us and that it will be sufficient to fund our cash requirements until we can reach a level of profitable operations and positive cash flows. If we are unable to obtain the financing necessary to support our operations, we may be unable to continue as a going concern. We currently have no firm commitments for any additional capital. Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our shares of common stock or the debt securities may cause us to be subject to restrictive covenants.

Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses or experience unexpected cash requirements that would force us to seek additional financing. If additional financing is not available or is not available on acceptable terms, we will have to curtail our operations.

Cash Requirements

Our plan of operation over the next 12 months is to:

- Getting current with the Security and Exchange Commission;
- Locate a suitable facility in the U.S. to operate our lab;
- Hire an Interim Chief Financial Officer;
- Hire a Chief Executive Officer
- Seek financing to grow the Company.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management carried out an evaluation, with the participation of our Chief Executive Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) of the Exchange Act), as of the period covered by this report. Disclosure controls and procedures are defined as controls and other procedures that are designed to ensure that information required to be disclosed by us in reports filed with the SEC under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based upon their evaluation, our management (including our former Chief Executive Officer) concluded that our disclosure controls and procedures were not effective as of June 30, 2017, based on the material weaknesses defined below:

(i) inadequate segregation of duties consistent with control objectives; and

(ii) ineffective controls over period end financial disclosure and reporting processes.

Management's Remediation Plan

We plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this quarterly report on Form 10-Q, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes in the future:

(i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and

(ii) adopt sufficient written policies and procedures for accounting and financial reporting.

The remediation efforts set out in (i) are largely dependent upon our company securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our 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.

Management believes that despite our material weaknesses set forth above, our condensed consolidated financial statements for the quarter ended June 30, 2017 are fairly stated, in all material respects, in accordance with US GAAP.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not currently a party to any material legal proceedings except as described below.

On January 13, 2014, Plaintiff Tamarin Lindenberg sued Arrayit Corporation, the Company, John Howell, Steven Scott and Gregg Linn in Civil Action No. L7698-13. Plaintiff alleged violations of the New Jersey Conscientious Employee Protection Act NJSA 34:19-1 to NJSA 34:19-8 ("CEPA"), breach of contract, breach of covenant of good faith and fair dealing, economic duress and intentional infliction of emotional distress. On August 6, 2014, the District Court dismissed Plaintiff's complaint against Arrayit Corporation for failure to state a claim upon which relief may be granted and against John Howell for lack of jurisdiction. The Company and its officers remain as defendants in the action. The Company and its officers have mounted a vigorous defense against these claims and believe they are without legal merit.

On or about September 16, 2016, Memory DX, LLC ("MDX") filed a lawsuit against Amarantus Biosciences Holdings, Inc. ("AMBS"), Amarantus Bioscience Holdings, Inc., Amarantus Diagnostics, Inc., the Company and Avant Diagnostics Acquisition Corporation, et al (collectively the "Defendants") in the Superior Court of the State of Arizona, County of Maricopa (Case Number CV2016-015026) (the "AZ Court"). On or about December 14, 2016, a default judgment (the "Default Judgment") was rendered in the Court against the Defendants. On or about February 15, 2017, MDX and the Defendants entered into a settlement agreement related to the satisfaction of the Default Judgment. On May 25, 2017, the parties entered into an amended and restated settlement agreement pursuant to which in consideration for fully satisfying the Default Judgment, the Company paid MDX $30,000, (the "Initial Cash Amount"). In addition, the Company agreed to pay MDX an aggregate of $175,000 by July 30, 2017 (the "Additional Cash Amount" and together with the Initial Cash Amount, the "Cash Consideration"). If the Additional Cash Amount was not paid by July 30, 2017, the Company agreed to pay MDX $20,000 per month beginning August 30, 2017 in full satisfaction of the Additional Cash Amount. On September 19, 2017, the parties entered into a second amended and restated settlement agreement pursuant to which in consideration for fully satisfying the Default Judgment, the Company agreed to provide MDX the following: (i) an aggregate of $250,000 (the "Cash Consideration") payable as follows: (i) $35,000 which has been previously paid, (ii) $3,500 which was paid upon execution of the agreement (iii) $2,000 which will be payable on the last calendar day of each month for October and November 2017, (iv) $5,000 which will be payable on the last calendar day for December 2017 and each of January and February 2018 and (v) $10,000 which will be payable on the last calendar day of each month until the full consideration is paid. Notwithstanding the foregoing, upon the sale by the Company of its equity securities in a single offering for aggregate gross proceeds of at least $7,500,000 (the "Qualified Offering") after the date of the agreement, the Company will pay any remaining amount of the Cash Consideration then outstanding upon the final closing of such Qualified Offering. The Company previously issued to MDX 5,000,000 restricted shares of common stock (the "Initial Shares") on or prior to the date of the amended agreement as partial consideration for the Default Judgment. In addition, the Company agreed to issue MDX an additional 5,000,000 restricted shares of common stock (the "Additional Shares"). Within three (3) business days of the issuance of the Additional Shares, MDX shall take all necessary action to withdraw the recorded Default Judgment. The Default Judgment shall be set aside without prejudice. Upon a default of the obligations to timely pay the Cash Consideration, after written notice and five (5) business days to cure, MDX will be entitled to reinstate the Default Judgment. MDX shall assign the License Agreement between MDX and University of Leipzig dated May 22, 2013, as amended, to the Company, as well as assign the Asset Purchase Agreement between MDX and AMBS to the Company upon final settlement of this matter.

On or about April 24, 2017, John G. Hartwell ("Hartwell") and Corrine Ramos ("Ramos" and collectively with Hartwell, the "Plaintiffs") filed a lawsuit against the Company, Avant Diagnostics Acquisition Corp. and Gregg Linn (collectively the "Defendants") in the Circuit Court for Montgomery County, Maryland (Case Number 432180-V) (the "MD Court"), On or about June 8, 2017, the parties entered into a settlement agreement pursuant to which the Company agreed to pay Defendants an aggregate of approximately $154,000 in installments as set forth in the agreement. The first payment of $29,819.99 was made by the Defendants to Plaintiffs on or about July 10, 2017. As a result of the first payment being made pursuant to the agreement, Plaintiffs dismissed the action against the Defendants without prejudice on or about July 13, 2017.

ITEM 1A. RISK FACTORS

As a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act), we are not required to provide the information called for by this Item 1A.

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

Unless otherwise set forth above, the securities described above were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(a)(2) under the Securities Act an and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving any public offering.

On May 10, 2017, the Company issued an aggregate of 5,000,000 restricted shares of common stock to a settlement for a fair value of $550,000.

On June 2, 2017, the Company issued an aggregate of 15,000,000 restricted shares of common stock to the former CEO and Board of Directors for a fair value of $1,800,000. These shares vest over a three-year period.

On June 2, 2017, the Company issued an aggregate of 4,000,000 restricted shares of common stock to a former consultant for a fair value of $40.

On June 2, 2017, the Company issued an aggregate of 500,000 restricted shares to a former Board of Directors for a fair value of $60,000.

On June 2, 2017, the Company issued an aggregate of 500,000 restricted shares of common stock to a former consultant for a fair value of $60,000.

On June 19, 2017, the Company issued an aggregate of 650,000 restricted shares of common stock for bonus shares to a note for a fair value of $45,500.

On June 20, 2017 the Company sold an aggregate of 10,000,000 restricted shares of common stock to an investor for waiving certain closing conditions for a fair value of $100.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

On January 15, 2017 the Company was in default of its Senior Secure Notes.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

No.	Description
31.1*	Certification Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification Statement of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification Statement of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification Statement of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Financial statements formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) the Condensed Consolidated Statements of Changes in Stockholders' equity (iv) the Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements tagged as blocks of text.

* Filed herewith

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.

	AVANT DIAGNOSTICS, INC.
Date: December 4, 2018	By: */s/ Michael Ruxin*
	Michael Ruxin
	Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.1

AVANT DIAGNOSTICS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Ruxin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avant Diagnostics, Inc.;

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

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

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

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

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

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

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: December 4, 2018

By: */s/ Michael Ruxin*
Michael Ruxin Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

AVANT DIAGNOSTICS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott VanderMeer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avant Diagnostics, Inc.;

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

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

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

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

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

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

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: December 4, 2018

By *_/s/ Scott VanderMeer_*
Scott VanderMeer
Interim Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Michael Ruxin, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the quarterly report on Form 10-Q of Avant Diagnostics, Inc. for the period ended June 30, 2017 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Avant Diagnostics, Inc.

Date: December 4, 2018

By */s/ Michael Ruxin*
Michael Ruxin
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Scott VanderMeer, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the quarterly report on Form 10-Q of Avant Diagnostics, Inc. for the period ended June 30, 2017 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Avant Diagnostics, Inc.

Date: December 4, 2018

By */s/ Scott VanderMeer*
Scott VanderMeer
Interim Chief Financial Officer
(Principal Financial Officer)