U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 2015**

☐ 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 001-36860

LION BIOTECHNOLOGIES, INC.

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

Nevada	75-3254381
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

112 W. 34th Street, 17th floor, New York, NY 10120
(Address of principal executive offices and zip code)

(212) 946-4856
(Registrant's telephone number, including area code)

21900 Burbank Blvd, Third Floor, Woodland Hills, CA 91367
(Former name, 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 þ No ☐

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

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

Large accelerated filer ☐	Accelerated filer þ
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

At August 7, 2015, the issuer had 47,191,900 shares of common stock, par value $0.000041666 per share, outstanding.

LION BIOTECHNOLOGIES, INC.
FORM 10-Q
For the Quarter Ended June 30, 2015

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

LION BIOTECHNOLOGIES, INC.

Condensed Balance Sheets

	June 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12,556,290	$ 44,909,147
Money market funds	7,476,855	-
Short-term investments available for sale	92,302,982	-
Prepaid expenses and deposits	378,409	66,134
Total Current Assets	112,714,536	44,975,281
Property and equipment, net of accumulated depreciation of $529,866 and $104,223, respectively	2,025,056	1,531,566
Total Assets	$ 114,739,592	$ 46,506,847
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 1,156,922	$ 1,248,413
Accrued expenses	623,774	327,847
Accrued payable to officers and former directors	85,500	85,500
Total Current Liabilities	1,866,196	1,661,760
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, $0.001 par value; 50,000,000 shares authorized, 3,694 shares and 5,694 shares issued and outstanding, respectively	4	6
Common stock, $0.000041666 par value; 150,000,000 shares authorized, 47,140,195 and 33,750,188 shares issued and outstanding, respectively	1,964	1,407
Common stock to be issued, 303,125 shares	245,153	245,153
Accumulated other comprehensive income	21,704	-
Additional paid-in capital	200,832,015	121,160,415
Accumulated deficit	(88,227,444)	(76,561,894)
Total Stockholders' Equity	112,873,396	44,845,087
Total Liabilities and Stockholders' Equity	$ 114,739,592	$ 46,506,847

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	**2014**	**2015**	**2014**
Revenues	**$ -**	**$ -**	**$ -**	**$ -**
Costs and expenses				
Operating expenses*	2,384,537	1,616,175	4,897,154	3,154,233
Research and development**	4,055,688	493,994	6,841,131	1,215,450
Total costs and expenses	6,440,225	2,110,169	11,738,285	4,369,683
Loss from operations	(6,440,225)	(2,110,169)	(11,738,285)	(4,369,683)
Interest income	72,735	-	72,735	-
Net Loss	$ (6,367,490)	$ (2,110,169)	$ (11,665,550)	$ (4,369,683)
Net Loss Per Share, Basic and Diluted	$ (0.14)	$ (0.09)	$ (0.28)	$ (0.19)
Weighted-Average Common Shares Outstanding, Basic and Diluted	45,082,176	24,137,782	41,413,501	22,502,761

* Includes $1,114,224, $460,884, $1,805,272, and $1,229,767, respectively, in stock-based compensation costs
** Includes $809,486, $418,794, $1,583,895, and $551,561, respectively, in stock-based compensation costs

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Comprehensive Loss
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	**2014**	**2015**	**2014**
Net Loss	$ (6,367,490)	$ (2,110,169)	$ (11,665,550)	$ (4,369,683)
Other comprehensive income:				
Unrealized gain on short-term investments	21,704	-	21,704	-
Comprehensive Loss	$ (6,345,786)	$ (2,110,169)	$ (11,643,846)	$ (4,369,683)

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Stockholders' Equity
For the Six Months Ended June 30, 2015
(Unaudited)

	Preferred Stock		Common Stock						
	Shares	Amount	Shares	Amount	Common Stock to be Issued	Additional Paid-In Capital	Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
Balance - January 1, 2015	**5,694**	**$ 6**	**33,750,188**	**$ 1,407**	**$ 245,153**	**$ 121,160,415**	**$ -**	**$ (76,561,894)**	**$ 44,845,087**
Fair value of vested stock options						2,301,297			2,301,297
Common stock issued upon exercise of warrants			3,190,007	132		7,975,018			7,975,150
Common stock issued upon conversion of preferred shares	(2,000)	(2)	1,000,000	42		(40)			-
Common stock sold in public offering, net of offering costs			9,200,000	383		68,307,455			68,307,838
Vesting of restricted shares issued for services						1,087,870			1,087,870
Unrealized gain on short-term investments							21,704		21,704
Net loss								(11,665,550)	(11,665,550)
Balance - June 30, 2015	**3,694**	**$ 4**	**47,140,195**	**$ 1,964**	**$ 245,153**	**$ 200,832,015**	**$ 21,704**	**$ (88,227,444)**	**$ 112,873,396**

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30,	
	2015	**2014**
Cash Flows From Operating Activities		
Net loss	$ (11,665,550)	$ (4,369,683)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	425,643	17,728
Fair value of vested stock options	2,301,297	1,340,601
Vesting of restricted shares issued for services	1,087,870	440,754
Changes in assets and liabilities:		
Prepaid expenses and deposits	(312,275)	94,506
Accounts payable and accrued expenses	204,436	(1,113,460)
Net cash used in operating activities	(7,958,579)	(3,589,554)
Cash Flows From Investing Activities		
Increase in money market funds	(7,476,855)	-
Purchase of short-term investments	(96,281,278)	-
Maturities of short-term investments	4,000,000	-
Purchases of property and equipment	(919,133)	(5,742)
Net cash used in investing activities	(100,677,266)	(5,742)
Cash Flows From Financing Activities		
Proceeds from the issuance of common stock upon exercise of warrants	7,975,150	2,363,480
Proceeds from the issuance of common stock, net	68,307,838	-
Net cash provided by financing activities	76,282,988	2,363,480
Net Decrease In Cash And Cash Equivalents	(32,352,857)	(1,231,816)
Cash and Cash Equivalents, Beginning of Period	44,909,147	19,672,177
Cash and Cash Equivalents, End of Period	$ 12,556,290	$ 18,440,361
Supplemental Disclosures of Cash Flow Information:		
Common stock issued upon conversion of preferred stock	$ 42	$ -

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
For the Six month Ended June 30, 2015 and 2014 (Unaudited)

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

Lion Biotechnologies, Inc. (the "Company," "we," "us" or "our") is a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to harness the power of a patient's own immune system to eradicate cancer cells. Our lead program is an adoptive cell therapy utilizing tumor-infiltrating lymphocytes (TIL), which are T cells derived from patients' tumors, for the treatment of metastatic melanoma. The TIL are then activated and expanded ex vivo and then infused back into the patient to fight their tumor cells. The Company was originally incorporated under the laws of the state of Nevada on September 17, 2007. Until March 2010, we were an inactive company known as Freight Management Corp. On March 15, 2010, we changed our name to Genesis Biopharma, Inc., and in 2011 we commenced our current business.

Basis of Presentation of Unaudited Condensed Financial Information

The unaudited condensed financial statements of the Company for the six month ended June 30, 2015 and 2014 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2014 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2014 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 16, 2015. These financial statements should be read in conjunction with that report.

Liquidity

We are currently engaged in the development of therapeutics to fight cancer, we do not have any commercial products and have not yet generated any revenues from our biopharmaceutical business. We currently do not anticipate that we will generate any revenues during 2015 from the sale or licensing of any products. In addition, we have not generated any revenues from our prior business plans.

We have not had any revenues and are still in the development stage. As shown in the accompanying condensed financial statements, we have incurred a net loss of $11,665,000 for the six months ended June 30, 2015 and used $7,959,000 of cash in our operating activities during the six months ended June 30, 2015. As of June 30, 2015, we had $112,336,000 of cash, money market funds, and short term investments on hand, stockholders' equity of $112,873,000 and had working capital of $110,848,000.

During 2015, we expect to further ramp up our operations, which will increase the amount of cash we will use in our operations. Our budget for 2015 includes increased spending on research and development activities, higher payroll expenses as we increase our professional staff, the costs associated with operating our new Tampa, Florida, research facility, as well as ongoing payments under the Cooperative Research and Development Agreement (CRADA) we have entered into with the National Cancer Institute (NCI). Based on the funds we had available on June 30, 2015, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 24 months.

On March 3, 2015, the Company sold 9,200,000 shares of its common stock in an underwritten public offering at $8.00 per share for net proceeds of $68.3 million, after deducting expenses of the offering. On December 22, 2014, the Company sold 6,000,000 shares of its common stock in an underwritten public offering at $5.75 per share for net proceeds of $32.2 million after deducting expenses of the offering. On November 5, 2013, we completed a $23.3 million private placement of our securities to various institutional and individual accredited investors. Despite the amount of funds that we have raised, the estimated cost of completing the development of our TIL-based therapy, and of obtaining all required regulatory approvals to market those product candidates, may be substantially greater than the amount of funds we have available. Therefore, while we believe that our existing cash balances will be sufficient to fund our currently planned level of operations for at least 24 months, we will have to obtain additional funds in the future to complete our development plans. We intend to seek this additional funding through various financing sources, including possible sales of our securities, and in the longer term through strategic alliances with other pharmaceutical or biopharmaceutical companies.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents. The carrying amounts reported in the Balance Sheets for cash and cash equivalents are valued at cost, which approximates their fair value.

Short-term Investments

The Company's short-term investments represent available for sale securities and are recorded at fair value and unrealized gains and losses are recorded within accumulated other comprehensive income (loss). The estimated fair value of the available for sale securities is determined based on quoted market prices or rates for similar instruments. In addition, the cost of debt securities in this category is adjusted for amortization of premium and accretion of discount to maturity. The Company evaluates securities with unrealized losses to determine whether such losses, if any, are other than temporary.

Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period, excluding unvested shares of restricted common stock. Shares of restricted stock subject to vesting are included in basic weighted average common shares outstanding from the time they vest. Diluted earnings per share is computed by dividing the net income applicable to common stock holders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued, using the treasury stock method. Potential common shares are excluded from the computation when their effect is antidilutive. When calculating diluted net income per share, shares of restricted stock subject to vesting are included in diluted weighted average common shares outstanding as of their grant date.

At June 30, 2015 and 2014, basic and diluted net loss per share are the same, as the effect of potentially dilutive securities was antidilutive. At June 30, 2015, potentially dilutive securities include options to acquire 2,238,877 shares of common stock, warrants to acquire 7,894,419 shares of common stock, preferred stock that can be converted into 1,847,000 shares of common stock, and 591,500 shares of non-vested restricted stock. At June 30, 2014, potentially dilutive securities include options to acquire 868,750 shares of common stock, warrants to acquire 11,427,764 shares of common stock, and preferred stock that can be converted into 2,847,000 shares of common stock.

Fair Value Measurements

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

Assets and liabilities recorded at fair value in our financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair valued assets we hold that are generally included under this Level 1 are money market securities where fair value is based on publicly quoted prices.

Level 2—Are inputs, other than quoted prices included in Level 1, that are either directly or indirectly observable for the asset or liability through correlation with market data at the reporting date and for the duration of the instrument's anticipated life.

The fair valued assets we hold that are generally assessed under Level 2 corporate bonds and commercial paper. We utilize third party pricing services in developing fair value measurements where fair value is based on valuation methodologies such as models using observable market inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers and other reference data. We use quotes from external pricing service providers and other on-line quotation systems to verify the fair value of investments provided by our third party pricing service providers. We review independent auditor's reports from our third party pricing service providers particularly regarding the controls over pricing and valuation of financial instruments and ensure that our internal controls address certain control deficiencies, if any, and complementary user entity controls are in place.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the reporting date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

We do not have fair valued assets classified under Level 3.

Fair Value on a Recurring Basis

Financial assets measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations:

	Assets at Fair Value as of June 30, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 7,476,855	$ —	$ —	$ 7,476,855
Corporate debt securities	—	92,302,982	—	92,302,982
Total	$ 7,476,855	$ 92,302,982	$ —	$ 99,779,837

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include accounting for potential liabilities and the assumptions made in valuing stock instruments issued for services.

Stock-Based Compensation

The Company periodically grants stock options and warrants to employees and non-employees in non-capital raising transactions as compensation for services rendered. The Company accounts for stock option grants to employees based on the authoritative guidance provided by the Financial Accounting Standards Board where the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option grants to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board where the value of the stock compensation is determined based upon the measurement date at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option grants is estimated using a Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Research and Development

Research and development costs consist primarily of fees paid to consultants and outside service providers, patent fees and costs, and other expenses relating to the acquisition, design, development and testing of the Company's treatments and product candidates. Research and development costs are expensed as incurred over the life of the underlying contracts on the straight-line basis, unless the achievement of milestones, the completion of contracted work, or other information indicates that a different expensing schedule is more appropriate. The Company reviews the status of its research and development contracts on a quarterly basis.

Concentrations

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and short-term investments.

The Company maintains cash balances at more than one bank. As of June 30, 2015, the Company’s cash balances were in excess of insured limits maintained at these banks. Management believes that the financial institutions that hold the Company’s cash are financially sound and, accordingly, minimal credit risk exists.

At June 30, 2015, the Company’s short-term investments were invested in short-term fixed income debt securities of domestic and foreign high credit issuers and in money market funds. The Company’s investment policy limits investments to certain types of instruments such as certificates of deposit, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities, and places restrictions on maturities and concentration by type and issuer. At June 30, 2015, approximately 53% of the Company’s short-term investments were invested in notes of five companies, approximately 27% were invested in notes of various other domestic issuers, and approximately 20% were invested in notes of a foreign issuer. The average maturity of these notes was 124 days (See Note 6).

Comprehensive Income (Loss)

Components of comprehensive income or loss, including net income or loss, are reported in the financial statements in the period in which they are recognized. Comprehensive income or loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Net income (loss) and other comprehensive income (loss) are reported net of any related tax effect to arrive at comprehensive income (loss). For the three and six months ended June 30, 2015, the Company recorded comprehensive income of $21,704 for unrealized gains on short term investments. The Company did not have any items of comprehensive income (loss) for the three months and six months ended June 30, 2014.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted in annual reporting periods beginning after December 15, 2016, and the interim periods within that year, and either full retrospective adoption or modified retrospective adoption is permitted. The Company is in the process of evaluating the impact of ASU 2014-09 on the Company's financial statements and disclosures.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation – Stock Compensation (Topic 718). The pronouncement was issued to clarify the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The pronouncement is effective for reporting periods beginning after December 15, 2015. The adoption of ASU 2014-12 is not expected to have a significant impact on the Company's consolidated financial position or results of operations.

In November 2014, the FASB issued Accounting Standards Update No. 2014-16, Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity. The amendments in ASU 2014-6 do not change the current criteria in U.S. GAAP for determining when separation of certain embedded derivative features in a hybrid financial instrument is required. The amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract. ASU 2014-6 applies to all entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share and is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company is currently evaluating the impact the adoption of ASU 2014-16 on the Company's financial statements and disclosures

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

Reclassifications

In presenting the Company's statement of operations for the three and six month periods ended June 30, 2014, the Company has reclassified $551,561 and $132,767, respectively, of stock-based compensation that was previously reflected as operating expenses to research and development expenses. The reclassification relates to stock-based compensation to individuals working in the Company's research and development activities, and had no impact on total costs and expenses or net loss.

NOTE 3. STOCKHOLDERS' EQUITY

Public offering

On March 3, 2015, the Company completed an underwritten public offering of 9,200,000 shares of its common stock at a price of $8.00 per share of common stock. The net proceeds to the Company from the offering were $68.3 million, after deducting underwriting discounts and commissions and offering expenses. The offering was made pursuant to the Company's existing shelf registration statement on Form S-3, including a base prospectus, which was filed with the SEC on November 20, 2014 and declared effective on December 10, 2014, a preliminary prospectus supplement thereunder, and a registration statement on Form S-3 filed with the SEC on February 26, 2015.

On May 6, 2015, certain stockholders of the Company, including certain members of Board of Directors of the Company and their affiliates, sold 4,750,000 shares of the Company's common stock in an underwritten secondary offering at a price of $10.00 per share. The Company did not sell any shares in the offering and will not receive any of the proceeds from the offering.

Issuance of common stock upon conversion of preferred stock

During the six month ended June 30, 2015, the Company issued 1,000,000 shares of common stock upon the conversion of 2,000 shares of Series A Convertible Preferred Stock. The number of conversion shares issued was determined on a formula basis of 500 common shares for each Series A Convertible Preferred Stock held.

Common stock with vesting terms

During 2014, the Company granted 782,500 shares of its restricted common stock to nine of its employees in accordance with the terms of their employment agreements. The 782,500 shares vest over a period of three years. As these shares were granted to employees, the Company calculated the aggregate fair value of the 782,500 shares based on the trading prices of the Company's stock at their grant dates and determined it to be $5,080,090, of which $1,256,985 was expensed in 2014. The allocable portion of the fair value of the stock that vested during the six months ended June 30, 2015 amounted to $1,087,870 and was recognized as expense in the accompanying statements of operations. As of June 30, 2015, the amount of unvested compensation related to all issuances of restricted common stock was $2,948,985, which will be recorded as expense in future periods as the shares vest.

When calculating basic net income (loss) per share, these shares are included in basic weighted average common shares outstanding from the time they vest. When calculating diluted net income (loss) per share, these shares are included in diluted weighted average common shares outstanding from the time they are granted, unless they are antidilutive. Shares of restricted stock granted above are subject to forfeiture to the Company or other restrictions that will lapse in accordance with a vesting schedule determined by our Board.

The following table summarizes restricted common stock activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested shares, January 1, 2015	742,500	$ 6.98
Granted	-	-
Vested	(126,000)	6.55
Forfeited	(25,000)	8.55
Non-vested shares, June 30, 2015	591,500	$ 6.90

NOTE 4. STOCK OPTIONS AND WARRANTS

Stock Options

A summary of the status of stock options at June 30, 2015, and the changes during the six months then ended, is presented in the following table:

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at January 1, 2015	1,857,877	$ 7.31	8.2	$ 2,874,378
Granted	452,250	10.39	10.0	102,050
Exercised	-	-	-	-
Expired/Forfeited	(71,250)	7.26	9.20	27,125
Outstanding at June 30, 2015	2,238,877	$ 8.06	8.12	$ 5,052,068
Exercisable at June 30, 2015	760,725	$ 8.96	6.91	$ 2,107,877

During the six months ended June 30, 2015, the Company granted options to purchase 452,250 shares of common stock to new employees and directors of the Company. The stock options generally vest between one and three years. The fair value of these options was determined to be $4,701,113 using the Black-Scholes option pricing model based on the following assumptions: (i) volatility rate of 218%, (ii) discount rate of 1.57%, (iii) zero expected dividend yield, and (iv) expected life of 6 years.

During the six months ended June 30, 2015 and 2014, the Company recorded compensation costs of $2,301,297 and $1,340,601, respectively, relating to the vesting of stock options. As of June 30, 2015, the aggregate value of unvested options was $11,196,570, which will continue to be amortized as compensation cost as the options vest over terms ranging from six months to three years, as applicable.

On March 29, 2010, the Company’s Board of Directors adopted the Genesis Biopharma, Inc. 2010 Equity Compensation Plan (the "2010 Plan") pursuant to which the Board reserved an aggregate of 35,000 shares of common stock for future grants of stock options, rights to acquire restricted stock, rights to acquire unrestricted stock, and stock appreciation rights. Options for the issuance of all 35,000 shares have been granted, and no shares are available for additional grants under the 2010 Plan.

On October 14, 2011, the Company’s Board of Directors approved a 2011 Equity Incentive Plan (the “2011 Plan”). The Company’s stockholders did not approve the 2011 Plan within a required one-year period, and accordingly, the Company cannot grant qualified incentive stock options under the 2011 Plan. As of December 31, 2014, no shares were available for future grant under the 2011 Plan.

On September 19, 2014, The Company’s Board of Directors adopted the Lion Biotechnologies, Inc. 2014 Equity Incentive Plan (the “2014 Plan”). The 2014 Plan was approved by our stockholders at the annual meeting of stockholders held in November 2014. The 2014 Plan initially authorized the issuance up to an aggregate of 2,350,000 shares of common stock. On April 10, 2015 the Board amended the 2014 Plan, subject to stockholder approval, to increase the total number of shares that can be issued under the 2014 Plan by 1,650,000 from 2,350,000 shares to 4,000,000 shares. The increase in shares available for issuance under the 2014 Plan was approved by stockholders on June 12, 2015.

Warrants

A summary of the status of stock warrants at June 30, 2015, and the changes during the six month then ended, is presented in the following table:

	Shares Under Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at December 31, 2014	11,084,426	$ 2.51	3.85 years	$ 59,517,998
Issued	-			
Exercised	(3,190,007)	$ 2.50		
Expired	-	-		
Outstanding and exercisable at June 30, 2015	7,894,419	$ 2.51	3.33 years	$ 52,655,775

During the six months ended June 30, 2015, the Company received $7,975,150 in cash from the exercise of 3,190,007 warrants for the purchase of 3,190,007 shares of its common stock.

NOTE 5. LICENSE AND COMMITMENTS

National Institutes of Health and the National Cancer Institute

Effective August 5, 2011, the Company signed a Cooperative Research and Development Agreement (CRADA) with the National Institutes of Health and the National Cancer Institute (NCI). Under the terms of the five-year cooperative research and development agreement, the Company will work with Dr. Steven A. Rosenberg, M.D., Ph.D., chief of NCI's Surgery Branch, to develop adoptive cell immunotherapies that are designed to destroy metastatic melanoma cells using a patient's tumor infiltrating lymphocytes.

The Company initially agreed to pay the NCI $1,000,000 per year ($250,000 per quarter) under the CRADA. On January 22, 2015, the Company executed an amendment (the "Amendment") to the CRADA to include four new indications. As amended, in addition to metastatic melanoma, the CRADA now also includes the development of TIL therapy for the treatment of patients with bladder, lung, triple-negative breast, and HPV-associated cancers. Under the Amendment, the NCI also has agreed to provide the Company with samples of all tumors covered by the Amendment for performing studies related to improving TIL selection and/or TIL scale-out production and process development. As amended, the annual payments the Company is required to make to the NCI have increased from $1 million to $2 million, to be paid in quarterly installments of $500,000. As of June 30, 2015, the Company paid the first quarterly installment of $500,000, the second installment of $500,000 is included in accounts payable. Although the CRADA has a five year term, either party to the CRADA has the right to terminate the CRADA upon 60 days' notice to the other party.

During the six months ended June 30, 2015 and 2014, the Company recognized $1,041,667 and $500,000, respectively, of CRADA expenses, which were recorded as part of research and development expenses in the statement of operations. As of December 31, 2014, $250,000 of CRADA expenses were included in the accrued expenses on the accompanying condensed balance sheet.

National Institutes of Health

Effective October 5, 2011, the Company entered into a Patent License Agreement (the "License Agreement") with the National Institutes of Health, an agency of the United States Public Health Service within the Department of Health and Human Services ("NIH"). Pursuant to the License Agreement, NIH granted to the Company a non-exclusive worldwide right and license to develop and manufacture certain proprietary autologous tumor infiltrating lymphocyte adoptive cell therapy products for the treatment of metastatic melanoma, ovarian cancer, breast cancer, and colorectal cancer. The License Agreement requires the Company to pay royalties based on a percentage of net sales (which percentage is in the mid-single digits and subject to certain annual minimum royalty payments), a percentage of revenues from sublicensing arrangements, and lump sum benchmark royalty payments on the achievement of certain clinical and regulatory milestones for each of the various indications and other direct cost incurred by NIH pursuant to the agreement.

On February 9, 2015, the Company entered into an amendment to the License Agreement with the NIH pursuant to which the Company's non-exclusive license to melanoma was converted into an exclusive license. In consideration for the exclusive rights granted under the amendment to the License Agreement, the Company agreed to pay the NIH a non-refundable upfront licensing fee of $350,000, which was recognized as research and development expense during the six month ended June 30, 2015. The Company also agreed to pay customary royalties based on a percentage of net sales (which percentage is in the mid-single digits), a percentage of revenues from sublicensing arrangements, and lump sum benchmark payments upon the successful completion of the Company's first Phase 2 clinical study, the successful completion of the Company's first Phase 3 clinical study, the receipt of the first FDA approval or foreign equivalent for a licensed product or process resulting from the licensed technologies, the first commercial sale of a licensed product or process in the United States, and the first commercial sale of a licensed product or process in any foreign country.

During the six months ended June 30, 2015, there were no net sales subject to certain annual minimum royalty payments or sales that would require us to pay a percentage of revenues from sublicensing arrangements. In addition there were no benchmarks or milestones achieved that would require payment under the lump sum benchmark royalty payments on the achievement of certain clinical and regulatory milestones for each of the various indications.

Exclusive License Agreement

On July 21, 2014, the Company entered into an Exclusive License Agreement (the "Moffitt License Agreement"), effective as of June 28, 2014, with the H. Lee Moffitt Cancer Center and Research Institute, Inc. ("Moffitt") under which the Company received an exclusive, world-wide license to Moffitt's rights in and to two patent-pending technologies related to methods for improving tumor-infiltrating lymphocytes for adoptive cell therapy. Unless earlier terminated, the term of the license extends until the earlier of the expiration of the last patent related to the licensed technology or 20 years after the effective date of the license agreement.

Pursuant to the Moffitt License Agreement, the Company paid an upfront licensing fee of $25,000, which was recognized as research and development expense during 2014. A patent issuance fee will also be payable under the Moffitt License Agreement, upon the issuance of the first U.S. patent covering the subject technology. In addition, the Company agreed to pay milestone license fees upon completion of specified milestones, customary royalties based on a specified percentage of net sales (which percentage is in the low single digits) and sublicensing payments, as applicable, and annual minimum royalties beginning with the first sale of products based on the licensed technologies, which minimum royalties will be credited against the percentage royalty payments otherwise payable in that year. The Company will also be responsible for all costs associated with the preparation, filing, maintenance and prosecution of the patent applications and patents covered by the Moffitt License Agreement related to the treatment of any cancers in the United States, Europe and Japan and in other countries selected that the Company and Moffitt agreed to.

During the six months ended June 30, 2015, there were no net sales subject to certain annual minimum royalty payments or sales that would require us to pay a percentage of revenues from sublicensing arrangements

Exclusive Patent License Agreement

On February 10, 2015, the Company entered into an exclusive Patent License Agreement with the NIH under which the Company received an exclusive, world-wide license to the NIH's rights in and to two patent-pending technologies related to methods for improving tumor-infiltrating lymphocytes for adoptive cell therapy. The licensed technologies relate to the more potent and efficient production of TIL from melanoma tumors by selecting for T-cell populations that express various inhibitory receptors. Unless terminated sooner, the license shall remain in effect until the last licensed patent right expires.

In consideration for the exclusive rights granted under the exclusive Patent License Agreement, the Company agreed to pay the NIH a non-refundable upfront licensing fee of $40,000, which was recognized as research and development expense during the six months ended June 30, 2015. The Company also agreed to pay customary royalties based on a percentage of net sales (which percentage is in the mid-single digits), a percentage of revenues from sublicensing arrangements, and lump sum benchmark payments upon the successful completion of the Company's first Phase 2 clinical study, the successful completion of the Company's first Phase 3 clinical study, the receipt of the first FDA approval or foreign equivalent for a licensed product or process resulting from the licensed technologies, the first commercial sale of a licensed product or process in the United States, and the first commercial sale of a licensed product or process in any foreign country.

During the six months ended June 30, 2015, there were no net sales subject to certain annual minimum royalty payments or sales that would require us to pay a percentage of revenues from sublicensing arrangements. In addition there were no benchmarks or milestones achieved that would require payment under the lump sum benchmark royalty payments on the achievement of certain clinical and regulatory milestones for each of the various indications.

Manufacturing Service Agreement

In December 2011, the Company entered into a Manufacturing Services Agreement with Lonza Walkersville, Inc. (Lonza) pursuant to which Lonza has agreed to manufacture, package, ship and perform quality assurance and quality control of our TIL therapy. Lonza has commenced developing a commercial-scale manufacturing process for the TIL therapy. The goal is to develop and establish a manufacturing process for the large-scale production of TIL that is in accordance with current Good Manufacturing Practices (cGMP).

During 2015, we issued an additional statements of work (SOW) to Lonza under the Manufacturing Services Agreement. The total cost for services to be provided under the SOW is $1,361,095. During the six months ended June 30, 2015, the Company recognized $1,107,453 of expenses under the Manufacturing Services Agreement with Lonza and were recorded as part of research and development expenses.

Research Collaboration Agreement

In September, 2014, we entered into a research collaboration agreement with the H. Lee Moffitt Cancer Center and Research Institute, Inc. to jointly engage in transitional research and development of adoptive tumor-infiltrating lymphocyte cell therapy with improved anti-tumor properties and process. The total obligation under the agreement was $1,432,797, of which $358,199 was paid in 2014. During the six-month period ended June 30, 2015, the Company recognized $358,199 in research and development expenses related to this agreement.

NOTE 6. CASH, MONEY MARKET FUNDS, AND SHORT-TERM INVESTMENTS

Cash, money market funds, and short-term investments consist of the following;

	June 30, 2015 (unaudited)	December 31, 2014
Checking and savings accounts (reported as cash and cash equivalents)	$ 12,556,290	$ 44,909,147
Money market funds	7,476,855	-
Corporate debt securities (reported as short-term investments)	92,302,982	-
	$ 112,336,127	$ 44,909,147

Money market funds and short-term investments include the following securities with gross unrealized gains and losses:

June 30, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 7,476,855	$ -	$ -	$ 7,476,855
Corporate debt securities	92,281,278	21,704	-	92,302,982
Total	$ 99,758,133	$ 21,704	-	$ 99,779,837

As of June 30, 2015, the contractual maturities of our money market funds and short-term investments were:

	Within One Year
Money market funds	$ 7,476,855
Corporate debt securities	92,302,982
	$ 99,779,837

At June 30, 2015, the Company's short-term investments were invested in short-term fixed income debt securities and notes of domestic and foreign high credit issuers and in money market funds. The Company's investment policy limits investments to certain types of instruments such as certificates of deposit, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities, and places restrictions on maturities and concentration by type and issuer. At June 30, 2015, the Company's short-term investments totaled $92.3 million, of which approximately 53% were invested in notes of five companies, approximately 27% were invested in notes of other domestic issuers, and approximately 20% were invested in notes of foreign issuers. The average maturity of these notes was 124 days. At June 30, 2015 the Company's money-market funds totaled $7.5 million and were invested in a single fund, the Dreyfus Cash Management Money Market Fund, a no-load money market fund.

NOTE 7. LEGAL PROCEEDINGS

On April 23, 2014, the Company received a subpoena from the Securities Exchange Commission (the "SEC") that stated that the staff of the SEC is conducting an investigation *In the Matter of Galena Biopharma, Inc. File No. HO 12356 (now known as "In the Matter of Certain Stock Promotions")* and that the subpoena was issued to the Company as part of the foregoing investigation. The SEC's subpoena and accompanying letter do not indicate whether the Company is, or is not, under investigation. We have fully cooperated with the SEC and as of November 2014, we had completed our production of documents in response to the subpoena. To date, the SEC has not requested any further action from the Company.

The subpoena required the Company to give the SEC, among other materials, all communications between anyone at the Company and certain persons and entities (which include investor-relations firms and persons associated with the investor-relations firms), all documents related to the listed persons and entities, all articles regarding the Company posted on certain equity research or other financial websites, and documents and communications related to individuals who post or have posted articles regarding the Company on equity research or other financial websites.

There are no other pending legal proceedings to which the Company is a party or of which its property is the subject.

NOTE 8. SUBSEQUENT EVENTS

Share Issuances

In the third quarter of 2015, the Company has received $129,263 in cash from the exercise of warrants for the purchase of 51,705 shares of its common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This management's discussion and analysis of financial condition as of June 30, 2015 and results of operations for the six month ended June 30, 2015 and 2014, respectively, should be read in conjunction with management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2014 which was filed with the SEC on March 16, 2015.

Forward-Looking Statements

Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements. All forward-looking statements included in this Quarterly Report are based on information available to us on the date hereof and, except as required by law, we assume no obligation to update any such forward-looking statements. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information in the "Risk Factors" section in our Form 10-K for the year ended December 31, 2014. The identification in this Quarterly Report of factors that may affect future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Background on the Company and Recent Events Affecting our Financial Condition and Operations

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to harness the power of a patient's own immune system to eradicate cancer cells. Our lead program is an adoptive cell therapy utilizing tumor-infiltrating lymphocytes (TIL), which are T cells derived from patients' tumors, for the treatment of metastatic melanoma. TIL therapy is being developed in collaboration with the National Cancer Institute (NCI). A patient's immune system, particularly their TIL, plays an important role in identifying and killing cancer cells. TIL consist of a heterogeneous population of T cells that can recognize a wide variety of cancer-specific mutations and can overcome tumor escape mechanisms. TIL therapy involves growing a patient's TIL in special culture conditions outside the patient's body, or ex vivo, and then infusing the T cells back into the patient in combination with interleukin-2 (IL-2). By taking TIL away from the immune-suppressive tumor microenvironment in the patient, the T cells can rapidly proliferate. Billions of TIL, when infused back into the patient, are more able to search out and eradicate the tumor. In most cases, only a single treatment of TIL is administered.

In 2011, we acquired from the National Institutes of Health (NIH) a non-exclusive, worldwide right and license to certain NIH patents and patent applications to develop and manufacture autologous TIL for the treatment of metastatic melanoma, ovarian, breast, and colorectal cancers. Under a Cooperative Research and Development Agreement (CRADA) with the U.S. Department of Health and Human Services, as represented by the NCI, we support the in vitro development of improved methods for the generation and selection of TIL, the development of large-scale production of TIL, and clinical trials using these improved methods of generating TIL. On January 22, 2015, we executed an amendment to the CRADA to include four new indications. On February 9, 2015, the NIH granted us an exclusive, worldwide license to treat metastatic melanoma with TIL therapy. On February 10, 2015, the NIH granted us a worldwide license to the NIH's rights in and to two patent-pending technologies related to methods for improving TIL therapy. In addition to our CRADA, we also conduct research and development on TIL technology at our research facility in Tampa, Florida.

Recent Developments

On March 3, 2015 we closed an underwritten public offering of 9,200,000 shares of our common stock, including shares sold pursuant to the exercise in full of the underwriters' option to purchase additional shares, at a price of $8.00 per share. The net proceeds to us from that public offering were approximately $68.3 million.

In July 2015, we leased temporary office space in New York, New York, from which our two principal executive officers will serve until we locate a new office in New York to serve as our headquarters. The amount of rent we have to pay for our temporary offices is not material and may vary if we change or increase the number of offices we rent. Our Woodland Hills, California, offices will be closed by the end of August 2015.

Results of Operations

Revenues

As a development stage company that is currently engaged in the development of novel cancer immunotherapy products, we have not yet generated any revenues from our biopharmaceutical business or otherwise since our formation. We currently do not anticipate that we will generate any revenues during 2015 from the sale or licensing of any products. Our ability to generate revenues in the future will depend on our ability to complete the development of our product candidates and to obtain regulatory approval for them.

Operating Expenses

Operating expenses include compensation-related costs for our employees engaged in general and administrative activities (other than employees engaged in research and development), legal fees, audit and tax fees, consultants and professional services, and general corporate expenses. For the three months ended June 30, 2015, our operating expenses increased $768,000, or 48%, and for the six months ended June 30, 2015, our operating expenses increased $1,742,000, or 55%, when compared to the same periods in 2014. The increase in our operating expenses during the three and six month periods ended June 30, 2015 is due to the increase in our overall business activities, including an increase in expense related to obtaining and maintaining our NASDAQ listing, compliance with SEC requirements, and increases in insurance and investor relations. In addition, in the three and six month periods ended June 30, 2015, we incurred $1,114,000 and $1,805,000, respectively, of non-cash stock-based compensation costs, compared to $461,000 and $1,230,000, respectively, for such costs in the same periods in 2014. Share based compensation includes stock and options granted to our executive officers, our employees, our directors, and our consultants and advisors. As a result of our increased operating activities, our larger payroll and our Florida facilities, our operating expenses in the future are expected to continue to increase.

Research and Development.

Research and development expenses consist of expenses incurred in performing research and development activities, including compensation and benefits for research and development employees and consultants, rent at our research and development facility in Tampa, Florida, cost of laboratory supplies, manufacturing expenses, and fees paid to third parties, including the NCI and Lonza Walkersville, Inc., a third party contractor that will process and manufacture LN-144 for our clinical trials in patients. Research and development expenses also included amounts paid (i) to the National Institutes of Health under terms of our two license agreements, and (ii) to the NCI under the CRADA. During the three and six month periods ended June 30, 2015, our research and development costs increased $3,562,000, or 720%, and $5,626,000, or 462%, respectively, when compared to the same periods in 2014. The increases are mainly attributable to the expansion of our CRADA in 2015, the general expansion of our R&D efforts and the establishment of our Tampa, Florida, research facility in the fourth quarter of 2014. We have hired twelve new employees (including our Chief Scientific Officer) since June 30, 2014, and have opened the Tampa, Florida, research and development laboratory. None of these expenses were incurred in the second quarter, or first six months, of 2014. Research and development expenses in the first two quarters of 2015 and 2014 included $1,000,000 and $500,000 in payments, respectively, we made under the CRADA. Additionally, in 2015, we incurred $350,000 in upfront licensing fees for the amendment to the NIH license signed February 9, 2015, $40,000 in upfront licensing fees for the exclusive license to next-generation TIL technologies signed February 10, 2015 and $20,000 in annual minimum payments to the NIH under the original licensing agreement. In addition, in the three and six month periods ended June 30, 2015, we incurred $809,000 and $1,584,000, respectively, of non-cash stock-based compensation costs, compared to $419,000 and $552,000, respectively, in the same periods in 2014. We anticipate that our research and development costs will continue to increase in the future as we increase our research and development activities and accelerate the development of our technologies and product candidates.

Net Loss

We had a net loss of $6,367,000 and $11,666,000, for the three and six month periods ended June 30, 2015, respectively, compared to $2,110,000 and $4,370,000, for the three and six month periods ended June 30, 2014, respectively. The increase in our net loss during 2015 is due to an increase in operating expenses, as described above, along with the expansion of our research and development efforts. We anticipate that we will continue to incur net losses in the future as we continue to invest in our research and development, and we do not expect to generate any revenues in the near term.

Liquidity and Capital Resources

On March 3, 2015, we closed an underwritten public offering. The net proceeds to us from the public offering were $68.3 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. In addition, during the six months ended June 30, 2015, holders of our common stock purchase warrants exercised warrants to purchase a total of 3,190,007 shares for an aggregate purchase price of $7,941,000. As a result, as of June 30, 2015, we had $112.3 million in cash and cash equivalents. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation.

During the remainder of 2015, we expect to further ramp up our operations and our research and development efforts, which will increase the amount of cash we will use in our operations. Our budget for the remainder of 2015 includes increased spending on research and development activities (including costs associated with a Phase 2 multicenter clinical trial to treat about 20 patients with refractory metastatic melanoma that we expect to initiate), higher payroll expenses as we increase our professional staff, increased expenses for operating a new research and development facility in Tampa, Florida, as well as ongoing payments under the CRADA. Based on the funds we had available on June 30, 2015, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 24 months.

As of June 30, 2015, we had no long-term debt obligations or other similar long-term liabilities other than various obligations under our CRADA and our license agreements. We have no financial guarantees, debt or lease agreements or other arrangements that could trigger a requirement for an early payment or that could change the value of our assets. We do not have any bank credit lines.

Cash Flow

Net Cash Used in Operating Activities

Net cash used in operating activities was $7,959,000 for the six months ended June 30, 2015, compared with $3,590,000 for the six months ended June 30, 2014. The increase in cash used in operating activities of approximately $4,369,000 resulted from the increase in our net loss, offset by increases in non-cash stock compensation expense and depreciation.

Net Cash Flow from Investing Activities

Net cash used in investing activities was $100,677,000 for the six months ended June 30, 2015, compared with $6,000 for the six months ended June 30, 2014. The increase was due to the short-term investment purchases as a result of the cash proceeds for our 2015 public offering, in addition to purchases of laboratory equipment and furniture for our Tampa, Florida, laboratory, which facility did not exist during the 2014 period.

Net Cash Flow from Financing Activities

Net cash provided by financing activities was $76,283,000 for the six months ended June 30, 2015, compared with $2,363,000 for the six months ended June 30, 2014. The increase was due to net proceeds of $68,307,000 received from the March 3, 2015 public offering of our common stock, and $7,975,000 received from common stock warrant exercises. We received $2,363,000 of net proceeds from common stock warrant exercises in the six months ended June 30, 2014.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet financing arrangements.

Critical Accounting Policies and Estimates

In our Annual Report on Form 10-K for the year ended December 31, 2014, we disclosed our critical accounting policies and estimates upon which our financial statements are derived. There have been no changes to these policies since December 31, 2014 that are not included in Note 2 of the accompanying condensed consolidated financial statements for the six months ended June 30, 2015. Readers are encouraged to read our Annual Report on Form 10-K in conjunction with this report.

Inflation

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of our investment activities is to preserve capital. We do not utilize hedging contracts or similar instruments.

We are exposed to certain market risks relating primarily to interest rate risk on our cash and cash equivalents and risks relating to the financial viability of the institutions which hold our capital and through which we have invested our funds. To minimize this risk, we maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including corporate bonds, commercial paper, money market funds and other government and non-government debt securities with maturities of less than one year. Due to the short-term maturities of our cash equivalents, a change in interest rates would not have a material effect on the fair market value of our cash equivalents.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report on Form 10-Q, our principal executive officer and our principal accounting officer (the "Certifying Officers"), evaluated the effectiveness of our disclosure controls and procedures. Disclosure controls and procedures are controls and procedures designed to reasonably assure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (the "Exchange Act"), such as this quarterly report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures are also designed to reasonably assure that such information is accumulated and communicated to our management, including the Certifying Officers, as appropriate to allow timely decisions regarding required disclosure. Based on these evaluations, the Certifying Officers have concluded, that, as of the end of the period covered by this quarterly report on Form 10-Q, our disclosure controls and procedures were not effective.

Changes in Controls over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Nothing to report.

Item 1A. Risk Factors

Information regarding risk factors appears under "Risk Factors" included in Item 1A, Part I, and under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the year ended December 31, 2014. There have been no material changes from the risk factors previously disclosed in the above-mentioned periodic report.

Item 2. Unregistered Sales of Securities and Use of Proceeds.

During the first six months ended June 30, 2015, 55 accredited investors who held warrants that we sold to them in the November 2013 in a private placement, exercised warrants to purchase 3,190,007 shares of common stock at an exercise price of $2.50 per share (for a total amount of $7,975,150). These shares were issued pursuant to an exemption available under Section 4(a)(2) of the Securities Act of 1933, as amended. No commissions were paid with respect to these warrants exercises.

Item 3. Defaults Upon Senior Securities.

Nothing to report.

Item 4. Mine Safety Disclosures

Nothing to report.

Item 5. Other Information.

Nothing to report

Item 6. Exhibits

Exhibit Number	**Description of Exhibit**
10.1	Employment Agreement, dated June 8, 2015, between Lion Biotechnologies, Inc. and Molly Henderson
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Extension Presentation Linkbase

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.

Lion Biotechnologies, Inc.

August 10, 2015 By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer (Principal Executive Officer)

August 10, 2015 By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer (Principal Financial and Accounting Officer)

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "**Agreement**") dated effective June 8, 2015 (the "**Effective Date**"), by and between Lion Biotechnologies, Inc., a Nevada corporation (the "**Company**"), and Molly Henderson ("**Executive**") (either party individually, a "**Party**"; collectively, the "**Parties**").

WHEREAS, the Company desires to retain the services of Executive to serve as the Company's new Chief Financial Officer.

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions of Executive's employment by the Company and to address certain matters related to Executive's employment with the Company;

WHEREAS, both the Company and the Executive have read and understood the terms and provisions set forth in this Agreement, and Executive acknowledges Executive has been afforded a reasonable opportunity to review this Agreement with Executive's legal counsel to the extent desired;

NOW, THEREFORE, in consideration of the foregoing and the mutual provisions contained herein, and for other good and valuable consideration, the Parties hereto agree as follows:

1. Employment. Effective commencing as of the Effective Date, the Company hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive shall be employed by the Company in the position of Chief Financial Officer and shall be the Company's most senior executive officer with responsibility for financial matters. Executive shall have the duties and responsibilities consistent with the position of Chief Financial Officer and such other duties and responsibilities assigned by the Company's Chief Executive Officer. Executive shall perform faithfully and diligently such duties as are reasonable and customary for Executive's position, as well as such other duties as the Chief Executive Officer shall reasonably assign from time to time. Executive shall provide her services hereunder from any offices that the Company may hereafter establish in New York, New York, or from her home, as the Chief Executive Officer may hereafter direct or approve.

2.2 Best Efforts/Full-Time.

2.2(a) Executive understands and agrees that Executive will faithfully devote Executive's best efforts and substantially all of her time during normal business hours to advance the interests of the Company. Executive will abide by all policies duly adopted by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in a manner that Executive reasonably believes to be in the best interest of the Company at all times. Executive further understands and agrees that Executive has a fiduciary duty of loyalty to the Company to the extent provided by applicable law and that Executive will take no action which materially harms the business, business interests, or reputation of the Company.

2.2(b) Executive agrees that Executive will not directly engage in competition with the Company at any time during the existence of the employment relationship between the Company and Executive.

2.2(c) Executive agrees that, during the term of this Agreement, Executive shall work exclusively for the Company. Consequently, Executive agrees to not accept employment, of any kind, from any person or entity other than the Company, and to not perform duties or render services to any person or entity other than the Company.

3. At-Will Employment. Executive's employment with the Company will be "at-will" and will not be for any specific period of time. As a result, Executive is free to resign at any time, for any or no reason, as Executive deems appropriate. The Company will have a similar right and may terminate Executive's employment at any time, with or without cause. Executive's and the Company's respective rights and obligations at the time of termination are outlined below in Section 6 of this Agreement.

4. Compensation.

4.1 Base Salary. As compensation for the performance of all duties to be performed by Executive hereunder, the Company shall pay to Executive a base salary of $275,000 per year, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions, payable on a prorated basis as it is earned, in accordance with the normal payroll practices of the Company (the "Base Salary").

4.2 Stock Options. As of the Effective Date, Executive shall receive stock options to purchase an aggregate of 200,000 shares of the Company's common stock. To the extent legally permitted, the stock options shall be incentive stock options. The stock options will have an exercise price equal to the fair market value of the common stock on the Effective Date. Provided that Executive is still employed with the Company on the following dates, the foregoing stock options will vest in three installments as follows: (i) Options for the purchase of 66,672 shares shall vest on one year anniversary of the Effective Date; and (ii) the remaining stock options shall vest as to 16,666 shares at the end of each quarter over the next two years, commencing with the first quarter following the first anniversary of the Effective Date. Upon the termination of your employment with the Company for any reason, the unvested options will be forfeited and returned to the Company. In addition to the foregoing grant of options, Executive shall also be entitled to receive stock option grants under the Company's stock option plan commencing one year after the Effective Date in such amounts and upon such terms as shall be determined by the Board of Directors, in its sole discretion.

4.3 Incentive Compensation. Executive will be eligible to participate in the Company's annual incentive compensation program ("**Incentive Plan**") applicable to executive employees, as approved by the Board (the year in which the program is implemented, the **"Plan Year**"). The target potential amount payable to Executive under the Incentive Plan, if earned, shall be 25% of Executive's Base Salary earned during the applicable calendar year. Compensation under the Incentive Plan ("**Incentive Compensation**") will be conditioned on the satisfaction of individual and Company objectives, as established in writing by the Company, and the condition that Executive is employed by Company on the Incentive Compensation payment date, which shall be on or before March 15th of the year following the Plan Year. The payment of any Incentive Compensation pursuant to this Section 4.3 shall be made in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions.

4.4 Performance Review. The Company will periodically review Executive's performance on no less than an annual basis and may increase (but not decrease) Executive's salary or other compensation, as it deems appropriate in its sole and absolute discretion.

4.5 Customary Fringe Benefits. Executive understands and agrees that certain employee benefits may be provided to the Executive by the Company incident to the Executive's employment. Executive will be eligible for all customary and usual fringe benefits generally available to executive employees and all other employees of the Company subject to the terms and conditions of the Company's benefit plan documents. Executive understands and agrees that any employee benefits provided to the Executive by the Company incident to the Executive's employment (other than Base Salary, Incentive Compensation and any applicable Severance Payment) are provided solely at the discretion of the Company and may be modified, suspended or revoked at any time, without notice or the consent of the Executive, unless otherwise provided by law. Moreover, to the extent that these benefits are provided pursuant to policies or plan documents adopted by the Company, Executive acknowledges and agrees that these benefits shall be governed by the applicable employment policies or plan documents. The benefits to be provided to Executive shall include group health and dental insurance and participation in a 401-K plan.

4.6 Personal Time Off ("**PTO**"). Executive will be eligible to receive 12 PTO days per year. PTO is an accrued benefit and will be paid out at termination in accordance with the Company's standard PTO policies. In addition, Executive will be eligible to receive two floating holidays per year.

4.7 Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company, including travel-related expenses. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation in accordance with the Company's policies.

5. Confidentiality and Proprietary Agreement. Executive agrees to abide by the Company's Employee Proprietary Information and Inventions Agreement (the "**Non-Disclosure Agreement**"), which Executive has signed and is incorporated herein by reference.

6. Termination of Executive's Employment.

6.1 Termination for Cause by the Company. The Company may terminate Executive's employment immediately at any time and without notice for "Cause." For purposes of this Agreement, "Cause" shall mean (i) a material breach by Executive of this Agreement or the Non-Disclosure Agreement; (ii) the death of Executive or her disability resulting in her inability to perform her reasonable duties assigned hereunder for a period of 180 days; (iii) Executive's theft, dishonesty, or falsification of any Company documents or records; (iv) Executive's improper use or disclosure of the Company's confidential or proprietary information; or (v) Executive's conviction (including any plea of guilty or nolo contendere) of any criminal act which impairs Executive's ability to perform her duties hereunder or which in the Board's judgment may materially damage the business or reputation of the Company; provided, however, that prior to termination for cause arising under clause (i), Executive shall have a period of ten days after written notice from the Company to cure the event or grounds constituting such cause. Any notice of termination provided by Company to Executive under this Section 6.1 shall identify the events or conduct constituting the grounds for termination with sufficient specificity so as to enable Executive to take steps to cure, if curable, the same if such default is a material breach by Executive of this Agreement of the Non-Disclosure Agreement. In the event Executive's employment is terminated in accordance with this subsection 6.1, Executive shall be entitled to receive only the Base Salary and any earned Incentive Compensation (as defined in Section 4.3 above) then in effect, prorated to the date of termination. All other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.2 Termination Without Cause By The Company/Separation Package. The Company may terminate Executive's employment under this Agreement without Cause (as defined in Section 6.1 above) at any time on thirty (30) days' advance written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary through the date of termination and a prorated portion of any Incentive Compensation that was earned under Section 4.3 through the date of termination. Upon such termination without Cause, any then unvested stock options granted to Executive by the Company will become fully vested and Executive shall have twelve months from the date of termination within which to exercise her vested options. In addition, upon a termination of Executive's employment by the Company without Cause, Executive will be eligible to receive a "**Severance Payment**" equivalent to twelve months of Executive's then Base Salary, payable in full within thirty (30) days after termination, provided that Executive first satisfies the Severance Conditions. For purposes of this Agreement, the "**Severance Conditions**" are defined as (1) Executive's execution and non-revocation of a full general release, in the form attached hereto as Exhibit A, and such release has become effective in accordance with its terms prior to the 30th day following the termination date; and (2) Executive's reaffirmation of Executive's commitment to comply, and actual compliance, with all surviving provisions of this Agreement. Following payment of the Severance Payment, Base Salary, any Incentive Compensation and any benefits required to be paid in accordance with applicable benefit plans through the date of termination, all other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.3 Termination Upon a Change of Control. For purposes of this Agreement, "**Change of Control**" shall mean: (1) a merger or consolidation or the sale or exchange by the stockholders of the Company of capital stock of the Company, where the stockholders of the Company immediately before such transaction do not obtain or retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock or other voting equity of the surviving or acquiring corporation or other surviving or acquiring entity, in substantially the same proportion as before such transaction; (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred; or (3) the sale or exchange of all or substantially all of the Company's assets (other than a sale or transfer to a subsidiary of the Company as defined in section 424(f) of the Internal Revenue Code of 1986, as amended (the "**Code**")), where the stockholders of the Company immediately before such sale or exchange do not obtain or retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock or other voting equity of the corporation or other entity acquiring the Company's assets, in substantially the same proportion as before such transaction; provided, however, that a Change of Control shall not be deemed to have occurred pursuant to any transaction or series of transactions relating to a public or private financing or re-financing, the principal purpose of which is to raise money for the Company's working capital or capital expenditures and which does not result in a change in a majority of the members of the Board. If, within six (6) months immediately preceding a Change of Control or within twelve (12) months immediately following a Change of Control, the Executive's employment is terminated by the Company for any reason other than Cause, then the Executive shall be entitled to receive the Severance Payment and stock option vesting and exercisability set forth in Section 6.2, provided that Executive first satisfies the Severance Conditions. Following payment of the Severance Payment, Base Salary, any Incentive Compensation and any benefits required to be paid in accordance with applicable benefit plans through the date of termination, all other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.4 Resignation. Executive shall have the right to terminate this Agreement at any time, for any reason, by providing the Company with thirty (30) days written notice, provided, however, that subsequent to Executive's resignation, Executive shall be required to comply with all surviving provisions of this Agreement. Executive shall not be entitled to any Severance Pay. Executive will only be entitled to receive Executive's Base Salary earned up to the date of termination. Notwithstanding the foregoing, Executive has the right upon thirty (30) days written notice to the Company to terminate Executive's employment for "Good Reason" due to occurrence of any of the following: (i) the Company's requirement that Executive report for work at a location more than forty-five (45) miles from her home without the written consent of Executive to such relocation, (ii) a material adverse change in Executive's title, duties or responsibilities; (iii) any failure by the Company to pay, or any reduction by Company of, the base salary or any failure by Company to pay any Incentive Compensation to which Executive is entitled pursuant to Section 4; (iv) the Company creates a work environment designed to constructively terminate Executive or to unlawfully harass or retaliate against Executive; or (v) a Change of Control occurs in which the Company is not the surviving entity and the surviving entity fails to offer Executive an executive position at a compensation level at least equal to Executive's then compensation level under this Agreement. In the event that Executive terminates her employment for Good Reason, then Executive shall be entitled to receive the Base Salary, any earned Incentive Compensation, Severance Payment and stock option vesting and exercisability as if Executive were terminated by the Company without Cause under Section 6.2, subject to Executive's compliance with all of the Severance Conditions.

6.5 Application of Section 409A.

6.5(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "**Section 409A Regulations**") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations.

6.5(b) Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, Company shall not be responsible for the payment of any applicable taxes on compensation paid or provided to Executive pursuant to this Agreement.

6.5(c) Furthermore, to the extent that Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "**Delayed Payment Date**") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

6.5(d) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company's applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

6.5(e) For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

7. General Provisions.

7.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

7.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

7.3 Attorney's Fees. In the event of any dispute or claim relating to or arising out of Executive's employment relationship with Company, this Agreement, or the termination of Executive's employment with Company for any reason, the prevailing party in any such dispute or claim shall be entitled to recover its reasonable attorney's fees and costs.

7.4 Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

7.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. Executive has participated in the negotiation of the terms of this Agreement. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

7.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the United States and the internal laws of the State of New York.

7.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy, facsimile transmission, or electronic transmission such as e-mail, upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

7.8 Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE:

Dated: June 5, 2015

Molly Henderson

s/o Molly Henderson

COMPANY:

Dated: June 5, 2015

Lion Biotechnologies, Inc.

By: s/o Elma Hawkins

Name: Elma Hawkins
Title: Chief Executive Officer

Exhibit A

Form of Release and Waiver of Claims

In consideration for the severance payments and other benefits provided for in the Executive Employment Agreement, effective as of June 8, 2015 (the "Employment Agreement"), I, Molly Henderson, hereby furnish Lion Biotechnologies, Inc., a Nevada corporation (the "Company") with the following release and waiver (the "Release and Waiver").

In exchange for the consideration provided to me by the Employment Agreement, I hereby generally and completely release the Company and its officers, directors, employees, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release and Waiver. This general release includes, but is not limited to: (1) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (2) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, and the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA").

I acknowledge that, among other rights, I am waiving and releasing any rights I may have under ADEA and that this Release and Waiver is knowing and voluntary. I further acknowledge that I have been advised, as required by the Older Workers Benefit Protection Act, that: (a) the release and waiver granted herein does not relate to claims under the ADEA which may arise after this Release and Waiver is executed; (b) I should consult with an attorney prior to executing this Release and Waiver; (c) I have 21 days in which to consider this Release and Waiver (although I may choose voluntarily to execute this Release and Waiver earlier); (d) I have seven days following the execution of this Release and Waiver to revoke my consent to this Release and Waiver; and (e) this Release and Waiver shall not be effective until the eighth day after I execute this Release and Waiver and the revocation period has expired. Notwithstanding the foregoing, nothing contained in this Release and Waiver shall waive, release or otherwise diminish any claims that I might have at law or in equity for payment of severance or other benefits to which I am entitled under the terms of the Employment Agreement.

I acknowledge my continuing obligations under my Employee Proprietary Information and Inventions Agreement between myself and the Company (the "Confidentiality Agreement"). I understand and agree that my right to the severance pay I am receiving is in exchange for my agreement to the terms of this Release and Waiver and is contingent upon my continued compliance with my Confidentiality Agreement.

This Release and Waiver, including the Confidentiality Agreement, and the Employment Agreement constitute the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. This Release and Waiver may only be modified by a writing signed by both me and a duly authorized officer of the Company.

s/o Molly Henderson
Molly Henderson

Dated: June 5, 2015

Exhibit 31.1

CERTIFICATION

I, Elma Hawkins, Chief Executive Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, 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. I am 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 my 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 my 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 my 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Dated: August 10, 2015

By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Molly Henderson, Chief Financial Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, 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. I am 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 my 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 my 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 my 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Dated: August 10, 2015

By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc. (the "Company") for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Elma Hawkins, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 10, 2015

By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc. (the "Company") for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Molly Henderson, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 10, 2015

By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.