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

FORM 10-QSB

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

For the quarterly period ended August 31, 2006

OR

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

From _____ to _____

VIROPRO INC.

(Exact name of registrant as specified in its charter)

Nevada	333-06718	13-3124057
<small>(State or other jurisdiction of incorporation)</small>	<small>(Commission File Number)</small>	<small>(IRS Employer Identification No.)</small>
8515, Place Devonshire, Suite 207, Montreal, Quebec, Canada		H4P 2K1
<small>(Address of principal executive offices)</small>		<small>(Zip Code)</small>

(514) 731-8776

(Registrant's telephone number, including area code)

N/A

(Former name, former address & former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 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 filings for the past 90 days. **YES [X]**
NO []

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of October 15, 2006, the number of the Company's shares of par value \$.001 common stock outstanding was 31,727,066.

Transitional Small Business Disclosure format (check one): Yes [] **No [X]**

SEC 2334 (9-05) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

VIROPRO, INC.
FORM 10-QSB
AUGUST 31, 2006

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**VIROPRO, INC.
FORM 10-QSB
AUGUST 31, 2006**

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

General

The accompanying financial statements have been prepared in accordance with the instructions to Form 10-QSB. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flow, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has not been a material change in the information disclosed in the notes to the financial statements included in the Company's annual report on Form 10-KSB for the year ended November 30, 2005. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the nine months ended August 31, 2006 are not necessarily indicative of the results that can be expected for the year ended November 30, 2006.

Viropro, Inc.
(A Development Stage Company)
Consolidated Balance Sheet (Unaudited – in US\$)
As of August 31, 2006

ASSETS

Current assets

Cash	\$120,441
Other receivables	53,199
Prepaid expenses	7,478
GST taxes	34,824
Financing costs, net	421,178

Total current assets	637,120
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Property and equipment, net	16,313
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Other asset

Patent, net	988,750
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Total assets	\$1,642,183
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses	\$362,815
Other payables	8,447
Deferred revenue	50,000

Total current liabilities	421,262
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Long-term liabilities

Convertible debentures, net of unamortized debt discount of \$162,642	500,786
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Total Liabilities	\$922,048
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Stockholders' equity

Common stock, \$.001 par value, 45,000,000 shares authorized, 31,727,066 shares issued and outstanding	31,727
Additional paid in capital	10,737,374
Deferred stock compensation	(1,326,938)
(Deficit) accumulated during the development phase	(8,672,593)
	769,570

Other comprehensive income:

Foreign currency translation adjustment	(49,435)
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Total stockholders' equity	720,135
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Total liabilities and stockholders' equity	\$1,642,183
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See accompanying notes to financial statements

Viropro, Inc.
(A Development Stage Company)
Consolidated Statements of Operations (Unaudited – in US\$)

	<u>Three months ended</u>		<u>Nine months ended</u>		<u>Inception (July 1, 2003) to August 31, 2006</u>
	<u>August 31, 2006</u>	<u>August 31, 2005</u>	<u>August 31, 2006</u>	<u>August 31, 2005</u>	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross profit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Consulting fees - Non cash stock compensation	537,154	1,005,663	1,658,461	1,751,093	4,478,195
Selling, general and administrative expenses	<u>607,109</u>	<u>242,124</u>	<u>1,360,967</u>	<u>641,255</u>	<u>2,222,843</u>
	<u>1,144,263</u>	<u>1,247,787</u>	<u>3,019,428</u>	<u>2,392,348</u>	<u>6,701,038</u>
Net (loss)	<u>(1,144,263)</u>	<u>(1,247,787)</u>	<u>(3,019,428)</u>	<u>(2,392,348)</u>	<u>(6,701,038)</u>
Comprehensive income:					
Foreign currency translation adjustment	<u>16,682</u>	<u>(1,766)</u>	<u>16,776</u>	<u>(5,015)</u>	<u>(49,435)</u>
Comprehensive income (loss)	<u>(\$1,127,581)</u>	<u>(\$1,249,553)</u>	<u>(\$3,002,652)</u>	<u>(\$2,397,363)</u>	<u>(\$6,750,473)</u>
Per share information - basic and fully diluted:					
Weighted average shares outstanding - basic and diluted	<u>27,210,469</u>	<u>12,397,104</u>	<u>21,709,166</u>	<u>10,472,608</u>	
(Loss) per common share - basic and diluted	<u>(\$0.04)</u>	<u>(\$0.10)</u>	<u>(\$0.14)</u>	<u>(\$0.23)</u>	

See accompanying notes to financial statements

Viropro, Inc.**(A Development Stage Company)****Consolidated Statements of Cash Flows (Unaudited – in US\$)**

	Nine Months August 31, 2006	Nine Months August 31, 2005	Inception (July 1, 2003) to August 31, 2006
Cash flows from operating activities:			
Net (loss)	(3,019,428)	(2,397,363)	(6,701,038)
Foreign currency translation adjustment	-	5,074	-
Depreciation and amortization	64,618	385	66,038
Consulting fees - Non-cash stock compensation	1,658,461	1,751,093	4,478,195
Amortization of financing costs	55,097	-	55,097
Amortization of debt discount	24,511	-	24,511
Increase in Other receivables	(38,869)	(33,786)	(24,539)
Decrease in Receivable for common stock	25,000	-	25,000
Decrease in Prepaid expenses	12,008	4,238	(7,478)
Decrease in GST taxes	27,933	-	(34,823)
Increase in Accounts payable and accrued expenses	51,913	306,815	334,154
Decrease in Other payables	(13,104)	22,101	8,447
Increase in Deferred revenue	50,000	-	50,000
Net cash (used in) operating activities	<u>(1,101,860)</u>	<u>(341,443)</u>	<u>(\$1,726,436)</u>
Cash flows from investing activities:			
Acquisition of property and equipment	<u>(7,813)</u>	<u>(3,417)</u>	<u>(21,100)</u>
Net cash (used in) investing activities	<u>(7,813)</u>	<u>(3,417)</u>	<u>(21,100)</u>
Cash flows from financing activities:			
Issuance of and subscriptions for common shares for cash	479,338	290,646	1,253,984
Proceeds from issuance of convertible debentures	<u>663,428</u>	<u>-</u>	<u>663,428</u>
Net cash provided by financing activities	<u>1,142,766</u>	<u>290,646</u>	<u>1,917,412</u>
Net increase (decrease) in cash	33,093	(54,214)	169,876
Effect of changes in exchange rate	16,882	-	(49,435)
Cash, beginning of period	<u>70,466</u>	<u>54,561</u>	<u>-</u>
Cash, end of period	<u>\$ 120,441</u>	<u>\$ 347</u>	<u>\$ 120,441</u>

See accompanying notes to financial statements

Viropro, Inc.

(A Development Stage Company)

Notes to Financial Statements (unaudited)

August 31, 2006

Note 1: Organizations and Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of Viropro, Inc. (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-QSB. The financial statements reflect all adjustments consisting of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the periods shown. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles (GAAP) for complete financial statements.

These Consolidated Financial Statements should be read in conjunction with the audited financial statements and footnotes thereto included in Viropro Inc.'s Form 10-KSB for the year ended November 30, 2005, as filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States 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 that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Net Income (Loss) Per Common Share

The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standards (SFAS) 128, "Earnings per Share." Basic earnings (loss) per share are calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share are calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. During periods in which the Company incurs losses, common stock equivalents, if any, are not considered, as their effect would be anti dilutive.

Note 3: Going Concern

The Company's financial statements are presented on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has experienced significant losses from operations. The accumulated deficit and deficit accumulated during the development stage is \$8,672,593 including a net loss for the nine months ended August 31, 2006 of \$3,019,428. In addition, the Company has no revenue generating operations.

The Company's ability to continue, as a going concern, is contingent upon its ability to secure additional financing, to increase ownership equity and attain profitable operations. In addition, the Company's ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered in established markets and the competitive environment in which the Company operates.

Viropro, Inc.
(A Development Stage Company)
Notes to Financial Statements
August 31, 2006

Note 3: Going Concern (continued)

The Company is pursuing financing for its operations and seeking additional investments. In addition, the Company is seeking to expand its revenue base by adding new customers and increasing its advertising. Failure to secure such financing or to raise additional equity capital and to expand its revenue base may result in the Company depleting its available funds and not being able pay its obligations. The Company is aggressively pursuing strategic alliances, which will bring cash infusion, restructuring and a forward-looking business plan.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Note 4: Stockholders' Equity

During the nine months ended August 31, 2006, the Company issued 8,983,555 common shares with a fair market value of \$2,985,399 for consultancy services. \$1,658,461 of the fair value of the shares was charged to operations during the nine months ended August 31, 2006. The remainder totaling \$1,326,938 will be expensed over future periods as the consultancy services are received. The Company also issued 3,500,000 common shares with a fair market value of \$1,050,000 for the acquisition of a patent, which is being amortized over a ten year period.

During the nine months ended August 31, 2006, the Company issued 3,360,442 common shares for cash amounting to \$479,338 which had been received at August 31, 2006. In addition, the Company accepted subscriptions for 135,555 shares of common stock for cash of \$122,000.

Note 5: Commitments

During November 2004, the Company entered into an agreement with the Tokyo-based firm Immuno Japan Inc. for the marketing and production of therapeutic proteins in international markets. According to the agreement, the Company has acquired licenses to patented technologies related to the production of therapeutic proteins for certain countries. As compensation for the rights, the Company issued 500,000 shares of common stock in February 2005, with a fair value of \$220,000 which has been charged to operations during the year ended November 30, 2004, and is obligated to issue an additional 500,000 shares of common stock upon the initial sale of the licensed products, which has not yet occurred. In addition the Company will pay a royalty of 15% of sales of the licensed products.

During the nine months ended August 31, 2006, the Company issued 8,983,555 common shares for consultancy services. Included in that total, during January 2006, the Company's Board of Directors authorized the issuance of 2,700,000 shares to ensure that certain key consultants and employees will remain with the company until the patented technologies acquired above are successfully commercialized. The fair market value of \$810,000 for these shares is being amortized over a three year period. For the three and nine months ended August 31, 2006, amortization for these shares was \$67,500 and \$112,500, respectively.

Viropro, Inc.
(A Development Stage Company)
Notes to Financial Statements
August 31, 2006

Note 6: Convertible Debentures

Effective March 1, 2006, the Company commenced an offering of convertible debentures. The offering consisted of a minimum of 700 and a maximum of 1,300 debentures at a price of \$1,000 per debenture. The debentures are convertible into common shares at \$0.20 per share through March 1, 2009, and bear interest at 6% per annum. In conjunction with the sale of each \$1,000 debenture, the Company will issue 5,000 warrants to purchase common shares at \$0.25 per share expiring on March 1, 2009. Through August 31, 2006, an aggregate of \$663,428 had been received in cash. The offering expires 105 days from its commencement unless extended for an additional 120 days by the Company. If the minimum number of debentures is not sold, the Company will return the proceeds to the investors. As of June 23, 2006, the entire subscription of \$1,310,000 of convertible debentures has been sold. As of August 31, 2006, \$646,572 remains to be collected.

From March 1, 2006 to August 31, 2006, 663.428 units of convertible debentures at a price of \$1,000 per unit have been sold. The Company has determined the debentures to have a beneficial conversion feature totaling \$187,153. The beneficial conversion feature has been recorded as a debt discount which will be amortized on a straight line basis over the life of the loans. The beneficial conversion feature was valued under the Black-Scholes options pricing model using the following assumptions: a stock price between \$0.34 and \$1.19; estimated life of 3 years; historical volatility rate ranging between 205% and 224% and debt discount rate of 6.00%. The investors shall have 3 years from March 1, 2006 to exercise 6,550,000 warrants. The warrant strike price shall be \$0.25 per share of restricted stock. The Company has determined the warrants to have a value of \$476,275 which has been reflected as a financing cost and will be amortized on a straight line bases over the live of the loans. The warrants were valued under the Black-Scholes options pricing model.

Note 7: Other items

Memorandum of Understanding (MOU) with Bio Challenge S.A.

On June 15, 2006, the Company announced the signing of a Memorandum of Understanding (MOU) with Bio Challenge S.A., a privately-held pharmaceutical company operating in Tunisia. This binding MOU aims at working jointly at the development and the production of several therapeutic proteins. This agreement would bring Viropro its first revenues, based on specific objectives consisting of fixed licensing fees, development milestones, technology transfer costs and royalties varying from 5% to 10% of net sales, depending on the annual total volume. Territories attributed to Bio Challenge S.A. to market these products include Africa, Middle-East, Indonesia, Pakistan and the European Community. A deposit of \$50,000 for future licensing fees is reflected in Other receivables and Deferred revenue. It was collected on October 11, 2006.

Stock Option Plan

On June 27, 2006, the Company filed the Fiscal 2006 Nonstatutory Stock Option Plan. The purpose of this plan is to provide deferred stock incentives to certain key executives, directors, employees, and consultants who contribute to the long-term performance and growth of the Company. The maximum aggregate number of shares of Stock that may be issued under the Plan shall be two million five hundred thousand (2,500,000) and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof. No shares have been issued to date.

Vipro, Inc.
(A Development Stage Company)
Notes to Financial Statements
August 31, 2006

Legal Dispute

On June 16, 2006, the Company became involved in a legal dispute in which a shareholder holding 177,500 shares, claimed the Company was purposefully not removing his trading restrictions. The company has appeared and answered the allegations of the lawsuit, denies liability, and intends to vigorously defend itself. In addition, the Company has asserted a counter-claim seeking the return and cancellation of 6,800,000 million improperly issued shares of Vipro. The majority of these shares are owned or controlled by the previous managers of Vipro.

Recently issued accounting pronouncements

In February 2006, the FASB issued Statement of Financial Accounting Standards No. 155, *Accounting for Certain Hybrid Financial Instruments* (“SFAS No. 155”), which amends Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities* (“SFAS No. 133”) and Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (“SFAS No. 140”). SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or hybrid financial instruments containing embedded derivatives. We do not expect the adoption of SFAS 155 to have a material impact on its consolidated financial position, results of operations or cash flows.

In March 2006, the FASB issued Statement of Financial Accounting Standards No. 156, *Accounting for Servicing of Financial Assets* (“SFAS No. 156”), which amends FASB Statement No. 140 (“SFAS No. 140”). SFAS 156 may be adopted as early as January 1, 2006, for calendar year-end entities, provided that no interim financial statements have been issued. Those not choosing to early adopt are required to apply the provisions as of the beginning of the first fiscal year that begins after September 15, 2006 (e.g., January 1, 2007, for calendar year-end entities). The intention of the new statement is to simplify accounting for separately recognized servicing assets and liabilities, such as those common with mortgage securitization activities, as well as to simplify efforts to obtain hedge-like accounting. Specifically, the FASB said FAS No. 156 permits a servicer using derivative financial instruments to report both the derivative financial instrument and related servicing asset or liability by using a consistent measurement attribute, or fair value. We do not expect the adoption of SFAS 155 to have a material impact on its consolidated financial position, results of operations or cash flows.

In October 2006, the FASB issued SFAS No. 157, “Statement of Financial Accounting Standards” (“SFAS 157”). The purpose of SFAS 157 is to provide users of financial statements with better information about the extent to which fair value is used to measure recognized assets and liabilities, the inputs used to develop the measurements, and the effect of certain of the measurements on earnings for the period. SFAS No. 157 also provides guidance on the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. This changes the definition of fair value to be the price that would be received to sell an asset or paid to transfer a liability, an exit price, as opposed to the price that would be paid to acquire the asset or received to assume the liability, an entry price. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods with those fiscal years (e.g., January 1, 2008, for calendar year-end entities.) We do not expect the adoption of SFAS No. 157 to have a material impact on its consolidated financial position, results of operations or cash flows.

Vipropro, Inc.
(A Development Stage Company)
Notes to Financial Statements
August 31, 2006

In September 2006, the FASB issued SFAS No. 158, "Statement of Financial Accounting Standards" ("SFAS 158") which amends SFAS No. 87, 88, 106, and 132(R). Post application of SFAS 158, an employer should continue to apply the provisions in Statements 87, 88, and 106 in measuring plan assets and benefit obligations as of the date of its statement of financial position and in determining the amount of net periodic benefit cost. SFAS 158 requires amounts to be recognized as the funded status of a benefit plan, that is, the difference between plan assets at fair value and the benefit obligation. SFAS 158 further requires recognition of gains/losses and prior service costs or credits not recognized pursuant to SFAS No. 87 or SFAS No. 106. Additionally, the measurement date is to be the date of the employer's fiscal year-end. Lastly, SFAS 158 requires disclosure in the financial statements effects from delayed recognition of gains/losses, prior service costs or credits, and transition assets or obligations. SFAS No. 158 is effective for years ending after December 15, 2006 for employers with publicly traded equity securities and as of the end of the fiscal year ended after June 15, 2007 for employers without publicly traded equity securities. We do not expect the adoption of SFAS No. 158 to have a material impact on its consolidated financial position, results of operations or cash flows.

Note 8: Restatement of Financials

Based upon further review of recent convertible debenture issuances and common shares issued for consultancy services, the Company anticipates restatement of its financial statements for the three and six months ended February 28 and May 31, 2006. The anticipated overall effect will likely change previously reported net loss and certain accounts within the balance sheet. The Company is currently evaluating the overall effect of these prior period financials; however, the Company's management is unable to reasonably ascertain the changes as of the date of this filing.

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

THE FOLLOWING DISCUSSION OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VIROPRO, INC. SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. VIROPRO, INC'S ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF CERTAIN FACTORS, INCLUDING, BUT NOT LIMITED TO COMPETITION AND OVERALL MARKET CONDITIONS.

Overview

The aim of Viropro is to develop 2 major lines of products:

- 1) **Bio-generic/bio-therapeutic products:** The main objective, on the short term, is to build a major role in the technology transfer of various biotechnological products to pharmaceutical companies in emerging countries and to assist in the full development of recombinant products for new clinical applications. In addition to its own internal expertise, the achievement of the Company's goals is supported by alliances with major partners in Biotechnology. The technology transfer of bio-generic products will bring immediate revenues and revolving royalties.
- 2) **Therapeutic vaccines:** Development and marketing of therapeutic vaccines against cancer or chronic infections such as AIDS. In order to fulfil this goal, Viropro has incorporated Theravax Inc, a wholly owned Canadian subsidiary, which is currently inactive.

Background to the Company's Products

I. Technology transfer of bio-therapeutics:

Starting with the first recombinant pharmaceutical product registered by the FDA (the US food and drug regulatory body) in 1982, the importance of recombinant drugs has continued to increase exponentially and within several years recombinant proteins are expected to represent the majority of all products registered with the FDA. In most developing and third world countries the population has access only to licensed and exclusive products from foreign owned pharmaceutical companies, and at prices so prohibitive, that, in effect, deny a large part of the population treatment to fight many diseases. Also, most western pharmaceutical companies prefer selling their products rather than transferring their technology. The intellectual property of an increasing number of bio-recombinant products is, or will become, public by 2007. The top 10 recombinant products that will be in the public domain by 2007 were sold recently for more than \$15 billion. This is already the case for drugs such as Interferon alpha and beta (**INF alpha and INF beta**) G-CSF, GM-CSF, erythropoietin (**EPO**), interleukin 2 (**IL-2**) and various monoclonal antibodies for which Viropro is acquiring Intellectual Property. There is therefore an important niche market in the technology transfer of bio-generic products to developing countries, at affordable prices.

Viropro now holds a versatile technology platform with an exclusive license portfolio. This is a result of a strong partnership with *Immuno Japan Inc* through an agreement that includes the use of a proprietary promoter that significantly enhances the yield of recombinant proteins.

In order to strengthen and expand Viropro's manufacturing and development capabilities, a partnership agreement was signed with the *Biotechnology Research Institute in Montreal (BRI)* which is part of the *National Research Council of Canada's*, for scale-up of process development. This agreement allows the Company to benefit from BRI's proven expertise in recombinant protein process development and scale-up. With this agreement, the Company has an advantageous R&D leverage that minimizes its R&D expenditure and allows for a greater focus on development of novel products such as monoclonal antibodies. Viropro concluded agreements with *Parteurop*, a French consulting

company, as well as with world-known universities and research institutes in France and in Canada. Other significant partnerships concern GMP production and Drug Master File development.

Viropro's current four main areas of activities are:

1. The development and technology transfer of bio-generics/bio-therapeutics through partnering with pharmaceutical companies in various countries;
2. The process development of novel bio-pharmaceutical products or generic bio-products with novel clinical indications developed by partnering companies through product registration;
3. The production of recombinant proteins for the R&D market;
4. The consulting activities regarding bio-pharmaceutical product development strategies, clinical development and training.

The Company plans to maintain low administrative and overhead costs that will ensure the funds are available for the development and the commercialization activities, then maximizing shareholders value. Research and Development work will be subcontracted to BRI, to university laboratories for experimental studies or to specialized companies for GMP manufacturing, toxicology and clinical studies. Selecting the appropriate partnering organizations for the required expertise will minimize capital expenditures, generate results quickly and assure a high degree of confidence in results.

Viropro is focused on the development and transfer of "in licensing" leading technological processes for the manufacturing of high quality bio-products. The business strategy being developed since 2005 is to target emerging, un-served markets with high potential development by transferring technologies and know-how to pharmaceutical partners in various local markets worldwide. The main markets that Viropro has focused on are South America (mainly Brazil), Northern Africa, and Asia (mainly India).

Thus far, Viropro has focused on the development of one main line of therapeutic proteins: Cytokines that no longer have exclusive patent protection such as INF alpha, G-CSF, EPO and IL-2 used in various clinical indications (cancers, multiple sclerosis, hepatitis, and chronic renal failure).

All the research and development procedures, from the build-up of biological systems to the industrial production on a large-scale, are done in close collaboration with key partners with whom Viropro has established strategic alliances:

1. The main partner, Immuno Japan Inc (IJI), is specialized in the production of various monoclonal antibodies, immuno-diagnostic reagents and high yield producing biological systems. IJI possesses a very unique technological platform of bio-products for which Viropro has obtained the exclusive licensing rights. Through its scientific expertise and support, IJI provides Viropro with mammalian expression systems for the high yield production of therapeutic proteins.
2. The second alliance was formed with the Biotechnology Research Institute of the National Research Council Canada (NRC-BRI located in Montreal, Canada). This alliance gives Viropro access to expertise as well as state-of-the-art equipment and facilities for bio-process innovation and purification process development as well as the scalability of bioprocesses under industrial scale conditions.
3. Viropro is also in close relationship and has signed a collaboration agreement with the Alimentary and Veterinary Biotechnology Institute (LBVA) of the University of Montreal that can offer a wide range of technical capabilities to adapt Viropro's technologies to reliable large scale cGMP manufacturing. This will enable Viropro to meet high quality international standards and carry out all necessary clinical trials required for regulatory approval of safe and active bio-products.
4. Other negotiations are ongoing with North American companies specialized in providing clients and partners with industrially adapted biological material as well as offering high level services for the optimization of specific steps in the development of bioprocesses.

Viropro believes that market share for locally implemented companies will grow considerably. Viropro has determined a list of products capable of generating short to mid term profits. These products are well proven in developed markets but are not yet manufactured at large scale in the emerging markets, where there is an important and growing demand.

IJI granted Viropro exclusive licensing rights to use mammalian expression systems for the industrial production of three bio-therapeutic products, INF alpha, INF beta and G-CSF, used for the treatment of human diseases. Viropro is also negotiating sub-licensing rights with other biotech companies in order to transfer the manufacturing of other bio-products such as EPO (current international sales above \$8 Billion). These products represent a great opportunity for the company to gain share in the quickly growing biopharmaceutical market. Viropro targets two different markets to generate a long-term recurrent revenues stream: (i) Brazil and Latin America and (ii) North Africa and the Middle East.

There are 170 million inhabitants in Brazil and 370 million in Latin America. As a general rule, it has to be underlined that, currently, no more than 10% of the population is diagnosed for hepatitis (treated with INF alpha) or for multiple sclerosis (treated with INF beta) and only a small percentage of patients have access to bio-therapeutics for the treatment of chronic diseases. The market development potential is considerable when one considers that Latin American pharmaceutical companies have the infrastructure required to produce these drugs at industrial scale.

In 2005, the Brazilian market for INF beta (for both generic and patented molecules) was about US\$ 65 Million while it was about US\$ 5 Million for EPO (the market being mainly composed of generic versions of the drug). The total Latin American market for these products has been estimated at US\$ 200 Million for INF beta and US\$ 15 Million for EPO. This represents several million doses per year for the local market that any middle to large scale Brazilian pharmaceutical company could easily produce.

The pharmaceutical companies that Viropro is dealing with have not mastered the technical aspects to produce therapeutic proteins on a large scale, but some of them have participated in the development of similar projects in collaboration with academic institutes or private companies. Others self imported bio-therapeutics on the Brazilian market and would like to replace these imported products with their own locally produced products. Furthermore, these companies possess powerful marketing networks composed of several hundred representatives and maintain close relationships with hospitals and physicians throughout South America. These characteristics will enable the these companies to rapidly establish a market share targeted to reach 30% of the whole market, three years after commercialization.

The business model as set-up by the Company assures its partners a full technology transfer package (systems, processes and training) for a complete integration of cutting-edge technologies that do not exist yet in this part of the world. Furthermore, Viropro will provide its expert advice/consultation regarding technical and regulatory requirements, procedures to be implemented and equipment purchase, installation and validation of new manufacturing facilities. A complete staff composed of fifty people has to be hired for a functional running of their facility. These new infrastructures will allow the partner to produce various drugs every year (up to six products in the first structure). The production will be first directed towards "follow-on" biologics (biopharmaceutical products that no longer have exclusive patent protection). However, the product portfolio could be progressively complemented by new patented therapeutic proteins developed by biotech companies and/or prestigious academic institutes. Viropro aims to play a key role in bridging these partnerships and developing new projects.

Viropro is working to establish itself in North African and Middle Eastern countries. The most promising bio-therapeutics are G-CSF and EPO. From about 500 million inhabitants, the potential client population is several hundred thousands of people. This market represents potential sales of more than \$100 million. Viropro is actively negotiating with local pharmaceutical companies to reproduce the same business model developed for Brazil.

II. Therapeutic vaccines:

Aim

Developing and manufacturing *autologous dendritic cell-based therapeutic vaccines for treatment of patients with cancer or chronic viral infections such as AIDS* or chronic hepatitis. Therapeutic vaccines are intended to help patients stimulating their own immune system in order to fight the disease

Rationale

In viral infections as well as in cancer, the patient's own immune system has to be mobilized in order to induce viral eradication and, in cancer, long term protection and prevention of relapses. If no or impaired immune memory has been induced, cancer relapses or chronic viral infections inevitably occur. Immune responses are best provided by specialized blood cells (T-lymphocytes). In order to become efficient within the human body, these cells have to be educated by specialized white blood cells, the dendritic cells. Dendritic cells are crucial to the immune response. They take up foreign bodies in the blood and present them to other immune cells to trigger powerful immune system responses to destroy the foreign invaders.

In cancer or in chronic viral infections, however, dendritic cells are often paralyzed and cannot assure their proper function. It was therefore proposed to have them performed outside the body the function they cannot accomplish in vivo.

HIV infection normally turns immune responses off. Animal studies as well as a phase II clinical trial showed that when dendritic cells are "loaded" with whole "killed HIV viruses", they can trigger effective immune responses that decrease the viral load and stop the disease progression.

Vaccine preparation

The vaccine is made from a patient's own dendritic cells and HIV isolated from the patient's own blood. Dendritic cells can be prepared outside the body (ex-vivo preparation) in a culture medium mixed with cancer or viral antigens and be re-injected into the patient.

The therapeutic vaccine is therefore an **individual vaccine** made individually for each patient. Such a therapeutic vaccine will activate the patient's specific anti-virus or anti-cancer immune system. On a regular schedule, patients can then receive injections of therapeutic vaccines in order to maintain a strong immune protection.

Several academic laboratories have recently obtained spectacular clinical results with dendritic cell therapeutic vaccines. Such data have to be confirmed and the transition from clinical research to pharmaceutical protocols has to comply with Good Manufacturing Practices (GMP) that will require industrial expertise.

Products

The first product to be developed by Theravax is an **HIV therapeutic vaccine** to be tested in Canada and in Brazil in patients with chronic HIV infections. According to previous studies, the HIV therapeutic vaccine should allow a significant number of vaccinated AIDS patients preventing or delaying treatment with anti-HIV tri-therapy, thus avoiding the severe side effects associated with anti-HIV tri-therapy. The HIV vaccine development will be carried out with the assistance and guidance of world leaders in the field of AIDS. The HIV therapeutic vaccine is expected to be marketed in 2010.

Using a similar vaccination process, other therapeutic vaccines against hepatitis and against various types of cancer will be later developed.

Plan of Operations

As indicated above, the Company will focus on the development and transfer of “in licensing” leading technological processes for the manufacture of high quality bio-products. The business strategy being developed since 2005 is to target emerging, un-served markets with high potential for our chosen product line by transferring technologies and know-how to pharmaceutical partners in various local markets worldwide. The markets that Viropro has chosen to focus on are South America (mainly Brazil), Northern Africa, and Asia (mainly India).

Viropro has developed 2 main lines of therapeutic proteins:

- Cytokines that no longer have exclusive patent protection such as INF alpha, G-CSF, EPO and IL-2 used in various clinical indications (cancers, multiple sclerosis, hepatitis, chronic renal failure).
- Vaccines, for instance in the treatment of HIV infected patients

As indicated earlier, all the research and development procedures are to be done in collaboration with the partners that Viropro has established its strategic alliances. The next 12 months priority will be given to the further development of these alliances, establishing the optimal product line, methods of manufacturing, distribution, signing joint venture partnerships in the targeted markets, and seeking additional funding.

Negotiations with several prominent firms in Brazil and Tunisia are fairly advanced. A Memorandum of Understanding has been signed with a Tunisia firm, Bio Challenge S.A. on June 15, 2006. The Company expects to sign additional agreements within the next quarters to begin market activities in these countries.

The Company anticipates implementing a business model based on the following long-term recurrent revenue streams with several Brazilian entities. The Company has adequate funds that would be required short-term to conclude these agreements in Brazil and Tunisia, and to establish the needed infrastructure to maintain these relationships.

Results of Operations

Three Months Ended August 31, 2006 and August 31, 2005.

Revenues and Operating Loss

During the three-months ended August 31, 2006 and the corresponding period for 2005 the Company had no revenue and no gross profit. This resulted in the Company incurring a net loss of \$1,144,263 for the three months ended August 31, 2006 compared to a net loss of \$1,247,787 in the same period of the prior year.

Loss per share basic and fully diluted was \$0.04 in 2006 as compared to \$0.10 in the corresponding period in 2005.

Operating Expenses

During the three months ended August 31, 2006, non-cash expenses of \$537,154 were incurred compared to \$1,005,663 for the same period last year. This decrease is attributable to non-recurring expenses paid as non-cash compensation to consultants as the Company retained fewer services for obtaining new business. Selling, general and administrative expenses were \$607,109 compared to \$242,124 in the corresponding period in 2005. This increase was due to the acceleration of the implementation of the Company’s business plan and the recognition of financing costs inherent in the debenture offering. The acceleration of the implementation of the Company’s business plan required, amongst other expenses, the hiring of additional employees, consultants, and professional fees for business development.

Material Changes In Financial Condition, Longevity And Capital Resources

As at August 31, 2006, the Company had \$120,441 in cash or cash equivalents plus receivables of \$53,199, and \$34,824 for GST. While the funds on hand are inadequate to fully implement the Company's plans over the next 12 months, the Company is actively seeking additional funding.

Item 3. Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed and summarized and is reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure control procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, the Company's management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon the evaluation, the Company's President (principal executive officer) and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective in timely alerting him to material information required to be included in the Company's periodic SEC filings. Our management team is diligently developing and implementing disclosure controls and procedures to ensure that such information required for disclosure is recorded, processed, summarized and reported timely and accurately.

Changes in Internal Control

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls since the most recent evaluation of such controls.

VIROPRO, INC.
FORM 10-QSB
May 31, 2006

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On June 16, 2006 the Company became involved in a legal dispute in which a shareholder, holding 177,500 shares, claimed the Company was purposefully not removing his trading restrictions. The company has appeared and answered the allegations of the lawsuit, denies liability, and intends to vigorously defend itself. In addition, the Company has asserted a counter-claim seeking the return and cancellation of 6,800,000 million improperly issued shares of Viropro. The majority of these shares are owned or controlled by the previous managers of Viropro.

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

During the nine months ended August 31, 2006, the Company issued 8,983,555 common shares for services rendered to the Company exempt from registration under Regulation S of the Securities Act of 1933 (the "Act"). Included in that amount, the Company issued 3,500,000 common shares with a fair market value of \$1,050,000 for the acquisition of a patent, which is being amortized over a ten year period.

Also, during this period the Company issued 3,360,442 shares of common stock for cash totaling \$479,338 exempt from registration under Regulation S of the Act. In addition, the Company accepted subscriptions for 135,555 shares of common stock for cash of \$122,000.

Item 3. Defaults Upon Senior Securities.

None.

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

At a special meeting of the shareholders of the Company held February 7, 2006, the shareholders voted to increase the authorized common stock to 45 million shares. On February 9, 2006, the Company filed the required Certificate of Amendment to its Articles of Incorporation with the Nevada Secretary of State.

Item 5. Other Information.

None

Item 6. Exhibits

Exhibits.

Exhibit 31.1 – Certification required by Rule 13a-14(a) or Rule 15d-14(a), Dupuy

Exhibit 32.1 - Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 , Dupuy

SIGNATURE

In accordance with the requirements of the Security Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, duly authorized.

VIROPRO, INC.

/s/ Jean-Marie Dupuy

Dr. Jean-Marie Dupuy, President & CEO & Acting CFO

Dated: October 13, 2006

Certification

I, Jean-Marie Dupuy, certify that:

- (1) I have reviewed this quarterly report on Form 10-QSB of Viropro, 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 small business issuer 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 small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

/s/ Jean-Marie Dupuy

Jean-Marie Dupuy, Director, President, CEO and acting CFO
Date: October 13, 2006

**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 of Viropro, Inc, (the "Company") on Form 10-QSB for the period ending August 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jean-Marie Dupuy, acting as Chief Executive Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

/s/ Jean-Marie Dupuy

Jean-Marie Dupuy, Director, President, CEO and acting CFO

Date: October 13, 2006