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

FORM 10-QSB

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

For the quarterly period ended September 30, 2007

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

Commission file number: 000-51476

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(Exact name of small business issuer as specified in its charter)

Delaware	**20-2903526**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

248 Route 25A, No. 2
East Setauket, New York 11733
(Address of principal executive offices)

(631) 942-7959
(Issuer' s telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

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

As of October 31, 2007, the Company had 26,832,183 shares of common stock, $0.0001 par value, issued and outstanding.

Transitional Small Business Disclosure Format: Yes ☐ No ☒

Documents incorporated by reference: None

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(FORMERLY SRKP 7, INC.)
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Forward-Looking Statements

This Quarterly Report on Form 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. For example, statements regarding the Company's financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future product demand, supply, manufacturing, costs, marketing and pricing factors are all forward-looking statements. These statements are generally accompanied by words such as "intend," anticipate," "believe," "estimate," "potential(ly)," "continue," "forecast," "predict," "plan," "may," "will," "could," "would," "should," "expect" or the negative of such terms or other comparable terminology. The Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, based on information available to it on the date hereof, but the Company cannot provide assurances that these assumptions and expectations will prove to have been correct or that the Company will take any action that the Company may presently be planning. However, these forward-looking statements are inherently subject to known and unknown risks and uncertainties. Actual results or experience may differ materially from those expected or anticipated in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, regulatory policies, available cash, research results, competition from other similar businesses, and market and general economic factors. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this Quarterly Report on Form 10-QSB.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(FORMERLY SRKP 7, INC.)
AND SUBSIDIARY
(a development stage company)

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2007 (Unaudited)	December 31, 2006 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 124,069	$ 679,640
Advances on research and development contract services	124,963	50,000
Prepaid insurance	22,828	20,365
Total current assets	271,860	750,005
Office equipment, net of accumulated depreciation of $1,019 at September 30, 2007 and $575 at December 31, 2006	890	1,062
Total assets	$ 272,750	$ 751,067
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 37,931	$ 31,786
Liquidated damages payable under registration rights agreement	74,000	74,000
Research and development contract liabilities	38,335	---
Due to stockholder	92,717	92,717
Total current liabilities	242,983	198,503
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; authorized - 10,000,000 shares; issued - none	—	—
Common stock, $0.0001 par value; authorized - 100,000,000 shares; issued and outstanding - 26,832,183 shares at September 30, 2007 and 26,582,183 shares at December 31, 2006	2,683	2,658
Additional paid-in capital	1,955,321	1,128,114
Deficit accumulated during the development stage	(1,927,987)	(578,208)
	30,017	552,564
Less receivable from sale of common stock	(250)	---
Total stockholders' equity	29,767	552,564
Total liabilities and stockholders' equity	$ 272,750	$ 751,067

See accompanying notes to condensed consolidated financial statements.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(FORMERLY SRKP 7, INC.)
AND SUBSIDIARY
(a development stage company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Period from August 9, 2005 (Inception) to September 30, 2007
	2007	2006	2007	2006	(Cumulative)
Revenues	$ ---	$ ---	$ ---	$ ---	$ ---
Costs and expenses:					
General and administrative, including $773,356 and $8,917 of stock-based compensation during the three months ended September 30, 2007 and 2006, $791,064 and $88,483 during the nine months ended September 30, 2007 and 2006, respectively, and $888,464 for the period from August 9, 2005 (inception) to September 30, 2007 (cumulative)	853,075	65,251	1,109,061	201,104	1,424,492
Depreciation	148	115	444	344	1,019
Research and development costs, including $4,918 of stock-based expense during the three months ended September 30, 2007, $35,918 for the nine months ended September 30, 2007 and the period from August 9, 2005 inception) to September 30, 2007 (cumulative)	68,593	50,100	249,443	100,100	399,543
Reverse merger costs	---	---	---	50,000	50,000
Total costs and expenses	921,816	115,466	1,358,948	351,548	1,875,054
	(921,816)	(115,466)	(1,358,948)	(351,548)	(1,875,054)
Interest income	862	6,588	9,169	6,588	21,067
Liquidated damages under registration rights agreement	---	---	---	---	(74,000)
Net loss	$ (920,954)	$ (108,878)	$ (1,349,779)	$ (344,960)	$ (1,927,987)
Net loss per common share - basic and diluted	$ (0.03)	$ (0.00)	$ (0.05)	$ (0.02)	
Weighted average number of common shares outstanding - basic and diluted	26,612,403	26,135,279	26,592,256	21,440,909	

See accompanying notes to condensed consolidated financial statements.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(FORMERLY SRKP 7, INC.)
AND SUBSIDIARY
(a development stage company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

Period from August 9, 2005 (Inception) to September 30, 2007

	Common Stock		Additional Paid-in	Deficit Accumulated During the Development	Receivable from Sale of Common	Total Stockholders' Equity
	Shares	Amount	Capital	Stage	Stock	(Deficiency)
Balance, August 9, 2005 (inception)	—	$ —	$ —	$ —	$ —	$ —
Shares issued to founding stockholder	19,021,786	1,902	(402)	—	—	1,500
Net loss for the period August 9, 2005 (inception) to December 31, 2005	—	—	—	(16,124)	—	(16,124)
Balance, December 31, 2005	19,021,786	1,902	(402)	(16,124)	—	(14,624)
Shares issued in connection with reverse merger transaction	4,005,177	401	62,099	—	—	62,500
Shares issued in private placement, net of offering costs of $214,517	3,555,220	355	969,017	—	—	969,372
Stock-based compensation	—	—	97,400	—		97,400
Net loss for the year	—	—	—	(562,084)	—	(562,084)
Balance, December 31, 2006 (Restated)	26,582,183	2,658	1,128,114	(578,208)	—	552,564
Stock-based compensation	250,000	25	791,289	—	(250)	791,064
Stock-based research and development costs	—	—	35,918	—	—	35,918
Net loss for the nine months ended September 30, 2007	—	—	—	(1,349,779)	—	(1,349,779)
Balance, September 30, 2007 (Unaudited)	26,832,183	$ 2,683	$ 1,955,321	$ (1,927,987)	$ (250)	$ 29,767

See accompanying notes to condensed consolidated financial statements.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(FORMERLY SRKP 7, INC.)
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(a development stage company)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended September 30,		Period from August 9, 2005 (Inception) to September 30, 2007
	2007	**2006**	**(Cumulative)**
Cash flows from operating activities			
Net loss	$ (1,349,779)	$ (344,960)	$ (1,927,987)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	444	344	1,019
Stock-based compensation	791,064	88,483	888,464
Stock-based research and development costs	35,918	---	35,918
Changes in operating assets and liabilities:			
(Increase) decrease in -			
Advances on research and development contract services	(74,963)	(100,000)	(124,963)
Prepaid expenses	(2,463)	(27,552)	(22,828)
Increase (decrease) in -			
Accounts payable and accrued expenses	6,145	2,579	37,931
Research and development contract liabilities	38,335	---	38,335
Liquidated damages payable under registration rights agreement	---	---	74,000
Net cash used in operating activities	(555,299)	(381,106)	(1,000,111)
Cash flows from investing activities			
Purchase of office equipment	(272)	(238)	(1,909)
Net cash used in investing activities	(272)	(238)	(1,909)
Cash flows from financing activities			
Proceeds from sale of common stock to founder	---	---	1,500
Cash acquired in reverse merger transaction	---	62,500	62,500
Gross proceeds from sale of common stock	---	1,183,889	1,183,889
Payment of private placement offering costs	---	(233,025)	(214,517)
Advances from stockholder	---	86,771	92,717
Net cash provided by financing activities	---	1,100,135	1,126,089
Net increase (decrease) in cash	(555,571)	718,791	124,069
Cash at beginning of period	679,640	4,946	---
Cash at end of period	$ 124,069	$ 723,737	$ 124,069

(continued)

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (continued)

	Nine Months Ended September 30,		Period from August 9, 2005 (Inception) to September 30, 2007
	2007	**2006**	**(Cumulative)**
Supplemental disclosures of cash flow information:			
Cash paid for -			
Interest	$ —	$ —	$ —
Income taxes	$ —	$ —	$ —
Supplemental schedule of non-cash financing activities:			
Receivable from sale of common stock to consultant	$ 250	$ —	$ 250

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

September 30, 2007 (Unaudited) and December 31, 2006 (Restated)

1. Organization and Basis of Presentation

On June 30, 2006, Lixte Biotechnology, Inc., a privately-held Delaware corporation ("Lixte"), completed a reverse merger transaction with SRKP 7, Inc. ("SRKP"), a public "shell" company, whereby Lixte became a wholly-owned subsidiary of SRKP. For financial reporting purposes, Lixte was considered the accounting acquirer in the merger and the merger was accounted for as a reverse merger. Accordingly, the historical financial statements presented herein are those of Lixte and do not include the historical financial results of SRKP. The stockholders' equity section of SRKP has been retroactively restated for all periods presented to reflect the accounting effect of the reverse merger transaction. All costs associated with the reverse merger transaction were expensed as incurred. Comparative financial statements for the periods ended June 30, 2006 reflect the results of operations of Lixte, the accounting acquirer in the reverse merger transaction. Unless the context indicates otherwise, SRKP and Lixte are hereinafter referred to as the "Company". On December 7, 2006, the Company amended its Certificate of Incorporation to change its name from SRKP 7, Inc. to Lixte Biotechnology Holdings, Inc. ("Holdings").

The accompanying condensed consolidated financial statements include the financial statements of Holdings and its wholly-owned subsidiary, Lixte. All intercompany balances and transactions have been eliminated in consolidation.

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 at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

The condensed consolidated financial statements of Lixte (the "Company") at September 30, 2007, for the three months and nine months ended September 30, 2007 and 2006, and for the period from August 9, 2005 (Inception) to September 30, 2007 (cumulative), are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) have been made that are necessary to present fairly the financial position of the Company as of September 30, 2007 and the results of its operations for the three months and nine months ended September 30, 2007 and 2006, and for the period from August 9, 2005 (Inception) to September 30, 2007 (cumulative), and its cash flows for the nine months ended September 30, 2007 and 2006, and for the period from August 9, 2005 (Inception) to September 30, 2007 (cumulative). Operating results for the interim periods presented are not necessarily indicative of the results to be expected for a full fiscal year. The condensed consolidated balance sheet at December 31, 2006 (Restated) has been derived from the Company's audited financial statements (as restated) as of that date.

The statements and related notes have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and other information included in the Company's Annual Report on Form 10-KSB, as amended, as filed with the U.S. Securities and Exchange Commission on May 17, 2007.

2. Business Operations and Summary of Significant Accounting Policies

Nature of Operations

Lixte was incorporated in Delaware on August 9, 2005 to capitalize on opportunities to develop low cost, specific and sensitive tests for the early detection of cancers to better estimate prognosis, to monitor treatment response, and to reveal targets for development of more effective treatments.

The Company's initial focus is on developing new treatments for the most common and most aggressive type of primary brain cancer, glioblastoma multiforme ("GBM"). Lixte entered into a Cooperative Research and Development Agreement ("CRADA") with the National Institute of Neurological Diseases and Stroke ("NINDS") of the National Institutes of Health ("NIH") to identify and evaluate drugs that target a specific biochemical pathway for GBM cell differentiation. The CRADA also covers research to determine whether expression of a component of this pathway correlates with prognosis in glioma patients.

The Company expects that its products will derive directly from its intellectual property, which will consist of patents that it anticipates will arise out of its research activities. These patents are expected to cover biomarkers uniquely associated with the specific types of cancer, patents on methods to identify drugs that inhibit growth of specific tumor types, and combinations of drugs and other potential therapeutic agents for the treatment of specific cancers.

The Company is considered a "development stage company" as defined in Statement of Financial Accounting Standards No. 7, "Accounting and Reporting by Development Stage Enterprises", as it has not yet commenced any revenue-generating operations, does not have any cash flows from operations, and is dependent on debt and equity funding to finance its operations. The Company has selected December 31 as its fiscal year-end.

Going Concern and Plan of Operations

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company is in the development stage and has not generated any revenues from operations to date, which raises substantial doubt about its ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital, and ultimately achieve profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

The Company is currently devoting its efforts to research and development related to specific cancer biomarkers for early detection, estimation of prognosis, monitoring response to treatment, and development of targeted therapeutic agents. The Company is seeking to exploit this opportunity through execution of its business plan and the development of related patents.

At September 30, 2007, the Company had not yet commenced any revenue-generating operations. All activity through September 30, 2007 related to the Company's formation, capital raising efforts and initial research and development activities. As such, the Company has yet to generate any cash flows from operations, and is essentially dependent on debt and equity funding from both related and unrelated parties to finance its operations. Prior to June 30, 2006, the Company's cash requirements were funded by advances from Lixte's founder. On June 30, 2006, the Company completed an initial closing of its private placement (see Note 3), selling 1,973,869 shares of common stock at a price of $0.333 per share and receiving net proceeds of $522,939. On July 27, 2006, the Company completed a second closing of its private placement, selling 1,581,351 shares of common stock at a price of $0.333 per share and receiving net proceeds of $446,433.

Because the Company is currently engaged in research at a very early stage, it will likely take a significant amount of time to develop any product or intellectual property capable of generating revenues. As such, the Company's business is unlikely to generate any revenue in the next several years and may never do so. Even if the Company is able to generate revenues in the future through licensing its technologies or through product sales, there can be no assurance that such revenues will exceed its expenses.

The Company does not currently have sufficient resources to fully fund its planned operations for the next twelve months. The strain on the Company's limited cash resources has been further exacerbated by the registration penalty obligation of $74,000 (originally recorded at December 31, 2006 pursuant to EITF 00-19-2), reflecting the cash amount currently payable to the investors in the private placement for the registration penalty accrued through mid-May 2007, as described at Note 3. If the Company does not maintain the effectiveness of its registration statement, the Company would be subject to a further registration penalty at the rate of approximately $12,000 per 30-day period thereafter, continuing through July 2008. Since the Company only has cash of $124,069 and working capital of $28,877 (including the effect from the $74,000 registration penalty obligation referred to above) at September 30, 2007, this short-term cash obligation and the uncertainty related to it could have a material adverse impact on the Company's ability to fund its business plan and conduct operations.

The Company does not have sufficient resources to fully develop and commercialize any products that may arise from its research. Accordingly, the Company will need to raise additional funds in order to satisfy its future working capital requirements. Based on the Company's updated and revised operating budget, the Company estimates that it will require approximately $600,000 of additional funding through December 31, 2008. Thereafter, the Company currently estimates that it will require an additional $2,000,000 to fund future operations, including the possible establishment of a laboratory, depending on the availability of capital and various operating developments. The amount and timing of future cash requirements will depend on market acceptance of the Company's products, if any, and the resources that the Company devotes to developing and supporting its products. The Company anticipates funding these cash requirements from debt or equity financings, mergers or acquisitions, and/or via the sale or license of its intellectual properties.

Current market conditions present uncertainty as to the Company's ability to secure additional funds, as well as its ability to reach profitability. There can be no assurances that the Company will be able to secure additional financing, or obtain favorable terms on such financing if it is available, or as to its ability to achieve positive cash flow from operations. Continued negative cash flows and lack of liquidity create significant uncertainty about the Company's ability to fully implement its operating plan and the Company may have to reduce the scope of its planned operations. If cash resources are insufficient to satisfy the Company's liquidity requirements, the Company would be required to scale back or discontinue its product development program, or obtain funds if available through strategic alliances that may require the Company to relinquish rights to certain of its technologies or discontinue its operations.

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123R"), a revision to SFAS No. 123, "Accounting for Stock-Based Compensation". Effective January 1, 2006, SFAS No. 123R requires that the Company measure the cost of employee services received in exchange for equity awards based on the grant date fair value of the awards, with the cost to be recognized as compensation expense in the Company's financial statements over the vesting period of the awards.

The Company adopted SFAS No. 123R effective January 1, 2006, and is using the modified prospective method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123R for all share-based payments granted after the effective date and (b) based on the requirements of SFAS No. 123R for all awards granted to employees prior to the effective date of SFAS No. 123R that remain unvested on the effective date. Accordingly, the Company recognizes compensation cost for equity-based compensation for all new or modified grants issued after December 31, 2005. The Company did not have any modified grants subsequent to December 31, 2005.

In addition, commencing January 1, 2006, the Company was required to recognize the unvested portion of the grant date fair value of awards issued prior to the adoption of SFAS No. 123R based on the fair values previously calculated for disclosure purposes over the remaining vesting period of the outstanding stock options and warrants. The Company did not have any unvested outstanding stock options or warrants at December 31, 2005.

Adoption of New Accounting Policies

In December 2006, the FASB issued FSP EITF 00-19-2, "Accounting for Registration Payment Arrangements" ("EITF 00-19-2"), which addresses an issuer's accounting for registration payment arrangements. EITF 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with FASB No. 5, "Accounting for Contingencies". EITF 00-19-2 further clarifies that a financial instrument subject to a registration payment arrangement should be accounted for in accordance with other applicable generally accepted accounting principles without regard to the contingent obligation to transfer consideration pursuant to the registration payment arrangement. EITF 00-19-2 is effective immediately for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to the date of issuance of EITF 00-19-2. For registration payment arrangements and financial instruments subject to those arrangements that were entered into prior to the issuance of EITF 00-19-2, EITF 00-19-2 is effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years. Early adoption of EITF 00-19-2 for interim or annual periods for which financial statements or interim reports have not been issued is permitted. The Company chose to early adopt EITF 00-19-2 effective December 31, 2006 (see Note 3).

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN 48"). FIN 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The adoption of the provisions of FIN 48 did not have a material effect on the Company's financial statements. As of September 30, 2007, no liability for unrecognized tax benefits was required to be recorded.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is subject to U.S. federal or state income tax examinations by tax authorities for years after 2004.

The Company's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of September 30, 2007, the Company has no accrued interest or penalties related to uncertain tax positions.

Recent Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157"), which establishes a formal framework for measuring fair value under generally accepted accounting principles. SFAS No. 157 defines and codifies the many definitions of fair value included among various other authoritative literature, clarifies and, in some instances, expands on the guidance for implementing fair value measurements, and increases the level of disclosure required for fair value measurements. Although SFAS No. 157 applies to and amends the provisions of existing FASB and AICPA pronouncements, it does not, of itself, require any new fair value measurements, nor does it establish valuation standards. SFAS No. 157 applies to all other accounting pronouncements requiring or permitting fair value measurements, except for: SFAS No. 123R, share-based payment and related pronouncements, the practicability exceptions to fair value determinations allowed by various other authoritative pronouncements, and AICPA Statements of Position 97-2 and 98-9 that deal with software revenue recognition. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently assessing the potential effect of SFAS No. 157 on its consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"), which provides companies with an option to report selected financial assets and liabilities at fair value. The objective of SFAS No. 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. SFAS No. 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS No. 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of the company's choice to use fair value on its earnings. SFAS No. 159 also requires companies to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. SFAS No. 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in SFAS No. 157 and SFAS No. 107. SFAS No. 159 is effective as of the beginning of a company's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the company makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of SFAS No. 157. The Company is currently assessing the potential effect of SFAS No. 159 on its consolidated financial statements.

Other than the foregoing, management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Loss Per Common Share

Loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the respective periods. Basic and diluted loss per common share are the same for all periods presented because all warrants and stock options outstanding are anti-dilutive. The 19,021,786 shares of common stock issued to the founder of Lixte in conjunction with the closing of the reverse merger transaction on June 30, 2006 have been presented as outstanding for all periods presented.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses consist primarily of fees paid to consultants and outside service providers, and other expenses relating to the acquisition, design, development and testing of the Company's treatments and product candidates.

Amounts due, pursuant to contractual commitments, on research and development contracts with third parties are recorded as a liability, with the related amount of such contracts recorded as advances on research and development contract services on the Company's balance sheet. Such advances on research and development contract services are expensed over their life 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 accounts for its research and development contracts in accordance with EITF 07-3.

The funds paid to NINDS of the NIH, pursuant to the CRADA effective March 22, 2006, represent an advance on research and development costs and therefore have future economic benefit. As such, such costs are being charged to expense when they are actually expended by the provider, which is, effectively, as they perform the research activities that they are contractually committed to provide. Absent information that would indicate that a different expensing schedule is more appropriate (such as, for example, from the achievement of performance milestones or the completion of contract work), such advances are being expensed over the contractual service term on a straight-line basis, which reflects a reasonable estimate of when the underlying research and development costs are being incurred. The Company's $200,000 financial obligation due under the CRADA as of March 22, 2007, was paid on June 29, 2007, and is intended to fund ongoing research and development activities through June 2008.

Patent Costs

Due to the significant uncertainty associated with the successful development of one or more commercially viable products based on the Company's research efforts and any related patent applications, all patent costs are expensed as incurred. Patent costs were $19,500 and $5,000 for the three months ended September 30, 2007 and 2006, respectively, $66,092 and $33,064 for the nine months ended September 30, 2007 and 2006, respectively, and $132,769 for the period from August 9, 2005 (inception) to September 30, 2007 (cumulative). Patent costs are included in general and administrative expense in the Company's statement of operations.

3. Share Exchange Agreement and Private Placement

Share Exchange Agreement

On June 30, 2006, pursuant to a Share Exchange Agreement dated as of June 8, 2006 (the "Share Exchange Agreement") by and among Holdings, Dr. John S. Kovach ("Seller") and Lixte, Holdings issued 19,021,786 shares of its common stock in exchange for all of the issued and outstanding shares of Lixte (the "Exchange"). Previously, on October 3, 2005, Lixte had issued 1,500 shares of its no par value common stock to its founder for $1,500, which constituted all of the issued and outstanding shares of Lixte prior to the Exchange. As a result of the Exchange, Lixte became a wholly-owned subsidiary of Holdings.

Pursuant to the Exchange, Holdings issued to the Seller 19,021,786 shares of its common stock. Holdings had a total of 25,000,832 shares of common stock issued and outstanding after giving effect to the Exchange and the 1,973,869 shares of common stock issued in the initial closing of the private placement.

As a result of the Exchange and the shares of common stock issued in the initial closing of the private placement, on June 30, 2006, the stockholders of the Company immediately prior to the Exchange owned 4,005,177 shares of common stock, equivalent to approximately 16% of the issued and outstanding shares of the Company's common stock, and the Company is now controlled by the former stockholder of Lixte.

The Share Exchange Agreement was determined through arms-length negotiations between Holdings, the Seller and Lixte. In connection with the Exchange, the Company paid WestPark Capital, Inc. an aggregate cash fee of $50,000.

Private Placement

On June 30, 2006, concurrently with the closing of the Exchange, the Company sold an aggregate of 1,973,869 shares of its common stock to 26 accredited investors in an initial closing of its private placement at a per share price of $0.333, resulting in aggregate gross proceeds to the Company of $657,299. The Company paid to WestPark Capital, Inc., as placement agent, a commission of 10% and a non-accountable fee of 4% of the gross proceeds of the private placement and issued five-year warrants to purchase common stock equal to (a) 10% of the number of shares sold in the private placement exercisable at $0.333 per share and (b) an additional 2% of the number of shares sold in the private placement also exercisable at $0.333 per share. A total of 236,864 warrants were issued. Net cash proceeds to the Company, after the deduction of all private placement offering costs and expenses, were $522,939.On July 27, 2006, the Company sold an aggregate of 1,581,351 shares of its common stock to 31 accredited investors in a second closing of the private placement at a per share price of $0.333 resulting in aggregate gross proceeds to the Company of $526,590. The Company paid to WestPark Capital, Inc., as placement agent, a commission of 10% and a non-accountable fee of 4% of the gross proceeds of the private placement and issued five-year warrants to purchase common stock equal to (a) 10% of the number of shares sold in the private placement exercisable at $0.333 per share and (b) an additional 2% of the number of shares sold in the private placement also exercisable at $0.333 per share. A total of 189,762 warrants were issued. Net cash proceeds to the Company were $446,433.

In conjunction with the private placement of common stock, the Company issued a total of 426,626 five-year warrants to WestPark Capital, Inc. exercisable at the per share price of the common stock sold in the private placement ($0.333 per share). The warrants issued to WestPark Capital, Inc. do not contain any price anti-dilution provisions. However, such warrants contain cashless exercise provisions and demand registration rights, but the warrant holder has agreed to waive any claims to monetary damages or financial penalties for any failure by the Company to comply with such registration requirements. Based on the foregoing, the warrants have been accounted for as equity.

The fair value of the warrants, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $132,254 ($0.31 per share) using the following Black-Scholes input variables: stock price on date of grant - $0.333; exercise price - $0.333; expected life - 5 years; expected volatility - 150%; expected dividend yield - 0%; risk-free interest rate - 5%.

As part of the Company's private placement of its securities completed on July 27, 2006, the Company entered into a registration rights agreement with the purchasers, whereby the Company agreed to register the shares of common stock sold in the private placement, and to maintain the effectiveness of such registration statement, subject to certain conditions. The agreement required the Company to file a registration statement within 45 days of the closing of the private placement and to have the registration statement declared effective within 120 days of the closing of the private placement. Since the registration statement was not declared effective by the Securities and Exchange Commission within 120 days of the closing of the private placement, the Company was required to pay each investor prorated liquidated damages equal to 1.0% of the amount raised per month, payable monthly in cash. On September 8, 2006, the Company filed a registration statement on Form SB-2 to register 3,555,220 shares of the common stock sold in the private placement.

In accordance with EITF 00-19-2, "Accounting for Registration Payment Arrangements", on the date of the closing of the private placement, the Company believed it would meet the deadlines under the registration rights agreement with respect to filing a registration statement and having it declared effective by the SEC. As a result, the Company did not record any liabilities associated with the registration rights agreement at June 30, 2006. At December 31, 2006 (Restated), the Company determined that the registration statement covering the shares sold in the private placement would not be declared effective within the requisite time frame. As a result, the Company has accrued six months liquidated damages under the registration rights agreement aggregating approximately $74,000 as a current liability at September 30, 2007 and December 31, 2006 (Restated). No further registration penalty accrual was required at September 30, 2007, as the Company's registration statement on Form SB-2 was declared effective by the Securities and Exchange Commission on May 14, 2007. The Company will continue to review the status of the registration statement at each quarter end in the future and record further liquidated damages under the registration rights agreement as necessary. As of September 30, 2007, the Company had not yet paid the registration penalty to the investors.

4. Related Party Transactions

Since inception, Dr. John Kovach, Lixte's founding stockholder, has periodically made advances to the Company to meet operating expenses. Such advances are non-interest-bearing and are due on demand. At September 30, 2007 and December 31, 2006 (Restated), stockholder advances totaled $92,717.

The Company's office facilities have been provided without charge by the Company's founding stockholder and Chief Executive Officer. Such costs were not material to the financial statements and, accordingly, have not been reflected therein.

Dr. John Kovach, the Company's Chief Executive Officer, did not receive any compensation from the Company in view of the Company's early stage status and limited activities. Any future compensation arrangements will be subject to the approval of the Board of Directors.

Dr. John Kovach, the Company's Chief Executive Officer, is involved in other business activities and may, in the future, become involved in other business opportunities that become available. Accordingly, the Chief Executive Officer may face a conflict in selecting between the Company and his other business interests. The Company has not yet formulated a policy for the resolution of such potential conflicts.

5. Common Stock and Preferred Stock

The Company's Certificate of Incorporation provides for authorized capital of 110,000,000 shares, of which 100,000,000 shares are common stock with a par value of $0.0001 per share and 10,000,000 shares are preferred stock with a par value of $0.0001 per share.

The Company is authorized to issue 10,000,000 shares of preferred stock with such designations, voting and other rights and preferences, as may be determined from time to time by the Board of Directors.

6. Stock Options

On June 30, 2006, effective with the closing of the Exchange, the Company granted to Dr. Philip Palmedo, an outside director of the Company, stock options to purchase an aggregate of 200,000 shares of common stock, exercisable for a period of five years at $0.333 per share, with one-third of the options (66,666 shares) vesting immediately upon joining the Board and one-third vesting annually on each of June 30, 2007 and 2008. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $62,000 ($0.31 per share), of which $20,666 was charged to operations on June 30, 2006, and the remaining $41,334 is being charged to operations ratably from July 1, 2006 through June 30, 2008. During the year ended December 31, 2006 (Restated), the three months ended September 30, 2007, and the nine months ended September 30, 2007, the Company recorded a charge to operations of $31,000, $5,167 and $15,500, respectively, with respect to these options.

On June 30, 2006, effective with the closing of the Exchange, the Company also granted to Dr. Palmedo additional stock options to purchase 190,000 shares of common stock exercisable for a period of five years at $0.333 per share for services rendered in developing the business plan for Lixte, all of which were fully vested upon issuance. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $58,900 ($0.31 per share), and was charged to operations at June 30, 2006.

On June 30, 2006, effective with the closing of the Exchange, the Company granted to certain members of its Scientific Advisory Committee stock options to purchase an aggregate of 100,000 shares of common stock exercisable for a period of five years at $0.333 per share, with one-half of the options vesting annually on each of June 30, 2007 and June 30, 2008. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was initially determined to be $31,000 ($0.31 per share). The fair value of such options is being charged to operations ratably from July 1, 2006 through June 30, 2008. On December 31, 2006 (Restated), and September 30, 2007, the fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $30,000 ($0.30 per share) and $98,000 ($0.98 per share), respectively, which resulted in a charge to operations of $7,500 during the year ended December 31, 2006 (Restated), $12,316 during the three months ended September 30, 2007, and $19,691 during the nine months ended September 30, 2007.

On June 20, 2007, the Board of Directors of the Company approved the 2007 Stock Compensation Plan (the "2007 Plan"), which provides for the granting of awards, consisting of common stock options, stock appreciation rights, performance shares, or restricted shares of common stock, to employees and independent contractors, for up to 2,500,000 shares of the Company's common stock, under terms and condition, as determined by the Company's Board of Directors. On September 12, 2007, pursuant to the 2007 Plan, the Company granted to Dr. Stephen Carter, stock options to purchase an aggregate of 200,000 shares of common stock, exercisable for a period of five years from vesting date at $0.333 per share, with one-half (100,000 shares) vesting annually on each of September 12, 2008 and 2009. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $204,000 ($1.02 per share), which is being charged to operations ratably from September 12, 2007 through September 12, 2009. During the three months and the nine months ended September 30, 2007, the Company recorded a charge to operations of $5,016 with respect to these options.

On September 12, 2007, the Company entered into a consulting agreement with Gil Schwartzberg and granted to Mr. Schwartzberg stock options to purchase an aggregate of 1,000,000 shares of common stock, exercisable for a period of four years from vesting date at $1.00 per share, with one-half of the options (500,000 shares) vesting immediately and one-half (500,000 share) vesting on September 12, 2008. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $945,000 ($0.945 per share), of which $465,000 was charged to operations on September 12, 2007, and the remaining $480,000 is being charged to operations ratably from September 12, 2007 through September 12, 2008. During the three months and the nine months ended September 30, 2007, the Company recorded a charge to operations of $488,607 with respect to these options.

On September 12, 2007, the Company entered into a consulting agreement with Francis Johnson and granted to Professor Johnson stock options to purchase an aggregate of 300,000 shares of common stock, exercisable for a period of four years from vesting date at $0.333 per share, with one-third (100,000 shares) vesting annually on each of September 12, 2008, 2009 and 2010. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $300,000 ($1.00 per share), which is being charged to operations ratably from September 12, 2007 through September 12, 2010. During the three months and the nine months ended September 30, 2007, the Company recorded a charge to operations of $4,918, with respect to these options.

In accordance with EITF 96-18, options granted to committee members and outside consultants are valued each reporting period to determine the amount to be recorded as an expense in the respective period. As the options vest, they will be valued one final time on each vesting date and an adjustment will be recorded for the difference between the value already recorded and the then current value on the date of vesting.

On June 30, 2006, the fair value of the aforementioned stock options was initially calculated using the following Black-Scholes input variables: stock price on date of grant - $0.333; exercise price - $0.333; expected life - 5 years; expected volatility - 150%; expected dividend yield - 0%; risk-free interest rate - 5%. On December 31, 2006 (Restated), the Black-Scholes input variables utilized to determine the fair value of the aforementioned stock options were deemed to be the same as at June 30, 2006, except for an expected life of 4.5 years. On September 30, 2007, the fair value of the aforementioned stock options was calculated using the following Black-Scholes input variables: stock price on date of grant - $1.05; exercise price - $0.333 to $1.00; expected life - 3.75 to 6 years; expected volatility - 150%; expected dividend yield - 0%; risk-free interest rate - 5%.

7. Commitments and Contingencies

Effective March 22, 2006, Lixte entered into a CRADA with the NINDS of the NIH. The CRADA is for a term of 27 months, as amended, from the effective date and may be unilaterally terminated by either party by providing written notice within sixty days. The CRADA provides for the collaboration between the parties in the identification and evaluation of agents that target the Nuclear Receptor CoRepressor (N-CoR) pathway for glioma cell differentiation. The CRADA also provided that NINDS and Lixte will conduct research to determine if expression of N-CoR correlates with prognosis in glioma patients. Pursuant to the CRADA, Lixte agreed to provide funds under the CRADA in the amount of $200,000 per year to fund two technical assistants for the technical, statistical and administrative support for the research activities, as well as to pay for supplies and travel expenses. The first installment of $200,000 was due within 180 days of the effective date and was paid in full on July 6, 2006. The second installment of $200,000 was paid in full on June 29, 2007. The CRADA was extended to June 30, 2008 from March 2008 at no additional cost as the funds provided by the Company will support the collaboration at least until that date.

On January 5, 2007, Lixte entered into a Services Agreement with The Free State of Bavaria (Germany) represented by the University of Regensburg (the "University") pursuant to which Lixte retained the University to provide to it certain samples of primary cancer tissue and related biological fluids to be obtained from patients afflicted with specified types of cancer. The University will also provide certain information relating to such patients. Lixte agreed to pay the University 72,000 Euros in two equal installments. The first installment of 36,000 Euros ($48,902) was paid on March 7, 2007, and the second installment of 36,000 Euros (approximately $51,380 at September 30, 2007) will be paid within sixty days of the earlier of (i) January 5, 2008 or (ii) the University's fulfillment of certain obligations relating to the delivery of materials.

On February 5, 2007, Lixte entered into a two-year agreement (the "Agreement") with Chem-Master International, Inc. ("Chem-Master") pursuant to which Lixte engaged Chem-Master to synthesize a compound designated as "LB-1", and any other compound synthesized by Chem-Master pursuant to Lixte's request, which have potential use in treating a disease, including, without limitation, cancers such as glioblastomas. Pursuant to the Agreement, Lixte agreed to reimburse Chem-Master for the cost of materials, labor, and expenses for other items used in the synthesis process, and also agreed to grant Chem-Master a five-year option to purchase 100,000 shares of the Company's common stock at an exercise price of $0.333 per share. The fair value of this option, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $31,000 ($0.31 per share) using the following Black-Scholes input variables: stock price on date of grant - $0.333; exercise price - $0.333; expected life - 5 years; expected volatility - 150%; expected dividend yield - 0%; risk-free interest rate - 4.5%. The $31,000 fair value was charged to operations as research and development costs during the nine months ended September 30, 2007, since the option was fully vested and non-forfeitable on the date of issuance. Lixte has the right to terminate the Agreement at any time during the term of the Agreement upon sixty days prior written notice. On February 5, 2009, provided that the Agreement has not been terminated prior to such date, the Company agreed to grant Chem-Master a second five-year option to purchase an additional 100,000 shares of the Company's common stock at an exercise price of $0.333 per share.

On September 12, 2007, the Company entered into two consulting agreements for financial or scientific services. Compensation related to these agreements is primarily in the form of stock options (see Note 6).

On September 20, 2007, the Company entered into a one-year consulting agreement (the "Agreement") with Mirador Consulting, Inc. ("Mirador"), pursuant to which Mirador is to provide the Company with various financial services. Pursuant to the Agreement, Lixte agreed to pay Mirador $5,000 per month and also agreed to sell Mirador 250,000 shares of the Company's restricted common stock for $250 ($0.001 per share). The fair value of this transaction was determined to be in excess of the purchase price by $262,250 ($1.049 per share), reflecting the difference between the $0.001 purchase price and the $1.05 price per share as quoted on the OTC Bulletin Board, and was charged to operations as stock-based compensation during the three months and nine months ended September 30, 2007.

On September 27, 2007, the Company entered into an agreement with Southern Research Institute ("Southern"), pursuant to which Southern agreed to conduct certain scientific studies. The studies are expected to be completed by November 1, 2007 at a total cost of $22,710.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Overview

On June 30, 2006, Lixte Biotechnology, Inc. ("Lixte") a privately-held Delaware company incorporated on August 9, 2005, completed a reverse merger transaction with SRKP 7, Inc. ("SRKP 7"), a non-trading public "shell" company, whereby Lixte became a wholly-owned subsidiary of SRKP 7. For financial reporting purposes, Lixte was considered the accounting acquirer in the merger and the merger was accounted for as a reverse merger. Accordingly, the historical financial statements presented herein are those of Lixte and do not include the historical financial results of SRKP 7. All costs associated with the reverse merger transaction were expensed as incurred.

Lixte was formed to capitalize on opportunities to develop low cost, specific and sensitive tests for the early detection of cancers to better estimate prognosis, to monitor treatment response, and to reveal targets for development of more effective treatments.

On December 7, 2006, SRKP 7's name was changed to Lixte Biotechnology Holdings, Inc. Lixte Biotechnology Holdings, Inc. is a holding company for Lixte the operating company acquired in the reverse merger transaction. Unless the context indicates otherwise, Lixte Biotechnology Holdings, Inc. and Lixte are hereinafter referred to collectively as the "Company".

As a result of the reverse merger, the Company is now concentrating on discovering biomarkers for common cancers for which better diagnostic and therapeutic measures are needed. For each of these diseases, a biomarker that would enable identification of the presence of cancer at a stage curable by surgery could possibly save thousands of lives annually. In addition, biomarkers specific to these diseases may also provide clues as to processes (biological pathways) that characterize specific cancer types and that may be vulnerable to drug treatment targeted to the activity of the biomarker.

Adoption of New Accounting Policies

In December 2006, the FASB issued FSP EITF 00-19-2, "Accounting for Registration Payment Arrangements" ("EITF 00-19-2"), which addresses an issuer's accounting for registration payment arrangements. EITF 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with FASB No. 5, "Accounting for Contingencies". EITF 00-19-2 further clarifies that a financial instrument subject to a registration payment arrangement should be accounted for in accordance with other applicable generally accepted accounting principles without regard to the contingent obligation to transfer consideration pursuant to the registration payment arrangement. EITF 00-19-2 is effective immediately for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to the date of issuance of EITF 00-19-2. For registration payment arrangements and financial instruments subject to those arrangements that were entered into prior to the issuance of EITF 00-19-2, EITF 00-19-2 is effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years. Early adoption of EITF 00-19-2 for interim or annual periods for which financial statements or interim reports have not been issued is permitted. The Company chose to early adopt EITF 00-19-2 effective December 31, 2006.

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN 48"). FIN 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The adoption of the provisions of FIN 48 did not have a material effect on the Company's financial statements. As of September 30, 2007, no liability for unrecognized tax benefits was required to be recorded.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is subject to U.S. federal or state income tax examinations by tax authorities for years beginning in 2005.

The Company's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of September 30, 2007, the Company has no accrued interest or penalties related to uncertain tax positions.

Recent Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157"), which establishes a formal framework for measuring fair value under generally accepted accounting principles. SFAS No. 157 defines and codifies the many definitions of fair value included among various other authoritative literature, clarifies and, in some instances, expands on the guidance for implementing fair value measurements, and increases the level of disclosure required for fair value measurements. Although SFAS No. 157 applies to and amends the provisions of existing FASB and AICPA pronouncements, it does not, of itself, require any new fair value measurements, nor does it establish valuation standards. SFAS No. 157 applies to all other accounting pronouncements requiring or permitting fair value measurements, except for: SFAS No. 123R, share-based payment and related pronouncements, the practicability exceptions to fair value determinations allowed by various other authoritative pronouncements, and AICPA Statements of Position 97-2 and 98-9 that deal with software revenue recognition. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently assessing the potential effect of SFAS No. 157 on its consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"), which provides companies with an option to report selected financial assets and liabilities at fair value. The objective of SFAS No. 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. SFAS No. 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS No. 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of the company's choice to use fair value on its earnings. SFAS No. 159 also requires companies to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. SFAS No. 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in SFAS No. 157 and SFAS No. 107. SFAS No. 159 is effective as of the beginning of a company's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the company makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of SFAS No. 157. The Company is currently assessing the potential effect of SFAS No. 159 on its consolidated financial statements.

Other than the foregoing, management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Critical Accounting Policies and Estimates

The Company prepared the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management periodically evaluates the estimates and judgments made. Management bases its estimates and judgments on historical experience and on various factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates as a result of different assumptions or conditions.

The following critical accounting policies affect the more significant judgments and estimates used in the preparation of the Company’s consolidated financial statements.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses consist primarily of fees paid to consultants and outside service providers, and other expenses relating to the acquisition, design, development and testing of the Company's treatments and product candidates.

Amounts due, pursuant to contractual commitments, on research and development contracts with third parties are recorded as a liability, with the related amount of such contracts recorded as advances on research and development contract services on the Company’s balance sheet. Such advances on research and development contract services are expensed over their life 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 accounts for its research and development contracts in accordance with EITF 07-3.

Patent Costs

Due to the significant uncertainty associated with the successful development of one or more commercially viable products based on the Company's research efforts and any related patent applications, all patent costs are expensed as incurred

Stock-Based Compensation

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R, “Share-Based Payment” (“SFAS 123R”). SFAS 123R requires all share-based payments, including grants of employee stock options to employees, to be recognized in the financial statements based on their grant date fair values. Effective January 1, 2006, SFAS 123R requires that the Company measure the cost of employee services received in exchange for equity awards based on the grant date fair value of the awards, with the cost to be recognized as compensation expense in the Company’s financial statements over the vesting period of the awards.

Income Taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes”, which requires the recognition of deferred tax assets and liabilities for the expected impact of differences between the financial statements and the tax basis of assets and liabilities.

For federal income tax purposes, substantially all expenses must be deferred until the Company commences business operations and then they may be written off over a 60-month period. These expenses will not be deducted for tax purposes and will represent a deferred tax asset. The Company provides a valuation allowance for the full amount of the deferred tax asset since there is no assurance of future taxable income. Tax deductible losses can be carried forward for 20 years until utilized.

Plan of Operation

The Company's focus is on developing new treatments for the most common and most aggressive type of primary brain cancer, glioblastoma multiforme ("GBM"). The Company entered into a Cooperative Research and Development Agreement (the "CRADA") with the National Institute of Neurological Diseases and Stroke ("NINDS") of the National Institutes of Health ("NIH") to identify and evaluate drugs that target a specific biochemical pathway for GBM cell differentiation. The CRADA also covers research to determine whether expression of a component of this pathway correlates with prognosis in glioma patients.

The lead scientist at NINDS collaborating with the Company under the CRADA is Dr. Zhengping Zhuang. Dr. Zhuang is internationally recognized for his research in molecular pathology. Dr. Zhuang has four issued and two pending patents related to molecular pathology of human cancers. Dr. Zhuang recently discovered a biomarker of relevance to the growth of GBMs that the Company believes can be used as a tool for identifying drugs that affect the growth of GBM cells. Under the CRADA, the Company will support two persons at the NIH to work under the direction of Dr. Zhuang. The goal is to identify drugs that inhibit GBM cell growth and to determine if the identified biomarker may be useful for estimation of prognosis. The Company's contribution to the collaborative research done by the Company and the NIH is $200,000 annually for two years to fund two research assistants expected to be at the post-doctoral level, as well as supplies and travel expenses.

On February 6, 2006, the Company filed a provisional patent application naming as co-inventors Dr. Zhuang and several other NIH investigators, and Dr. Kovach covering certain methods and classes of molecules that are expected to be the foundation of product development and commercialization efforts with respect to human brain tumors. On February 6, 2007, the Company filed on behalf of NIH co-inventors and Dr. Kovach a PCT international patent including all countries participating in the Patent Cooperation Treaty (except the USA) and an identical non-provisional patent in the USA. These two patent applications contain all claims in the provisional patent of February 6, 2006 plus additional claims.

These patent applications fall under the CRADA agreement with the NINDS of the NIH. Patents resulting from these applications are jointly owned by Lixte and the U.S. Government. All NIH co-inventors are required to assign their rights to the NIH. As specified in the CRADA agreement between the Company and the NINDS of the NIH, the Company is entitled to obtain an exclusive license from the NIH to all claims in these patents. The Company has received a draft of the proposed exclusive patent license agreement with the NIH. Under the proposed agreement, the Company will pay a non-creditable, non-refundable upfront fee of $150,000 within thirty days from the effective date of the agreement, a royalty of 6% on net sales, with a minimum annual royalty of $30,000, and royalties upon achieving the following benchmarks: (a) $50,000 upon starting Phase I Clinical Trials; (b) $100,000 upon starting Phase II Clinical Trials; (c) $200,000 upon starting Phase III Clinical Trials; (d) $300,000 upon filing an IND submission; and (e) $500,000 upon the first commercial sale. Additionally, the Company is required to pay royalties of 15% of the consideration received for the guaranty of sublicensing rights. The Company intends to negotiate these economic terms in order to attempt to obtain more advantageous economic terms. The Company believes that the other terms of the proposed agreement are customary for agreements of this type. The Company is attempting to finalize the agreement with the NIH Office of Technology Transfer by January 2008.

In February 2007, the Company also filed a new U.S. provisional patent application that does not fall under the CRADA. This application identifies a method of synthesis and documents activity against glioblastoma multiforme cell lines in vitro of a proprietary lead compound, LB-1, and a series of homologs of this compound. Additional patent applications were filed with new claims for homologs of LB-1 (July, 2007); for extension of the use of the treatments claimed for GBM to the treatments of two types of pediatric cancers, meduloblastoma and neuroblastoma (August, 2007); and for a new lead compound, LB-2.5, as representative of several novel agents distinct in pharmacological activity from LB-1 also possessing anti-GBM activity (October 1, 2007).

Accordingly, in the past nine months, the Company has filed five patent applications focused on the identification of two classes of drugs, members of which inhibit the growth of brain tumor cells and other types of cancers in model systems. The patents claim the identity, methods of synthesis, and use for anti-cancer treatment of lead compounds from each of the two classes. The compounds are proprietary to the Company and the use claims are filed jointly with NIH under the CRADA.

The Company expected and continues to expect that its products will derive directly from the intellectual property arising from its research activities. The development of lead compounds with different mechanisms of action that are both active against GBM cells was based upon insight as to potential tumor cell vulnerability derived from identification of the biomarker for GBM by the Company's collaborators at NINDS, NIH and claimed in a joint patent application with NIH. The approach used to develop potentially effective drugs for GBM will continue to be the primary strategy of the Company to develop new therapies and potentially new diagnostic tests (based on biomarkers) for cancers other than GBM in the future, subject to the availability of the appropriate resources to support such activities.

The Company faces several potential challenges in its efforts to achieve commercial success, including raising sufficient capital to fund its business plan, achieving commercially applicable results of its research program, continued access to tissue and blood samples from cancer patients, competition from more established, well-funded companies with competitive technologies, and future competition from companies that are developing competitive technologies, some of whom are larger companies with greater capital resources than the Company.

There is substantial uncertainty as to the Company's ability to fund its operations and continue as a going concern (see "Liquidity and Capital Resources - September 30, 2007 - Going Concern" below).

Primary Goal for the Next 12 Months

Because of progress in identifying compounds that have anti-cancer activity against human brain tumor cells in the test tube and in animal models, the Company's primary focus in the near-term will be to characterize of its two lead compounds, LB-1 and LB-2.5, to meet the requirements of the FDA for submitting an IND for a phase I clinical trial of one or both compounds. At the same time, the Company will evaluate the activity of its lead compounds against other common human cancers, first in the test tube, and then in animal models for compounds showing activity.

The Company will continue to develop preclinical data supporting the potential effectiveness of these drugs for the treatment of GBM when used alone or in combination. The drugs that have been identified as active in vitro have never been used for the treatment of GBM in humans. An abstract of the activity of LB-1 against human GBM cells in the test tube and growing in the mouse is being submitted to be considered for presentation at a national cancer meeting in spring 2008.

Over the next six months, the Company will assess the potential interest of two or three of the major pharmaceutical companies in participating in the development of its lead compounds in the future. A decision will be made as to which regimens are most promising for development for human studies. This decision will be made jointly by the Company with the advice of its scientific advisory board and its CRADA partner, NINDS. At this point, NINDS and the Company will consider whether development of specific regimens for evaluation in humans should proceed via an extension of the existing CRADA, under a new CRADA with NINDS, or possibly with another institute at the NIH, by the Company alone via outsourcing all pre-clinical drug evaluations required by the FDA to a commercial CRO, and/or with a partner in the pharmaceutical industry capable of taking the drug(s) though the IND process and conducting clinical evaluations. The existing CRADA was extended to June 30, 2008 from March 2008 at no additional cost as the funds provided by the Company will support the collaboration at least until that date.

Additional Activities for the Next 12 Months

The Company will also evaluate the anti-cancer activity of its two lead compounds alone and in combination for activity against human GBMs in an animal (mouse) model. The lead drugs appear to be synergistic in their ability to inhibit the growth of GBMs, e.g., a combination of two drugs inhibits GBMs to a greater extent than would be expected from the sum of their inhibitory effects when used alone. These evaluations are being done at the NIH under protocols developed by NINDS and the Company. The CRADA specifies evaluation of drug regimens in animal models as one of the activities to be pursued by the Company and NINDS.

In addition, the Company will evaluate the effectiveness of LB-1 and LB-2.5 against tumors other that GBM in the test tube. Since both compounds affect processes that are disordered in cancer cells other than brain tumors, both drugs will be assessed for activity against a wide variety of common human cancers, including cancers of the lung, colon, breast, stomach and ovary. This screening will be done under contract with a CRO, and results are expected by mid-2008. If activity is found, the active drug(s) will be evaluated in mouse models of the appropriate cancer type analogous to the process being pursued for development of new treatments for GBM.

The Company will also continue to collect samples of human tumors and associated blood and urine samples through the University of Regensburg under the Company's January 5, 2007 agreement with the Free State of Bavaria, Germany. The samples will be used in the future to apply technology to search for new biomarkers for cancers other than GBM. The present CRADA with NINDS is limited to the study of GBM.

Plans Beyond the Next 12 Months

The Company expects to participate in clinical trials of new therapies in partnership with an organization experienced in such undertakings. The partnering organization may be either a clinical branch of NIH or a pharmaceutical company with expertise in the conduct of clinical trials. The Company's present position is to take one or more of its new therapies for the treatment of glioblastoma multiforme through pre-clinical evaluation as part of the CRADA with the NINDS of the NIH. After completing pre-clinical evaluation, the Company will consider partnering with the NIH to conduct a phase I trial or jointly with the NIH seek a third party, most probably a large pharmaceutical company to carry the new therapies into Phase I trials. After completion of Phase I trials, the Company, potentially in partnership with the NIH or on its own, would collaborate with the third party to carry new therapies found to be safe for administration to humans in the Phase I trials into Phase II trials.

Phase II trials test the safety and effectiveness, as well as the best estimate of the proper dose of the new therapies in a group of patients with the same type of cancer at the same stage. For the Company's initial studies, the focus will be brain tumors. The duration of Phase II trials may run from 6 to 24 months. New regimens showing beneficial activity in Phase II trials may then be considered for evaluation in Phase III trials. Phase III trials for the evaluation of new cancer treatments are comparative trials in which the therapeutic benefit of a new regimen is compared to the therapeutic benefit of the best standard regimen in a randomized study.

Whether the Company will participate or be in a position to participate in any clinical trials will depend upon partnerships and specific licensing agreements. However, in all cases of clinical trial participation, the Company will be subject to FDA regulation. These regulations are specific and form the basis for assessing the potential clinical benefit of new therapeutic regimens while safeguarding the health of patients participating in investigational studies. Even after a drug receives approval from the FDA for sale as a new treatment for a specific disease indication, the sponsors of the drug are subject to reporting potentially adverse effects of a new regimen to the FDA.

Given the progress in identifying two lead compounds with activity in animal models of GBM, the Company is devoting its resources to bring the agents to a point at which an IND can be submitted to the FDA for a Phase I clinical trial. One lead compound (LB-1) is the most advanced in the process and the Company plans to be ready for IND submission by early 2009. The other lead compound (LB-2.5), which inhibits cancer cells by a mechanism distinct from that of LB-1, is anticipated to complete its evaluation by the end of 2009.

The Company had planned to begin its own analyses of tumor types other than GBM for new biomarkers by late 2008. However, in order to do this, the Company would need to establish and operate an independent laboratory. The creation and operation of such a laboratory for two years is estimated to cost approximately $2,000,000. Accordingly, the Company is deferring plans to open and staff an independent laboratory until the full intellectual property value of its initial lead compounds for treatment of brain tumors is determined.

Results of Operations

The Company is a development stage company and has not yet commenced revenue-generating operations.

Three Months Ended September 30, 2007 and 2006

General and Administrative Expenses. For the three months ended September 30, 2007, general and administrative expenses were $853,075, which included $773,356 for the vested portion of the fair value of stock options issued and the fair value of common stock sold to a consultant, as compared to $65,251 for the three months ended September 30, 2006, which included $8,917 for the vested portion of the fair value of stock options issued. Included in general and administrative expenses for the three months ended September 30, 2007 and 2006 was $19,500 and $5,000 of patent costs, respectively.

The significant components of general and administrative expenses to date consist primarily of legal fees (including patent costs) and accounting fees, including costs associated with the registration of the common stock sold in the Company's private placement in June and July 2006.

Depreciation. For the three months ended September 30, 2007 and 2006, depreciation expense was $148 and $115, respectively.

Research and Development Costs. For the three months ended September 30, 2007, research and development costs were $68,593, which included $4,918 for the vested portion of the fair value of stock options issued, as compared to $50,100 for the three months ended September 30, 2006.

Interest Income. For the three months ended September 30, 2007, interest income was $862, as compared to $6,588 for the three months ended September 30, 2006.

Net Loss. For the three months ended September 30, 2007, the Company incurred a net loss of $920,954, as compared to a net loss of $108,878 for the three months ended September 30, 2006.

Nine Months Ended September 30, 2007 and 2006

General and Administrative Expenses. For the nine months ended September 30, 2007, general and administrative expenses were $1,109,061, which included $791,064 for the vested portion of the fair value of stock options issued and the fair value of common stock sold to a consultant, as compared to $201,104 for the nine months ended September 30, 2006, which included $88,483 for the vested portion of the fair value of stock options issued. Included in general and administrative expenses for the nine months ended September 30, 2007 and 2006 was $66,092 and $33,064 of patent costs, respectively.

The significant components of general and administrative expenses to date consist primarily of legal fees (including patent costs) and accounting fees, including costs associated with the registration of the common stock sold in the Company's private placement in June and July 2006.

Depreciation. For the nine months ended September 30, 2007 and 2006, depreciation expense was $444 and $344, respectively.

Research and Development Costs. For the nine months ended September 30, 2007, research and development costs were $249,443, including $35,918 for the vested portion of the fair value of stock options issued to a consultant and the fair value of a five-year stock option to purchase 100,000 shares of the Company's common stock at $0.333 per share issued to Chem-Master International, Inc. on February 5, 2007 that was fully vested and non-forfeitable on the date of issuance. Research and development costs were $100,100 for the nine months ended September 30, 2006.

Reverse Merger Costs. In conjunction with the reverse merger transaction completed on June 30, 2006, WestPark Capital, Inc. was paid an aggregate cash fee of $50,000, which was charged to operations during the nine months ended September 30, 2006.

Interest Income. For the nine months ended September 30, 2007, interest income was $9,169, as compared to $6,588 for the nine months ended September 30, 2006.

Net Loss. For the nine months ended September 30, 2007, the Company incurred a net loss of $1,349,779, as compared to a net loss of $344,960 for the nine months ended September 30, 2006.

Liquidity and Capital Resources - September 30, 2007

Going Concern

At September 30, 2007, the Company had not yet commenced any revenue-generating operations and was therefore considered a "development stage company". All activity through September 30, 2007 related to the Company's formation, capital raising efforts and initial research and development activities. As such, the Company has yet to generate any cash flows from operations, and is essentially dependent on debt and equity funding from both related and unrelated parties to finance its operations. Prior to June 30 2006, the Company's cash requirements were funded by advances from its founder, Dr. John Kovach, the Company's Chief Executive Officer. On June 30, 2006, the Company completed an initial closing of its private placement, selling 1,973,869 shares of common stock at a price of $0.333 per share and receiving net proceeds of $522,939. On July 27, 2006, the Company completed a second closing of its private placement, selling 1,581,351 shares of common stock at a price of $0.333 per share and receiving net proceeds of $446,433.

Because the Company is currently engaged in research at a very early stage, it will likely take a significant amount of time to develop any product or intellectual property capable of generating revenues. As such, the Company's business is unlikely to generate any revenue in the next several years and may never do so. Even if the Company is able to generate revenues in the future through licensing its technologies or through product sales, there can be no assurance that such revenues will exceed its expenses.

The Company does not currently have sufficient resources to fully fund its planned operations for the next nine months. The strain on the Company's limited cash resources has been further exacerbated by the registration penalty obligation of $74,000 (originally recorded at December 31, 2006 pursuant to EITF 00-19-2), reflecting the cash amount currently payable to the investors in the private placement for the registration penalty accrued through mid-May 2007. If the Company does not maintain the effectiveness of its registration statement, the Company would be subject to a further registration penalty at the rate of approximately $12,000 per 30-day period thereafter, continuing through July 2008. Since the Company only has cash of $124,069 and working capital of $28,877 (including the effect from the $74,000 registration penalty obligation referred to above) at September 30, 2007, this short-term cash obligation and the uncertainty related to it could have a material adverse impact on the Company's ability to fund its business plan and conduct operations.

Since inception, Dr. John Kovach, Lixte's founding stockholder, has periodically made advances to the Company to meet operating expenses. Such advances are non-interest-bearing and are due on demand. At September 30, 2007 and December 31, 2006 (Restated), stockholder advances totaled $92,717. The Company currently does not anticipate repaying such advances until sufficient funds are available to fund the Company's business plan.

The Company does not have sufficient resources to fully develop and commercialize any products that may arise from its research. Accordingly, the Company will need to raise additional funds in order to satisfy its future working capital requirements. Based on the Company's updated and revised operating budget, the Company estimates that it will require approximately $600,000 of additional funding through December 31, 2008. Thereafter, the Company currently estimates that it will require an additional $2,000,000 to fund future operations, including the possible establishment of a laboratory, depending on the availability of capital and various operating developments. The amount and timing of future cash requirements will depend on market acceptance of the Company's products, if any, and the resources that the Company devotes to developing and supporting its products. The Company anticipates funding these cash requirements from debt or equity financings, mergers or acquisitions, and/or via the sale or license of its intellectual properties.

Current market conditions present uncertainty as to the Company's ability to secure additional funds, as well as its ability to reach profitability. There can be no assurances that the Company will be able to secure additional financing, or obtain favorable terms on such financing if it is available, or as to its ability to achieve positive cash flow from operations. Continued negative cash flows and lack of liquidity create significant uncertainty about the Company's ability to fully implement its operating plan and the Company may have to reduce the scope of its planned operations. If cash resources are insufficient to satisfy the Company's liquidity requirements, the Company would be required to scale back or discontinue its product development program, or obtain funds if available through strategic alliances that may require the Company to relinquish rights to certain of its technologies or discontinue its operations.

Operating Activities. For the nine months ended September 30, 2007, operating activities utilized cash of $555,299, as compared to utilizing cash of $381,106 for the nine months ended September 30, 2006.

The Company had working capital of $28,877 at September 30, 2007, primarily as a result of the sale of the Company's common stock pursuant to private placement in June and July 2006 that generated net proceeds of $969,372.

Investing Activities. For the nine months ended September 30, 2007 and 2006, investing activities utilized net cash of $272 and $238, respectively, for the purchase of office equipment.

Financing Activities. There were no financing activities for the nine months ended September 30, 2007. For the nine months ended September 30, 2006, financing activities provided net cash of $1,100,135, consisting of the gross proceeds from the sale of common stock of $1,183,889, the cash acquired in the reverse merger transaction of $62,500, and advances from stockholder of $86,771, reduced by the payment of private placement offering costs of $233,025.

Principal Commitments

At September 30, 2007, the Company did not have any material commitments for capital expenditures. The Company had paid its second and final installment due under the CRADA of $200,000 on June 29, 2007. The Company's principal commitments at September 30, 2007 consisted of the estimated liquidated damages payable under the registration rights agreement of $74,000 and the contractual obligations as summarized below.

On January 5, 2007, Lixte entered into a Services Agreement with The Free State of Bavaria (Germany) represented by the University of Regensburg (the "University") pursuant to which Lixte retained the University to provide to it certain samples of primary cancer tissue and related biological fluids to be obtained from patients afflicted with specified types of cancer. The University will also provide certain information relating to such patients. Lixte agreed to pay the University 72,000 Euros in two equal installments. The first installment of 36,000 Euros ($48,902) was paid on March 7, 2007, and the second installment of 36,000 Euros (approximately $51,380 at September 30, 2007) will be paid within sixty days of the earlier of (i) January 5, 2008 or (ii) the University's fulfillment of certain obligations relating to the delivery of materials.

On February 5, 2007, Lixte entered into a two-year agreement (the "Agreement") with Chem-Master International, Inc. ("Chem-Master") pursuant to which Lixte engaged Chem-Master to synthesize a compound designated as "LB-1", and any other compound synthesized by Chem-Master pursuant to Lixte's request, which have potential use in treating a disease, including, without limitation, cancers such as glioblastomas. Pursuant to the Agreement, Lixte agreed to reimburse Chem-Master for the cost of materials, labor, and expenses for other items used in the synthesis process, and also agreed to grant Chem-Master a five-year option to purchase 100,000 shares of the Company's common stock at an exercise price of $0.333 per share. Lixte has the right to terminate the Agreement at any time during the term of the Agreement upon sixty days prior written notice. On February 5, 2009, provided that the Agreement has not been terminated prior to such date, Lixte agreed to grant Chem-Master a second five-year option to purchase an additional 100,000 shares of the Company's common stock at an exercise price of $0.333 per share.

On September 20, 2007, the Company entered into a one-year consulting agreement (the "Agreement") with Mirador Consulting, Inc. ("Mirador"), pursuant to which Mirador is to provide the Company with various financial services. Pursuant to the Agreement, Lixte agreed to pay Mirador $5,000 per month and also agreed to sell Mirador 250,000 shares of the Company's restricted common stock for $250 ($0.001 per share).

Off-Balance Sheet Arrangements

At September 30, 2007, the Company did not have any transactions, obligations or relationships that could be considered off-balance sheet arrangements.

ITEM 3. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Disclosure Controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act is accumulated and communicated to management.

As of September 30, 2007, the Company's Chief Executive Officer and Chief Financial Officer (who is the same individual) evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that the information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized, and reported as and when required.

(b) Changes in Internal Controls Over Financial Reporting

There were no changes in the Company's internal control over financial reporting or in other factors that materially affect, or are reasonably likely to materially affect, those controls subsequent to the date of the Company's most recent evaluation.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is currently not a party to any pending or threatened legal proceedings.

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

On June 20, 2007, the Board of Directors of the Company approved the 2007 Stock Compensation Plan (the "2007 Plan"), which provides for the granting of awards, consisting of common stock options, stock appreciation rights, performance shares, or restricted shares of common stock, to employees and independent contractors, for up to 2,500,000 shares of the Company's common stock, under terms and condition, as determined by the Company's Board of Directors. On September 12, 2007, pursuant to the 2007 Plan, the Company granted to Dr. Stephen Carter, stock options to purchase an aggregate of 200,000 shares of common stock, exercisable for a period of five years from vesting date at $0.333 per share, with one-half (100,000 shares) vesting annually on each of September 12, 2008 and 2009. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $204,000 ($1.02 per share), which is being charged to operations ratably from September 12, 2007 through September 12, 2009. During the three months ended September 30, 2007, the Company recorded a charge to operations of $5,016 with respect to these options.

On September 12, 2007, the Company entered into a consulting agreement with Gil Schwartzberg and granted to Mr. Schwartzberg stock options to purchase an aggregate of 1,000,000 shares of common stock, exercisable for a period of four years from vesting date at $1.00 per share, with one-half of the options (500,000 shares) vesting immediately and one-half (500,000 share) vesting on September 12, 2008. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $945,000 ($0.945 per share), of which $465,000 was charged to operations on September 12, 2007, and the remaining $480,000 is being charged to operations ratably from September 12, 2007 through September 12, 2008. During the three months ended September 30, 2007, the Company recorded a charge to operations of $488,607 with respect to these options.

On September 12, 2007, the Company entered into a consulting agreement with Francis Johnson and granted to Professor Johnson stock options to purchase an aggregate of 300,000 shares of common stock, exercisable for a period of four years from vesting date at $0.333 per share, with one-third (100,000 shares) vesting annually on each of September 12, 2008, 2009 and 2010. The fair value of these options, as calculated pursuant to the Black-Scholes option-pricing model, was determined to be $300,000 ($1.00 per share), which is being charged to operations ratably from September 12, 2007 through September 12, 2010. During the three months ended September 30, 2007, the Company recorded a charge to operations of $4,918, with respect to these options.

On September 20, 2007, the Company entered into a one-year consulting agreement (the "Agreement") with Mirador Consulting, Inc. ("Mirador"), pursuant to which Mirador is to provide the Company with various financial services. Pursuant to the Agreement, Lixte agreed to pay Mirador $5,000 per month and also agreed to sell Mirador 250,000 shares of the Company's restricted common stock for $250 ($0.001 per share). The fair value of this transaction was determined to be in excess of the purchase price by $262,250 ($1.049 per share), reflecting the difference between the $0.001 purchase price and the $1.05 price per share as quoted on the OTC Bulletin Board, and was charged to operations as stock-based compensation during the three months ended September 30, 2007.

Item 3. Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

A list of exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately precedes such exhibits, and is incorporated herein by reference.

SIGNATURES

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

LIXTE BIOTECHNOLOGY HOLDINGS, INC.
(Registrant)

Date: November 13, 2007

By: /s/ JOHN S. KOVACH

John S. Kovach
Chief Executive Officer and Chief Financial Officer
(Principal financial and accounting officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Document
10.1	Services Agreement between Lixte Biotechnology, Inc. and Freestate of Bavaria represented by University of Regensburg dated January 5, 2007, previously filed as an exhibit to the Company's Current Report on Form 8-K filed on January 11, 2007, and incorporated herein by reference.
10.2	Agreement between Lixte Biotechnology Holdings, Inc. and Chem-Master International, Inc. dated February 5, 2007, previously filed as an exhibit to the Company's Current Report on Form 8-K filed on February 9, 2007, and incorporated herein by reference.
10.3	2007 Stock Compensation Plan adopted by the Company's Board of Directors on June 20, 2007, previously filed as an exhibit to the Company's Quarterly Report on Form 10-QSB for the Quarterly Period Ended June 30, 2007, and incorporated herein by reference.
10.4	Stock Option Agreement between Lixte Biotechnology Holdings, Inc. and Stephen K. Carter dated September 12, 2007. (1)
10.5	Stock Option Agreement between Lixte Biotechnology Holdings, Inc. and Francis Johnson dated September 12, 2007. (1)
10.6	Stock Option Agreement between Lixte Biotechnology Holdings, Inc. and Gil Schwartzberg dated September 12, 2007. (1)
10.7	Consulting Agreement between Lixte Biotechnology Holdings, Inc. and Gil Schwartzberg dated September 12, 2007. (1)
10.8	Consulting Agreement between Lixte Biotechnology Holdings, Inc. and Mirador Consulting, Inc. dated September 20, 2007. (1)
10.9	Consulting Agreement between Lixte Biotechnology Holdings, Inc. and Francis Johnson dated September 12, 2007. (1)
31	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (1)
32	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)

(1) Filed herewith.

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT ("Agreement") is made by and between LIXTE BIOTECHNOLOGY HOLDINGS, INC, a Delaware corporation (the "Company"), and STEPHEN K. CARTER (the "Optionee").

WHEREAS, Optionee has been elected a director of the Company.

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom, the Company and Optionee agree as follows:

1. Grant of Option. The Company hereby grants to Optionee, subject to all the terms and provisions of the Stock Compensation Plan, as such Plan may be hereinafter amended, a copy of which is attached hereto and incorporated herein by this reference (the "Plan"), the right, privilege and option ("Option") to purchase 200,000 shares of its common stock ("Stock") at $0.33 1/3 per share, in the manner and subject to the conditions provided hereinafter and in the Plan and any amendments thereto and any rules and regulations thereunder.

2. Vesting and Exercise of Option. The Optionee shall be vested in 50% of the total number of shares subject to the Option on the first anniversary of the date of execution of this Agreement. Thereafter, the remaining shares subject to the Option shall vest in the Optionee and may be exercised by the Optionee on the second anniversary of the date hereof. Any exercise may be with respect to any part or all of the shares then vested and exercisable pursuant to such Option.

3. Termination of Option. Except as otherwise provided in this Agreement or the Plan, to the extent not previously exercised, the Option shall terminate upon the first to occur of any of the following events:

a. Five years from the date of the vesting of a particular tranche hereunder;

b. the date the Optionee is no longer a member of the Board of Directors of the Company. Any vested Option granted hereunder to such Optionee to expire three months after the date of such termination. In the event the Optionee's termination results from the fact that the Optionee is "disabled," any vested Option shall expire one year after the date of such termination. Any Option that has not vested in the Optionee as of the date of termination of service with the Company shall immediately expire and shall be null and void.

c. six months after the date of the Optionee's death. The Option may be exercised (subject to the condition that no Option shall be exercisable after its expiration and only to the extent that the Optionee's right to exercise such Option was vested at the time of the Optionee's death) at any time within six months after the Optionee's death by the executors or administrators of the Optionee or by any person or persons who shall have acquired the Option directly from the Optionee by bequest or inheritance. Any Option that has not vested in the Optionee as of the date of death, shall immediately expire and shall be null and void.

d. the dissolution or liquidation of the Company; or

e. the breach by Optionee of any provision of the Plan or this Agreement.

4. Method of Exercise. An Option shall be exercised by written notice to the Company by the Optionee (or successor in the event of death). Such written notice shall state the number of shares with respect to which the Option is being exercised and designate a time, during normal business hours of the Company, for the delivery thereof ("Exercise Date"), which time shall be at least ten days after the giving of such notice unless an earlier date shall have been mutually agreed upon. At the time specified in the written notice, the Company shall deliver to the Optionee at the principal office of the Company, or such other appropriate place as may be determined by the Board, a certificate or certificates for such shares. Notwithstanding the foregoing, the Company may postpone delivery of any certificate or certificates after notice of exercise for such reasonable period as may be required to comply with any applicable listing requirements of any securities exchange. In the event an Option shall be exercisable by any person other than the Optionee, the required notice under this Section shall be accompanied by appropriate proof of the right of such person to exercise the option. The option exercise price shall be payable in full on or before the option Exercise Date in any one of the following alternative forms:

a. Full payment in cash or certified bank or cashier's check;

b. A full recourse promissory note executed by the Optionee, made payable to the Company bearing interest at such rate as the Board shall determine, but in no case less than the “Applicable Federal Rate” at the time the note is executed applicable under the Code to obligations of the same duration. The note shall contain such terms and conditions as may be determined by the Board; provided, however, that the full principal amount of the note and all unpaid interest accrued thereon shall be due not later than five years from the date of exercise. The Company may obtain from the Optionee a security interest in all shares of Stock issued to the Optionee under the Plan for the purpose of securing payment under the note and shall retain possession of the stock certificates representing such shares in order to perfect its security interest;

c. Full payment in shares of Stock or other securities of the Company having a fair market value on the Exercise Date in the amount equal to the option exercise price;

d. A combination of the consideration set forth in Sections (a), (b) and (c) hereof equal to the option exercise price; or

e. Any other method of payment including, but not limited to, the delivery by Optionee of an irrevocable direction to a securities broker approved by the Company to sell the Stock and to deliver all or part of the sales proceeds to the Company in payment of all or part of the exercise price and any withholding taxes.

5. Restrictions on Exercise and Delivery. The exercise of each Option shall be subject to the condition that, if at any time the Board shall determine, in its sole and absolute discretion,

a. the satisfaction of any withholding tax or other withholding liabilities, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of Stock pursuant thereto,

b. the listing, registration, or qualification of any shares deliverable upon such exercise is desirable or necessary, under any state or federal law, as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, or

c. the consent or approval of any regulatory body is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto,

then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. Optionee shall execute such documents and take such other actions as are required by the Board to enable it to effect or obtain such withholding, listing, registration, qualification, consent or approval. Neither the Company nor any officer or member of the Board or the Committee, shall have any liability with respect to the non-issuance or failure to sell shares as the result of any suspensions of exercisability imposed pursuant to this Section.

6. Nonassignability. Options may not be sold, pledged, assigned or transferred in any manner other than by will or by the laws of intestate succession, and may be exercised during the lifetime of Optionee only by Optionee. Any transfer by Optionee of any Option granted under the Plan or this Agreement shall void such Option and the Company shall have no further obligation with respect to such Option. No Option shall be pledged or hypothecated in any way, nor shall any Option be subject to execution, attachment or similar process.

7. Restrictive Legends. Each certificate evidencing the shares acquired upon exercise of an Option hereunder, including any certificate issued to any transferee thereof, shall be imprinted with legends substantially in the form set forth in the Plan.

8. Rights as Shareholder. Neither Optionee nor his executor, administrator, heirs or legatees, shall be, or have any rights or privileges of a shareholder of the Company in respect of the Stock unless and until certificates representing such Stock shall have been issued in Optionee's name.

9. No Right of Employment. Neither the grant nor exercise of any Option nor anything in the Plan or this Agreement shall impose upon the Company or any other corporation any obligation to employ or continue to employ any Optionee. The right of the Company and any other corporation to terminate any employee shall not be diminished or affected because an Option has been granted to such employee.

10. Definitions. Capitalized terms shall have the meaning set forth in the Plan unless otherwise defined herein.

11. Notices. Any notice to be given under the terms of this Agreement shall be addressed to the Company in care of its Secretary at its principal office, and any notice to be given to Optionee shall be addressed to such Optionee at the address maintained by the Company for such person or at such other address as the Optionee may specify in writing to the Company.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Optionee, his heirs and successors, and of the Company, its successors and assigns.

13. Governing Law. This Agreement shall be governed by the laws of the State of Delaware.

14. Application of Plan. The Company has delivered and the Optionee hereby acknowledges receipt of a copy of the Plan. The parties agree and acknowledge that the Option granted hereunder is granted pursuant to the Plan and subject to the terms and provisions thereof, and the rights of the Optionee are subject to modifications and termination in certain events as provided in the Plan.

IN WITNESS WHEREOF, this Agreement is effective as of, and the date of grant shall be September 12, 2007.

LIXTE BIOTECHNOLOGY HOLDINGS, INC

By:_____
Name: John S. Kovach
Title: President

OPTIONEE

_____
Stephen K. Carter

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT ("Agreement") is made by and between LIXTE BIOTECHNOLOGY HOLDINGS, INC, a Delaware corporation (the "Company"), and FRANCIS JOHNSON (the "Optionee").

WHEREAS, Concurrently herewith, Optionee has entered into a Consulting Agreement with the Company (the "Consulting Agreement").

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom and pursuant to the Consulting Agreement, the Company and Optionee agree as follows:

1. Grant of Option. The Company hereby grants to Optionee the right, privilege and option ("Option") to purchase 300,000 shares of its common stock ("Stock") at an exercise price of $0.33 1/3 per share, in the manner and subject to the conditions provided hereinafter.

2. Vesting and Exercise of Option. The Optionee shall be vested in 1/3 of the total number of shares subject to the Option on the first anniversary of this Agreement; 1/3 of the total shares subject to the Option shall vest on the second anniversary on the date of this Agreement and 1/3 of the total shares subject to the Option shall vest on the third anniversary of the date of this Agreement. Any exercise may be with respect to any part or all of the shares then vested and exercisable pursuant to such Option.

3. Termination of Option. Except as otherwise provided in this Agreement, to the extent not previously exercised, the Option shall terminate upon the first to occur of any of the following events:

a. Four years from the date of the vesting of a particular tranche hereunder;

b. the date the Consulting Agreement is terminated; or

c. the breach by Optionee of any provision of this Agreement.

4. Method of Exercise. An Option shall be exercised by written notice to the Company by the Optionee (or successor in the event of death). Such written notice shall state the number of shares with respect to which the Option is being exercised and designate a time, during normal business hours of the Company, for the delivery thereof ("Exercise Date"), which time shall be at least ten days after the giving of such notice unless an earlier date shall have been mutually agreed upon. At the time specified in the written notice, the Company shall deliver to the Optionee at the principal office of the Company, or such other appropriate place as may be determined by the Board, a certificate or certificates for such shares. Notwithstanding the foregoing, the Company may postpone delivery of any certificate or certificates after notice of exercise for such reasonable period as may be required to comply with any applicable listing requirements of any securities exchange. In the event an Option shall be exercisable by any person other than the Optionee, the required notice under this Section shall be accompanied by appropriate proof of the right of such person to exercise the option. The option exercise price shall be payable in full on or before the option Exercise Date by full payment in cash or certified bank or cashier's check.

5. Restrictions on Exercise and Delivery. The exercise of each Option shall be subject to the condition that, if at any time the Board shall determine, in its sole and absolute discretion,

a. the satisfaction of any withholding tax or other withholding liabilities, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of Stock pursuant thereto,

b. the listing, registration, or qualification of any shares deliverable upon such exercise is desirable or necessary, under any state or federal law, as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, or

c. the consent or approval of any regulatory body is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto,

then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. Optionee shall execute such documents and take such other actions as are required by the Board to enable it to effect or obtain such withholding, listing, registration, qualification, consent or approval. Neither the Company nor any officer or member of the Board or the Committee, shall have any liability with respect to the non-issuance or failure to sell shares as the result of any suspensions of exercisability imposed pursuant to this Section.

6. Nonassignability. Options may not be sold, pledged, assigned or transferred in any manner other than by will or by the laws of intestate succession, and may be exercised during the lifetime of Optionee only by Optionee. Any transfer by Optionee of any Option granted under this Agreement shall void such Option and the Company shall have no further obligation with respect to such Option. No Option shall be pledged or hypothecated in any way, nor shall any Option be subject to execution, attachment or similar process.

7. Restrictive Legends. Each certificate evidencing the shares acquired upon exercise of an Option hereunder, including any certificate issued to any transferee thereof, shall be imprinted with appropriate legends.

8. Rights as Shareholder. Neither Optionee nor his executor, administrator, heirs or legatees, shall be, or have any rights or privileges of a shareholder of the Company in respect of the Stock unless and until certificates representing such Stock shall have been issued in Optionee's name.

9. Notices. Any notice to be given under the terms of this Agreement shall be addressed to the Company in care of its Secretary at its principal office, and any notice to be given to Optionee shall be addressed to such Optionee at the address maintained by the Company for such person or at such other address as the Optionee may specify in writing to the Company.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Optionee, his heirs and successors, and of the Company, its successors and assigns.

11. Governing Law. This Agreement shall be governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is effective as of, and the date of grant shall be September 12, 2007.

LIXTE BIOTECHNOLOGY HOLDINGS, INC

By:_____
Name: John S. Kovach
Title: President

OPTIONEE

_____
Francis Johnson

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT ("Agreement") is made by and between LIXTE BIOTECHNOLOGY HOLDINGS, INC, a Delaware corporation (the "Company"), and GIL SCHWARTZBERG (the "Optionee").

WHEREAS, Concurrently herewith, Optionee has entered into a Consulting Agreement with the Company (the "Consulting Agreement").

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom and pursuant to the Consulting Agreement, the Company and Optionee agree as follows:

1. Grant of Option. The Company hereby grants to Optionee the right, privilege and option ("Option") to purchase 1,000,000 shares of its common stock ("Stock") at an exercise price of $1.00 per share, in the manner and subject to the conditions provided hereinafter.

2. Vesting and Exercise of Option. The Optionee shall be vested in 50% of the total number of shares subject to the Option as of the date of this Agreement; and the remaining shares subject to the Option shall vest on the first anniversary on the date of this Agreement. Any exercise may be with respect to any part or all of the shares then vested and exercisable pursuant to such Option.

3. Termination of Option. Except as otherwise provided in this Agreement, to the extent not previously exercised, the Option shall terminate upon the first to occur of any of the following events:

a. Four years from the date of the vesting of a particular tranche hereunder;

b. the date the Consulting Agreement is terminated; or

c. the breach by Optionee of any provision of this Agreement.

4. Method of Exercise. An Option shall be exercised by written notice to the Company by the Optionee (or successor in the event of death). Such written notice shall state the number of shares with respect to which the Option is being exercised and designate a time, during normal business hours of the Company, for the delivery thereof ("Exercise Date"), which time shall be at least ten days after the giving of such notice unless an earlier date shall have been mutually agreed upon. At the time specified in the written notice, the Company shall deliver to the Optionee at the principal office of the Company, or such other appropriate place as may be determined by the Board, a certificate or certificates for such shares. Notwithstanding the foregoing, the Company may postpone delivery of any certificate or certificates after notice of exercise for such reasonable period as may be required to comply with any applicable listing requirements of any securities exchange. In the event an Option shall be exercisable by any person other than the Optionee, the required notice under this Section shall be accompanied by appropriate proof of the right of such person to exercise the option. The option exercise price shall be payable in full on or before the option Exercise Date by full payment in cash or certified bank or cashier's check.

5. Restrictions on Exercise and Delivery. The exercise of each Option shall be subject to the condition that, if at any time the Board shall determine, in its sole and absolute discretion,

a. the satisfaction of any withholding tax or other withholding liabilities, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of Stock pursuant thereto,

b. the listing, registration, or qualification of any shares deliverable upon such exercise is desirable or necessary, under any state or federal law, as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, or

c. the consent or approval of any regulatory body is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto,

then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. Optionee shall execute such documents and take such other actions as are required by the Board to enable it to effect or obtain such withholding, listing, registration, qualification, consent or approval. Neither the Company nor any officer or member of the Board or the Committee, shall have any liability with respect to the non-issuance or failure to sell shares as the result of any suspensions of exercisability imposed pursuant to this Section.

6. Nonassignability. Options may not be sold, pledged, assigned or transferred in any manner other than by will or by the laws of intestate succession, and may be exercised during the lifetime of Optionee only by Optionee. Any transfer by Optionee of any Option granted under this Agreement shall void such Option and the Company shall have no further obligation with respect to such Option. No Option shall be pledged or hypothecated in any way, nor shall any Option be subject to execution, attachment or similar process.

7. Restrictive Legends. Each certificate evidencing the shares acquired upon exercise of an Option hereunder, including any certificate issued to any transferee thereof, shall be imprinted with appropriate legends.

8. Rights as Shareholder. Neither Optionee nor his executor, administrator, heirs or legatees, shall be, or have any rights or privileges of a shareholder of the Company in respect of the Stock unless and until certificates representing such Stock shall have been issued in Optionee's name.

9. Notices. Any notice to be given under the terms of this Agreement shall be addressed to the Company in care of its Secretary at its principal office, and any notice to be given to Optionee shall be addressed to such Optionee at the address maintained by the Company for such person or at such other address as the Optionee may specify in writing to the Company.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Optionee, his heirs and successors, and of the Company, its successors and assigns.

11. Governing Law. This Agreement shall be governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is effective as of, and the date of grant shall be September 12, 2007.

LIXTE BIOTECHNOLOGY HOLDINGS, INC

By:_____
Name: John S. Kovach
Title: President

OPTIONEE

_____
Gil Schwartzberg

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement"), is entered into on September 12, 2007 by and between Lixte Biotechnology Holdings, Inc., a Delaware corporation (the "Company"), and Gil Schwartzberg ("Consultant").

R E C I T A L S

WHEREAS, Consultant has certain knowledge, expertise, experience and reputation which the Company desires to avail itself; and

WHEREAS, upon the terms and subject to the conditions of this Agreement, the Company desires to retain Consultant to provide certain consulting services to the Company, and Consultant wishes to render such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and agreements herein contained, Consultant and the Company by this Agreement agree as follows:

1. Engagement. The Company hereby agrees that, commencing on September 12, 2007 (the "Effective Date"), the Company shall engage Consultant and Consultant hereby accepts such engagement with the Company, upon the terms and subject to the conditions hereinafter set forth.

2. Term. The term of Consultant's engagement under this Agreement (the "Term") shall commence on the Effective Date and, subject to the provisions of Section 6, shall continue until the fourth anniversary of the Effective Date.

3. Services.

Consultant shall provide the following consulting services to the Company ("Services"):

(a) Consult on financing, capital structure and strategic development; and

(b) Assist management in developing presentations to the investment community and the Company's shareholders.

4. No Authority to Bind. Except as directed and authorized by the Chief Executive Officer of the Company in writing, Consultant shall not execute or agree to any contract, agreement or instrument on behalf of the Company.

5. Compensation. The Company shall pay or issue to Consultant:

(a) $1,000 per day for any meetings outside New York City;

(b) An option to purchase 1,000,000 shares of the Company's Common Stock at an exercise price of $1.00 per share, 50% of which will vest on the Effective Date of this Agreement, and 50% of which will vest on the first anniversary of the Effective Date.

All such options granted pursuant to this Agreement shall be subject to the terms and conditions of the Stock Option Agreement between the Company and Consultant. Any grant of options to Consultant shall be conditioned upon receipt of such Stock Option Agreement.

6. Termination. Either Consultant or the Company may terminate this Agreement at any time for any reason upon 90-days written notice delivered to the other party. In addition, the Company may terminate this Agreement at any time "for cause" upon delivery of written notice to Consultant, in which case such termination shall be effective immediately upon Consultant's receipt of the written notice.

"Cause" shall mean:

(a) Consultant is convicted of, or pleas *nolo contendere* (no contest) to, any crime (whether or not involving the Company) constituting a felony in the jurisdiction involved; or

(b) Consultant is in material breach of any provision of this Agreement or any other agreement with the Company, or willfully fails to or refuses to comply with the lawful directives of the Chief Executive Officer or the Board in the performance of his duties under this Agreement (other than a failure caused by temporary disability).

7. Proprietary Rights and Nondisclosure and Nonuse of Confidential Information.

7.1 It is understood that during the term of this Agreement, Consultant may be exposed to information that is confidential and proprietary to the Company. All such information (hereinafter "Lixte Confidential Information"), whether written or oral, tangible or intangible, that is made available, disclosed, or otherwise made known to Consultant by the Company or its employees under this Agreement shall be considered confidential and shall be considered the sole property of the Company. Lixte Confidential Information shall be (a) marked as confidential, or (b) otherwise represented by the disclosing party as confidential either before or within a reasonable time after its disclosure to the receiving party. This obligation of confidentiality shall remain in effect for a period of five (5) years after the expiration or termination of this Agreement.

7.2 The obligations of confidentiality set forth in Paragraph 7.1 shall not apply to any information that:

(a) is or hereafter becomes generally available to the public other than by reason of any default with respect to a confidentiality obligation under this Agreement; or

(b) was already known to the recipient as evidenced by prior written documents in its possession; or

(c) is disclosed to the recipient by a third party who is not in default of any confidentiality obligation to the disclosing party hereunder; or

(d) is developed by or on behalf of the receiving party, without reliance on confidential information received hereunder as evidenced by written documents in its possession; or

(e) has been approved in writing by one party for publication by the other party; or

(f) is required to be disclosed in compliance with applicable laws or regulations.

8. Nonsolicitation; Nondisparagement. Consultant acknowledges that during the course of Consultant's engagement by the Company, Consultant has and will continue to have the opportunity to develop relationships with existing employees, clients, distributors, and prospective clients, and other business associates of the Company, which relationships constitute goodwill of the Company and that the Company would be irreparably damaged if Consultant were to take actions that would damage or misappropriate such goodwill. Consultant accordingly agrees that during the period commencing on the Effective Date and ending on the first anniversary of the conclusion of the Term, Consultant shall not, directly or indirectly, either for the benefit of Consultant or any other person, do any of the following:

(a) Solicit any employee of the Company to terminate his or her employment with the Company, or employ any such individual during his or her employment with the Company and for a period of six months after such individual terminates his or her employment with the Company;

(b) Solicit any distributor or customer, or prospective distributor or customer, of the Company to terminate his or her relationship with the Company, or accept any business from any such distributor or customer, or prospective distributor or customer, of the Company; or

(c) Make any public statement, comment or remark that disparages the integrity or competence of a Company officer, director, employee, or shareholder, that disparages any product or service of the Company, or that is reasonably likely to cause injury to the relationships between the Company and any existing or prospective distributor, client, lessor, lessee, contractual counterparty, vendor, supplier, customer, employee, consultant or other business associate of the Company. Likewise, the Company agrees that it shall not make any public statement, comment or remark that disparages the integrity or competence of Consultant.

9. Status as Consultant.

9.1 Intention of the Parties. It is mutually understood and agreed that Consultant, while performing all responsibilities under this Agreement, is and shall at all times be, act, function, and perform all services and responsibilities in the legal capacity of an independent contractor. It is mutually understood and agreed that no work, act, commission or omission of any act by Consultant or the Company pursuant to the terms and conditions of this Agreement shall be construed to make or render Consultant an employee of the Company. Furthermore, Consultant shall not, under any circumstances, hold itself out to be an employee of the Company.

9.2 Independent Consultant to Control Performance. The Company shall have no right or authority to direct or control Consultant with respect to the performance of Consultant's duties under this Agreement, or with respect to any other matter, except as otherwise provided by this Agreement. It is further understood that Consultant is free to contract with other companies to provide professional services, as long as that service does not violate the provisions of Sections 7 or 8.

9.3 Expenses. Except as provided in this Section 9.3 and Section 5(a), Consultant shall be fully responsible to pay any and all expenses and disbursements that it incurs in the performance of any services or obligations covered by this Agreement. The Company shall, however, reimburse Consultant for all actual and reasonable travel expenses incurred by Consultant when Consultant is traveling at the request of the Company in connection with its duties; provided, that (i) Consultant shall not be entitled to reimbursement for any individual expenditure in excess of $1,000, unless such expenditure shall have been pre-approved in writing by the Company's Chief Executive Officer, and (ii) Consultant shall not be entitled to reimbursement for a particular expenditure if Consultant does not submit to the Company sufficient documentation evidencing such expenditure.

9.4 Taxes and Benefit Programs. Consultant shall be liable and responsible to pay any and all taxes relating to all amounts paid to Consultant hereunder. It is understood and agreed that because Consultant is not an employee of the Company, the Company shall not withhold any taxes from amounts paid to Consultant. Consultant shall be fully and solely responsible to report income and expenses. Consultant acknowledges that it is solely responsible for its own tax planning and that the Company has not provided Consultant with any tax advice regarding the tax implications of this Agreement. It is also understood and agreed that Consultant shall not be eligible to participate in any benefits or programs sponsored or financed by the Company for its employees.

10. Miscellaneous.

10.1 Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given upon receipt, if delivered personally, upon confirmation of receipt, if given by electronic facsimile and on the third business day following mailing, if mailed first-class, postage prepaid, registered or certified mail addressed as follows:

If to the Company to:
Lixte, Inc.
6 Tinker Lane
East Setauket, New York 11733
Attn: John Kovach, M.D.
Phone: (631) 751-2882
Fax: (631) 982-5050
Email: kovach1329@yahoo.com
If to Consultant:

Phone:
Fax:
e-mail:

Any party may by notice given in accordance with this Section 11.1 to the other parties designate another address or person for receipt of notices hereunder.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof. This Agreement may be amended, superceded, canceled, renewed or extended, and the terms hereof or thereof may be waived, only by a written instrument signed by each of the parties hereto or thereto or, in the case of a waiver, by the party waiving compliance.

10.3 Attorneys' Fees. If any legal action or arbitration arises under this Agreement, arises by reason of any asserted breach of it, or arises between the parties and is related in any way to the subject matter of the Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, arbitration costs, investigative costs, reasonable accounting fees and charges for experts.

10.4 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and permitted assigns. Neither this Agreement nor any of the rights hereunder may be assigned by any party, nor may any party delegate any obligations hereunder or thereunder, without the written consent of the other party hereto or thereto; provided, however, that the Company may assign its rights hereunder to any subsidiary or to any person or entity that acquires, directly or indirectly, all or substantially all of the Company's business (whether through acquisition of assets, stock or any other means). Any non-permitted assignment or attempted assignment shall be void, *ab initio*. Nothing herein is intended or shall be construed to give any person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, except as otherwise provided herein.

10.5 Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of any counterpart signature page of this Agreement, written communication or notice hereunder by facsimile shall be equally as effective as delivery of a manually executed original of such counterpart signature page, communication or notice.

10.6 Further Assurances. Each party hereto shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions of this Agreement and the transactions contemplated hereby.

10.7 Agreement Authorized. Consultant hereby represents and warrants that it is free to enter into this Agreement and that it is free to render its services pursuant to this Agreement, and that Consultant is not subject to any obligation or restriction that would prevent it or them from discharging their duties under this Agreement, and agrees to indemnify and hold harmless the Company from and with respect to any liability, damages or costs, including attorneys' fees, arising out of any breach by Consultant of this representation and warranty.

10.8 Governing Law. The validity, interpretation and construction of this Agreement and each part thereof will be governed by the laws of the State of New York.

10.9 Entire Agreement. This Agreement, and any other agreement explicitly mentioned herein, by and between the Company and Consultant, set forth the entire agreement between the Company and Consultant with respect to the subject matter hereof, and supersedes any and all prior agreements between the Company and Consultant, whether written or oral, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement. This Agreement does not constitute a commitment of the Company with regard to Consultant's engagement, express or implied, other than to the extent expressly provided for herein.

10.10 Survival at Termination. The termination of this Agreement shall not affect the obligations to the parties hereunder which by the nature thereof are intended to survive any such termination including, without limitation, the obligations of Consultant under Sections 7 and 8.

IN WITNESS WHEREOF, the parties hereto have duly executed this Consulting Agreement as of the day and year first above written.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.

By:_____
John Kovach
Its: President

_____
Gil Schwartzberg

Mirador Consulting

CONSULTING AGREEMENT

THIS AGREEMENT (the "Agreement"), is made and entered into as of this 20th day of September 2007, by and between Mirador Consulting, Inc., a Florida corporation, with offices at 5499 N. Federal Hwy, Suite D, Boca Raton, Florida 33487 ("Mirador" or the "Consultant"), and Lixte Biotechnology Holdings, Inc., a Delaware corporation, with offices at 248 Route 25A, No.2 East Setauket, New York 11733 (the "Company") (together the "Parties").

WHEREAS, Consultant is in the business of providing services for management consulting, business advisory, shareholder information and public relations;

WHEREAS, the Company deems it to be in its best interest to retain Consultant to render to the Company such services as may be needed; and

WHEREAS, the Parties desire to set forth the terms and conditions under which Consultant shall provide services to the Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other valid consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

Term of Agreement

The Agreement shall remain in effect from the date hereof through the expiration of a period of one year from the date hereof (the "Term"), and thereafter may be renewed upon the mutual written consent of the Parties.

Nature of Services to be rendered.

During the Term and any renewal thereof, Consultant shall: (a) provide the Company with corporate consulting services on a best efforts basis in connection with corporate finance, corporate finance relations, introductions to other financial relations companies and other financial services; (b) contact the Company's existing stockholders, responding in a professional manner to their questions and following up as appropriate; and (c) use its best efforts to introduce the Company to various securities dealers, investment advisors, analysts, funding sources and other members of the financial community with whom it has established relationships, and generally assist the Company in its efforts to enhance its visibility in the financial community (collectively, the "Services"). It is acknowledged and agreed by the Company that Consultant carries no professional licenses, and is not rendering legal advice or performing accounting services, nor acting as an investment advisor or brokerage/dealer within the meaning of the applicable state and federal securities laws. The Services of Consultant shall not be exclusive

nor shall Consultant be required to render any specific number of hours or assign specific personnel to the Company or its projects.

Disclosure of Information

Consultant agrees as follows:

The Consultant shall NOT disclose to any third party any material non-public information or data received from the Company without the written consent and approval of the Company other than: (i) to its agents or representatives that have a need to know in connection with the Services hereunder; provided such agents and representatives have a similar obligation to maintain the confidentiality of such information; (ii) as may be required by applicable law; provided, Consultant shall provide prompt prior written notice thereof to the Company to enable the Company to seek a protective order or otherwise prevent such disclosure; and (iii) such information as becomes publicly known through no action of the Consultant, or its agents or representatives.

Compensation.

The following represents the compensation to be received by the Consultant in connection with rendering the Services hereunder:

Upon execution of this Agreement, the Company shall pay the Consultant the sum of $5,000 per month.

In addition, the Consultant shall purchase and the Company will issue to the Consultant 250,000 shares of the Company's restricted common stock for a total purchase price of two hundred fifty dollars ($250.00) (the "Restricted Stock") as per the Investment Representation Letter (incorporated by reference into the Agreement and attached as Addendum A).

Finders Agreement.

In the event that Mirador initially introduces Company to a source of funding, unless a different arrangement is agreed upon in writing, in advance, on a case-by-case basis, Mirador shall receive a "finders fee" of five (5%) percent of the total amount of any funding the Company receives as the result of this introduction.. Company shall pay Mirador all compensation due to it immediately after Company has received its funding. This Finder's fee obligation shall survive the expiration or termination of this Consulting Agreement and will expire three (3) years from the date of said Agreement.

Representations and Warranties of the Consultant.

In order to induce the Company to enter into this Agreement, the Consultant hereby makes the following unconditional representations and warranties:

In connection with its execution of and performance under this Agreement, the Consultant has not taken and will not take any action that will cause it to become required to make any filings with or to register in any capacity with the Securities and Exchange Commission (the "SEC"),

the National Association of Securities Dealers, Inc. (the "NASD"), the securities commissioner or department of any state, or any other regulatory or governmental body or agency. Neither the Consultant nor any of its principals is subject to any sanction or restriction imposed by the SEC, the NASD, any state securities commission or department, or any other regulatory or governmental body or agency, which would prohibit, limit or curtail the Consultant's execution of this Agreement or the performance of its obligation hereunder.

The Consultant's purchase of shares pursuant to this Agreement is an investment made for its own account. The Consultant is permitted to provide consulting services to any corporation or entity engaged in a business identical or similar to the Company's.

Duties of the Company.

The Company will supply Consultant, on a regular basis and timely basis, with all approved data and information about the Company, its management, its products, and its operations as reasonably requested by Consultant and which the Company can obtain with reasonable effort; and Company shall be responsible for advising Consultant of any facts which would affect the accuracy of any prior data and information previously supplied to Consultant so that the Consultant may take corrective action.

The Company's counsel must, within five (5) business days of receiving written notice from the Consultant, provide an opinion letter to the Consultant and the Transfer Agent for the Company's Restricted Stock addressing the permissible resale of the Restricted Stock (pursuant to Rule 144 of the Securities Act of 1933, as amended (the "1933 Act") transferred to the Consultant under this Agreement.

Representations and Warranties of the Company.

In order to induce the Consultant to enter into this Agreement, the Company hereby makes the following unconditional representations and warranties:

The Company is not subject to any restriction imposed by the SEC or by operation of the 1933 Act, the Exchange Act of 1934, as amended (the "1934 Act") or any of the rules and regulations promulgated under the 1933 Act or the 1934 Act which prohibit its execution of this Agreement or the performance of its obligations to the Consultant set forth herein. The Company has not been sanctioned by the SEC, the NASD or any state securities commissioner or department in connection with any issuance of its securities. All payments required to be made on time and in accordance with the payment terms and conditions set forth herein. The Company acknowledges that the Consultant does not guarantee its ability to cause the consumption of any contract or merger or acquisition with any corporate candidate.

The Company will obtain "Lock Up" Agreements in the forms attached hereto as Exhibits A & B. These Agreements will lock up approximately ninety two point three percent (92.3%) of the Company's pre-merger shares

Compliance with Securities Laws

The Parties acknowledge and agree that the Company is subject to the requirements of the 1934 Act, and that the 1933 Act, the 1934 Act, the rules and regulations promulgated thereunder and the various state securities laws (collectively, "Securities Laws") impose significant burdens and limitations on the dissemination of certain information about the Company by the Company and by persons acting for or on behalf of the Company. Each of the Parties agrees to comply with all applicable Securities Laws in carrying out its obligations under the Agreement; and without limiting the generality of the foregoing, the Company hereby agrees (i) all information about the Company provided to the Consultant by the Company, which the Company expressly agrees may be disseminated to the public by the Consultant in providing any public relations or other services pursuant to the Agreement, shall not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading, (ii) the Company shall promptly notify the Consultant if it becomes aware that it has publicly made any untrue statement of a material fact regarding the Company or has omitted to state any material fact necessary to make the public statements made by the Company, in light of the circumstances in which they were made, not misleading, and (iii) the Company shall promptly notify the Consultant of any "quiet period" or "blackout period" or other similar period during which public statements by or on behalf of the Company are restricted by any Securities Law. Each Party (an "indemnifying party") hereby agrees, to the full extent permitted by applicable law, to indemnify and hold harmless the other Party (the "indemnified party") for any damages caused to the indemnified party by the indemnifying party's breach or violation of any Securities Law, except to the extent that the indemnifying party's breach or violation of a Securities Law is caused by the indemnified party's breach or violation of the Agreement, or any Securities Law.

Issuance of Restricted Stock to Consultant

The Restricted Stock shall be issued as fully-paid and non-assessable securities. The Company shall take all corporate action necessary for the issuance Restricted Stock, to be legally valid and irrevocable, including obtaining the prior approval of its Board of Directors.

Expense Reimbursement.

Consultant shall be entitled to receive cash reimbursement, and the Company shall provide cash reimbursement, of all reasonable and necessary cash expenses paid by the Consultant on behalf of the Company in performance of its own duties hereunder. Such expenses shall include, without limitation, reasonable expenses for communications, deliveries and travel. In no event, however, will the Consultant incur on behalf of the Company any expense without the prior written consent of the Company.

Registration Obligations.

At any time following the signing of the Agreement if the Company files a registration statement with the SEC registering an amount of securities equal to at least $1,000,000 ("Registration Statement"), other than the registration of original issue shares of the company held by WestPark Capital Affiliates; Richard R. Rappaport and Anthony Pintsopoulos, the Company must provide

a ten (10) day prior written notice of the Registration Statement to the Consultant and any subsequent holder of the Restricted Stock and at the written request and direction of the Consultant and/or subsequent holders must provide piggy back registration rights and include and/or subsequent holders shares in the Registration Statement. The obligation hereunder shall expire when the Restricted Stock may be sold under Rule 144 without regard to the volume limitations.

Indemnification of Consultant by the Company.

The Company acknowledges that the Consultant relies on information provided by the Company in connection with the provisions of Services hereunder and represents that said information does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading, and agrees to hold harmless and indemnify the Consultant for claims against the Consultant as a result of any breach of such representation and for any claims relating to the purchase and/or sale of the Company's securities occurring out of or in connection with the Consultant's relationship with the Company including, without limitation, reasonable attorney's fees and other costs arising out of any such claims; provided, however, that the Company will not be liable in any such case for losses, claims, damages, liabilities or expenses that arise from the gross negligence or willful misconduct of Consultant.

Indemnification of the Company by the Consultant.

The Consultant shall indemnify and hold harmless the Company and its principals from and against any and all liabilities and damages arising out of any the Consultant's gross negligence or intentional breach of its representations, warranties or agreements made hereunder.

Applicable Law.

It is the intention of the parties hereto that this Agreement and the performance hereunder and all suits and special proceedings hereunder be construed in accordance with and under and pursuant to the laws of the State of New York and that in any action, special proceeding or other proceedings that may be brought arising out of, in connection with or by reason of this Agreement, the law of the State of New York shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction on which any action or special proceeding may be instituted.

Disputes.

Any conflicts, disputes and disagreements arising out of or in connection with the Agreement, shall be subject to arbitration through the jurisdiction of the AAA in Nassau County, New York. However, if Consultant needs to enforce any registration rights or shareholder rights, Consultant reserves the right to file an injunctive action in a court in Nassau County, New York. In signing this Agreement, the Company waives their right to challenge jurisdiction on this issue.

Entire Understanding/Incorporation of other Documents.

The Agreement contains the entire understanding of the Parties with regard to the subject matter hereof, superseding any and all prior agreements or understandings whether oral or written, and no further or additional agreements, promises, representations or covenants may be inferred or construed to exist between the Parties.

No Assignment or Delegation Without Prior Approval.

No portion of the Agreement or any of its provisions may be assigned, nor obligations delegated, to any other person or party without the prior written consent of the Parties except by operation of law or as otherwise set forth herein.

Survival of Agreement.

The Agreement and all of its terms shall inure to the benefit of any permitted assignees of or lawful successors to either Party.

Independent Contractor.

Consultant agrees to perform its consulting duties hereto as an independent contractor. Nothing contained herein shall be considered to as creating an employer-employee relationship between the parties to this Agreement.

Non-Circumvention. The parties agree that confidential Information shall not be used for the enrichment, directly or indirectly, of the Recipient or its affiliates, without the express written consent of Owner (Owner as herein referred to shall mean either the Company or the Consultant). The parties further agree that following receipt of Confidential Information from Owner including but not limited to relationships and business contacts, Recipient shall not contract or attempt to sell to, transact with or purchase from Owner-provided sources without the written permission from Owner unless (i) a business relationship between Recipient and Owner-provided source predated this Agreement, and (ii) Recipient can substantiate exchanges specific to the Owner-disclosed information between Recipient and the Owner-provided source prior to the date of the signing of this Agreement.

No Amendment Except in Writing.

Neither the Agreement nor any of its provisions may be altered or amended except in a dated writing signed by the Parties.

Waiver of Breach.

No waiver of any breach of any provision hereof shall be deemed to constitute a continuing waiver or a waiver of any other portion of the Agreement.

Severability of the Agreement.

Except as otherwise provided herein, if any provision hereof is deemed by arbitration or a court of competent jurisdiction to be legally unenforceable or void, such provision shall be stricken from the Agreement and the remainder hereof shall remain in full force and effect.

Termination of the Agreement.

The Company may terminate the Agreement, with or without cause, by providing a thirty (30) day written notification to the Consultant. The Agreement will terminate thirty (30) days following the date of receipt of the written notification by the non-terminating party ("Date of Termination"). In the event of termination of the Agreement by the Company, the Consultant shall be entitled to keep any and all fees, Company stock or other compensation it received from the Company under the Agreement prior to the Date of Termination.

Counterparts and Facsimile Signature.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a party hereto shall constitute a valid and binding execution and delivery of this Agreement by such party. Such facsimile copies shall constitute enforceable original documents.

No Construction Against Drafter.

The Agreement shall be construed without regard to any presumption or other requiring construction against the Party causing the drafting hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, effective as of the date set forth above.

Lixte Biotechnology Holdings, Inc.

By:_____
John S. Kovach, CEO

Mirador Consulting, Inc.

By:_____
Brian S. John, President

INVESTMENT REPRESENTATION LETTER
(ADDENDUM A)

The undersigned subscriber, Mirador Consulting, Inc., (the "Subscriber") is acquiring 250,000 shares of the common stock (the "Shares") of Lixte Biotechnology Holdings, Inc. (the "Company") for Two Hundred Fifty Dollars ($250.00) in connection with the Consulting Agreement, dated September 20 2007, between the Subscriber and the Company. In order to induce the Company to issue the shares to the Subscriber, the Subscriber hereby makes the following representations, gives the following warranties, and acknowledges the following information:

1. The Subscriber represents that it has full power and authority to execute this statement and make the representations contained herein. The Subscriber understands that the Company is relying on this statement in issuing it the Shares.

2. The shares are being purchased solely for investment purposes, for the Subscriber's own account, and not with a view to, or for sale in conjunction with, any distribution of the shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Subscriber further represents that it does not have any contract, undertaking or arrangement with any person to sell, transfer or grant participation to such person or to any third person, with respect to any of the Shares.

3. The Subscriber acknowledges that the Shares have not been registered under the Securities Act and are to be issued to the Subscriber in reliance upon one or more exemptions from registration contained in the Securities Act and applicable state securities laws. The Subscriber has no right to demand the registration of the Shares to permit them to be resold, and no representations about subsequent registrations have been made by the Company. The Subscriber acknowledges that the Shares cannot be transferred except pursuant to a registration under the Securities Act or pursuant to an exemption from the Securities Act deemed to be lawfully available. In this connection, the Subscriber represents that it is familiar with SEC Rule 144 as presently in effect, and understand the resale limitations imposed thereby and by the Securities Act.

4. The Subscriber acknowledges that the exemption provided by Rule 144 under the Securities Act provide for limited sale of unregistered shares but may not be available to the Subscriber at the time he or she may desire to sell the shares. No representations have been made to the Subscriber that any part of the shares will be saleable Pursuant to Rule 144 at any particular time.

5. The Subscriber has had an opportunity to ask questions of and receive answers from the Company regarding the Company, its business and prospects and the terms and conditions of the sale of the Shares. It believes it has received all the information it considers necessary or appropriate for deciding whether to acquire the Shares.

6. The Shares represent a speculative investment involving a high degree of risk loss of the purchase price. The Subscriber has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Shares and of making an informed investment decision. The Subscriber is able to bear the economic risk of the investment in the Share, to hold the Shares an indefinite period of time, and to afford a complete loss of the purchase price.

7. The Shares will be represented by a certificate bearing a prominent legend setting forth the restricted nature of the Shares as deemed appropriate by the Company's counsel.

8. The Subscriber will not sell, transfer, pledge or otherwise dispose of or encumber any of the Shares it receives unless and until (i) such shares are subsequently registered under the Securities Act and each applicable state securities law; or (ii) (1) an exemption from such registration is available thereunder, and (2) the undersigned has notified the Company of the proposed transfer and have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such transfer will not require registration of such shares under the Act. The undersigned understands that the Company is not obligated, and does not intend, to register any such shares under the Act or any state securities laws.

ACCEPTED BY

Mirador Consulting, Inc.	Lixte Biotechnology Holdings, Inc.
By: _____	By: John Kovach 9/20/07
Brian S. John, President DATE	John S. Kovach, CEO DATE

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement"), is entered into on September __, 2007 by and between Lixte Biotechnology Holdings, Inc., a Delaware corporation (the "Company"), and Francis Johnson, PhD ("Consultant").

RECITALS

WHEREAS, Consultant has certain knowledge, expertise, experience and reputation which the Company desires to avail itself; and

WHEREAS, upon the terms and subject to the conditions of this Agreement, the Company desires to retain Consultant to provide certain consulting services to the Company, and Consultant wishes to render such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and agreements herein contained, Consultant and the Company by this Agreement agree as follows:

1. Engagement. The Company hereby agrees that, commencing on September 12, 2007 (the "Effective Date"), the Company shall engage Consultant and Consultant hereby accepts such engagement with the Company, upon the terms and subject to the conditions hereinafter set forth.

2. Term. The term of Consultant's engagement under this Agreement (the "Term") shall commence on the Effective Date and, subject to the provisions of Section 6, shall continue until the third anniversary of the Effective Date.

3. Services.

(a) Consultant shall provide the following consulting services to the Company ("Services"):

(b) Consult on identifying compounds of interest to the Company ("Compounds");

(c) Advise as to chemical modifications of Compounds for enhancement of their effectiveness and for reduction or elimination of toxicity;

(d) Assist in submission of appropriate materials needed for patent applications dealing with matters of composition, details of synthesis, and documentation of structure and purity;

(e) Review and comment on drafts of patent application dealing with any aspects of chemistry and pharmacology; and

(f) Assist the Company in interpreting the relevance of the existing patent literature to the goals and objectives with respect to development of patentable Compounds by the Company.

4. No Authority to Bind. Except as directed and authorized by the Chief Executive Officer of the Company in writing, Consultant shall not execute or agree to any contract, agreement or instrument on behalf of the Company.

5. Compensation. The Company shall pay or issue to Consultant:

(a) $1,000 per day for any meetings outside Suffolk County, New York; and

(b) An option to purchase 300,000 shares of common stock at an exercise price of $0.33 1/3 per share, 1/3 of which will vest on the first anniversary of this Agreement, 1/3 of which will vest on the second anniversary of this Agreement, and 1/3 of which will vest on the third anniversary of this Agreement.

All such options granted pursuant to this Agreement shall be subject to the terms and conditions of the Stock Option Agreement by and between the Company and Consultant. Any grant of options to Consultant shall be conditioned upon receipt of such Stock Option Agreement.

6. Termination. Either Consultant or the Company may terminate this Agreement at any time for any reason upon 90-days written notice delivered to the other party. In addition, the Company may terminate this Agreement at any time "for cause" upon delivery of written notice to Consultant, in which case such termination shall be effective immediately upon Consultant's receipt of the written notice.

"Cause" shall mean:

(a) Consultant is convicted of, or pleas *nolo contendere* (no contest) to, any crime (whether or not involving the Company) constituting a felony in the jurisdiction involved; or

(b) Consultant is in material breach of any provision of this Agreement or any other agreement with the Company, or willfully fails to or refuses to comply with the lawful directives of the Chief Executive Officer or the Board in the performance of his duties under this Agreement (other than a failure caused by temporary disability).

7. Intellectual Property.

7.1 The Company and its affiliates shall be free to use any Compound and any information relating to Compounds provided pursuant to this Agreement ("Compound Related Information") for any purpose including, without limitation, developing compositions and methods for treating diseases. Diseases include, without limitation, cancers such as glioblastomas.

7.2 The Company shall have no obligation during or after the term of this Agreement to provide or otherwise disclose to Consultant or any third party any material or information which the Company or its affiliates produce or derive using any Compound or Compound-Related Information.

7.3 All data, information, results and materials that are developed by the Company using Compounds or Compound-Related Information during or after the term of this Agreement shall be solely owned by the Company.

7.4 All Compounds and Compound-Related Information shall be solely owned by the Company.

7.5 All patents and patent applications claiming inventions which (i) constitute Compounds or Compound–Related Information or incorporate Compounds or Compound–Related Information, and (ii) are made by one or more employees of a party hereto (hereinafter "Patents" and "Patent Applications", respectively) shall be solely owned by the Company although Consultant may participate as co-inventor on the Patents.

7.6 The Company shall be responsible for, and bear all costs of, preparing, filing, prosecuting and maintaining Patents and Patent Applications in such countries the Company deems appropriate. The Company shall also be responsible for conducting all contested proceedings, including interferences, reexaminations, reissues, oppositions, infringement actions, nullity actions, and the like relating to such Patents and Patent Applications.

7.7 Consultant shall promptly sign, or have signed, any assignment necessary to accomplish the ownership provisions of this Article.

7.8 Consultant shall cooperate with and assist the Company, at the Company's request and expense, in whatever reasonable ways are needed to effectuate the provisions of this Section 7.

8. Proprietary Rights and Nondisclosure and Nonuse of Confidential Information.

8.1 It is understood that during the term of this Agreement, Consultant may be exposed to information that is confidential and proprietary to the Company. All such information (hereinafter "Lixte Confidential Information"), whether written or oral, tangible or intangible, that is made available, disclosed, or otherwise made known to Consultant by the Company or its employees under this Agreement shall be considered confidential and shall be considered the sole property of the Company. Lixte Confidential Information shall be (a) marked as confidential, or (b) otherwise represented by the disclosing party as confidential either before or within a reasonable time after its disclosure to the receiving party. This obligation of confidentiality shall remain in effect for a period of five (5) years after the expiration or termination of this Agreement.

8.2 The obligations of confidentiality set forth in Paragraph 8.1 shall not apply to any information that:

(a) is or hereafter becomes generally available to the public other than by reason of any default with respect to a confidentiality obligation under this Agreement; or

(b) was already known to the recipient as evidenced by prior written documents in its possession; or

(c) is disclosed to the recipient by a third party who is not in default of any confidentiality obligation to the disclosing party hereunder; or

(d) is developed by or on behalf of the receiving party, without reliance on confidential information received hereunder as evidenced by written documents in its possession; or

(e) is used with the consent of the disclosing party (which consent shall not be unreasonably withheld) in Patent Applications under the terms of this Agreement; or

(f) has been approved in writing by one party for publication by the other party; or

(g) is required to be disclosed in compliance with applicable laws or regulations.

8.3 The Company shall be free during and after the term of this Agreement to make public, or discard, any data, information, results or materials that are developed by the Company using Compounds or Compound-Related Information.

9. Nonsolicitation; Nondisparagement. Consultant acknowledges that during the course of Consultant's engagement by the Company, Consultant has and will continue to have the opportunity to develop relationships with existing employees, clients, distributors, and prospective clients, and other business associates of the Company, which relationships constitute goodwill of the Company and that the Company would be irreparably damaged if Consultant were to take actions that would damage or misappropriate such goodwill. Consultant accordingly agrees that during the period commencing on the Effective Date and ending on the first anniversary of the conclusion of the Term, Consultant shall not, directly or indirectly, either for the benefit of Consultant or any other person, do any of the following:

(a) Solicit any employee of the Company to terminate his or her employment with the Company, or employ any such individual during his or her employment with the Company and for a period of six months after such individual terminates his or her employment with the Company;

(b) Solicit any distributor or customer, or prospective distributor or customer, of the Company to terminate his or her relationship with the Company, or accept any business from any such distributor or customer, or prospective distributor or customer, of the Company; or

(c) Make any public statement, comment or remark that disparages the integrity or competence of a Company officer, director, employee, or shareholder, that disparages any product or service of the Company, or that is reasonably likely to cause injury to the relationships between the Company and any existing or prospective distributor, client, lessor, lessee, contractual counterparty, vendor, supplier, customer, employee, consultant or other business associate of the Company. Likewise, the Company agrees that it shall not make any public statement, comment or remark that disparages the integrity or competence of Consultant.

10. Status as Consultant.

10.1 Intention of the Parties. It is mutually understood and agreed that Consultant, while performing all responsibilities under this Agreement, is and shall at all times be, act, function, and perform all services and responsibilities in the legal capacity of an independent contractor. It is mutually understood and agreed that no work, act, commission or omission of any act by Consultant or the Company pursuant to the terms and conditions of this Agreement shall be construed to make or render Consultant an employee of the Company. Furthermore, Consultant shall not, under any circumstances, hold himself out to be an employee of the Company.

10.2 Independent Consultant to Control Performance. The Company shall have no right or authority to direct or control Consultant with respect to the performance of Consultant's duties under this Agreement, or with respect to any other matter, except as otherwise provided by this Agreement. It is further understood that Consultant is free to contract with other companies to provide professional services, including Chem-Master International, Inc. as long as that service does not violate the provisions of Sections 7, 8, or 9.

10.3 Expenses. Except as provided in this Section 10.3 or Section 5(a), Consultant shall be fully responsible to pay any and all expenses and disbursements that it incurs in the performance of any services or obligations covered by this Agreement. The Company shall, however, reimburse Consultant for all actual and reasonable travel expenses incurred by Consultant when Consultant is traveling at the request of the Company in connection with its duties, provided, that (i) Consultant shall not be entitled to reimbursement for any individual expenditure in excess of $1,000, unless such expenditure shall have been pre-approved in writing by the Company's Chief Executive Officer, and (ii) Consultant shall not be entitled to reimbursement for a particular expenditure if Consultant does not submit to the Company sufficient documentation evidencing such expenditure.

10.4 Taxes and Benefit Programs. Consultant shall be liable and responsible to pay any and all taxes relating to all amounts paid to Consultant hereunder. It is understood and agreed that because Consultant is not an employee of the Company, the Company shall not withhold any taxes from amounts paid to Consultant. Consultant shall be fully and solely responsible to report income and expenses. Consultant acknowledges that it is solely responsible for its own tax planning and that the Company has not provided Consultant with any tax advice regarding the tax implications of this Agreement. It is also understood and agreed that

Consultant shall not be eligible to participate in any benefits or programs sponsored or financed by the Company for its employees.

11. Miscellaneous.

11.1 Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given upon receipt, if delivered personally, upon confirmation of receipt, if given by electronic facsimile and on the third business day following mailing, if mailed first-class, postage prepaid, registered or certified mail addressed as follows:

If to the Company to:

Lixte, Inc.
6 Tinker Lane
East Setauket, New York 11733
Attn: John Kovach, M.D.

Phone: (631) 751-2882
Fax: (631) 982-5050
Email: kovach1329@yahoo.com

If to Consultant:

P.O. Box 563
East Setauhet, NY 11733
Phone:
Fax:
e-mail:

Any party may by notice given in accordance with this Section 11.1 to the other parties designate another address or person for receipt of notices hereunder.

11.2 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof. This Agreement may be amended, superceded, canceled, renewed or extended, and the terms hereof or thereof may be waived, only by a written instrument signed by each of the parties hereto or thereto or, in the case of a waiver, by the party waiving compliance.

11.3 Attorneys' Fees. If any legal action or arbitration arises under this Agreement, arises by reason of any asserted breach of it, or arises between the parties and is related in any way to the subject matter of the Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, arbitration costs, investigative costs, reasonable accounting fees and charges for experts.

11.4 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and permitted assigns.

Neither this Agreement nor any of the rights hereunder may be assigned by any party, nor may any party delegate any obligations hereunder or thereunder, without the written consent of the other party hereto or thereto; provided, however, that the Company may assign its rights hereunder to any subsidiary or to any person or entity that acquires, directly or indirectly, all or substantially all of the Company's business (whether through acquisition of assets, stock or any other means). Any non-permitted assignment or attempted assignment shall be void, ab initio. Nothing herein is intended or shall be construed to give any person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, except as otherwise provided herein.

11.5 Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of any counterpart signature page of this Agreement, written communication or notice hereunder by facsimile shall be equally as effective as delivery of a manually executed original of such counterpart signature page, communication or notice.

11.6 Further Assurances. Each party hereto shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions of this Agreement and the transactions contemplated hereby.

11.7 Agreement Authorized. Consultant hereby represents and warrants that it is free to enter into this Agreement and that it is free to render its services pursuant to this Agreement, and that Consultant is not subject to any obligation or restriction that would prevent it or them from discharging their duties under this Agreement, and agrees to indemnify and hold harmless the Company from and with respect to any liability, damages or costs, including attorneys' fees, arising out of any breach by Consultant of this representation and warranty.

11.8 Governing Law. The validity, interpretation and construction of this Agreement and each part thereof will be governed by the laws of the State of New York.

11.9 Entire Agreement. This Agreement, and any other agreement explicitly mentioned herein, by and between the Company and Consultant, set forth the entire agreement between the Company and Consultant with respect to the subject matter hereof, and supersedes any and all prior agreements between the Company and Consultant, whether written or oral, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement. This Agreement does not constitute a commitment of the Company with regard to Consultant's engagement, express or implied, other than to the extent expressly provided for herein.

11.10 Survival at Termination. The termination of this Agreement shall not affect the obligations to the parties hereunder which by the nature thereof are intended to survive any such termination including, without limitation, the obligations of Consultant under Sections 7, 8, and 9.

IN WITNESS WHEREOF, the parties hereto have duly executed this Consulting Agreement as of the day and year first-above written.

LIXTE BIOTECHNOLOGY HOLDINGS, INC.

By: _____
John Kovach
Its: President

_____
Francis Johnson

CERTIFICATIONS

I, John S. Kovach, Chief Executive Officer and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Lixte Biotechnology Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of 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 my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. omitted;

   c. evaluated the effectiveness of the small business issuer'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 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 my 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.

Date: November 13, 2007

By: /s/ JOHN S. KOVACH

John S. Kovach
Chief Executive Officer and Chief Financial Officer
(Principal financial and accounting officer)

Exhibit 32

Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report on Form 10-QSB for the Quarterly Period Ended September 30, 2007 (the "Report") by Lixte Biotechnology Holdings, Inc., the undersigned hereby certifies that:

1. The Report complies in all material respects with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

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

Date: November 13, 2007

By: /s/ JOHN S. KOVACH

John S. Kovach
Chief Executive Officer and Chief Financial Officer
(Principal financial and accounting officer)