

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2009**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number **333-141131**

MABCURE INC.

(Exact name of Registrant as specified in its charter)

Nevada

20-4907813

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

De Schiervellaan 3/B1, 3500 Hasselt, Belgium

(Address of principal executive offices) (zip code)

+32 (48) 7425303

(Registrant's telephone number, including area code)

N/A

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of November 16, 2009, there were 60,399,725 shares of the Registrant's common stock issued and outstanding.

MABCURE, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements – (Unaudited)

**MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2009, AND DECEMBER 31, 2008
(Unaudited)**

ASSETS

	As of September 30, 2009	As of December 31, 2008
Current Assets:		
Cash and cash equivalents	\$ 578,179	\$ 811,439
Accounts receivable - Other	25,006	10,574
Prepaid expenses	28,952	16,586
Total current assets	<u>632,137</u>	<u>838,599</u>
Property and Equipment:		
Computer and office equipment	10,700	3,084
Furniture and fixtures	8,517	8,198
Lab equipment	112,834	92,974
Vehicles	73,268	62,324
Website development costs	3,640	3,640
	<u>208,959</u>	<u>170,220</u>
Less - Accumulated depreciation and amortization	<u>(34,606)</u>	<u>(4,054)</u>
Net property and equipment	<u>174,353</u>	<u>166,166</u>
Other Assets:		
Intellectual property	18,485,286	18,485,286
Security deposits	2,408	3,877
Total other assets	<u>18,487,694</u>	<u>18,489,163</u>
Total Assets	<u><u>\$ 19,294,184</u></u>	<u><u>\$ 19,493,928</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Current portion of capital lease obligations	\$ 36,421	\$ 31,473
Loans payable	558,258	58,258
Accounts payable and accrued liabilities	156,420	97,000
Due to related parties - Directors and officers	21,571	8,138
Total current liabilities	<u>772,670</u>	<u>194,869</u>
Long-Term Debt, less current portion:		
Capital lease obligations	<u>67,321</u>	<u>91,606</u>
Total long-term debt	<u>67,321</u>	<u>91,606</u>
Total liabilities	<u>839,991</u>	<u>286,475</u>
Commitments and Contingencies		
Stockholders' Equity:		
Common stock, par value \$0.001 per share; 1,500,000,000 shares authorized; 60,348,000 shares issued and outstanding in 2009 and 2008, respectively	60,348	60,348
Additional paid-in capital	19,948,560	19,782,348
Donated capital	13,000	13,000
Accumulated other comprehensive (loss)	(12,185)	(7,470)
(Deficit) accumulated during the development stage	<u>(1,555,530)</u>	<u>(640,773)</u>
Total stockholders' equity	<u>18,454,193</u>	<u>19,207,453</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 19,294,184</u></u>	<u><u>\$ 19,493,928</u></u>

The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2009, AND 2008, AND
CUMULATIVE FROM INCEPTION (MAY 8, 2006) THROUGH SEPTEMBER 30, 2009
(Unaudited)

	Three Months Ended		Nine Months Ended		Cumulative From Inception
	September 30,		September 30,		
	2009	2008	2009	2008	
Revenues	\$ -	\$ -	\$ -	\$ -	-
Expenses:					
Research and development	23,656	-	150,763	-	154,569
General and administrative-					
Salaries and wages	69,859	85,140	211,957	85,140	398,097
Stock-based compensation	166,212	-	166,212	-	172,622
Professional fees	21,357	29,226	69,324	124,127	329,161
Management and consulting	15,577	3,626	36,223	49,625	101,621
Travel	10,948	15,203	31,587	35,636	77,016
Marketing and public relations	53,669	3,756	104,575	10,233	116,181
Insurance	7,907	6,226	30,132	7,038	44,212
Office	6,825	2,473	24,570	3,527	32,251
Employee housing	5,570	2,871	17,768	2,871	29,442
Depreciation and amortization	10,595	440	28,677	542	32,532
Meals and entertainment	2,179	5,294	9,615	7,648	20,106
Bank and other charges	2,345	1,166	13,224	2,534	26,220
Office rent	3,216	-	11,748	-	18,574
Tax and licenses	-	-	4,543	-	4,543
Total general and administrative expenses	376,259	155,421	760,155	328,921	1,402,578
(Loss) from Operations	(399,915)	(155,421)	(910,918)	(328,921)	(1,557,147)
Other Income (Expense):					
Interest and other income	532	1,095	3,791	1,095	10,217
Interest expense	(4,119)	-	(7,630)	-	(8,600)
Total other income (expense)	(3,587)	1,095	(3,839)	1,095	1,617
(Loss) before Income Taxes	(403,502)	(154,326)	(914,757)	(327,826)	(1,555,530)
Provision for income taxes	-	-	-	-	-
Net (Loss)	(403,502)	(154,326)	(914,757)	(327,826)	(1,555,530)
Comprehensive (Loss):					
Foreign currency translation adjustment	(2,326)	-	(4,715)	-	(12,185)
Total Comprehensive (Loss)	\$ (405,828)	\$ (154,326)	\$ (919,472)	\$ (327,826)	\$ (1,567,715)
(Loss) Per Common Share:					
(Loss) per common share - Basic	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)	
(Loss) per common share - Diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)	
Weighted Average Number of Common Shares					
Outstanding - Basic	60,348,000	58,257,913	60,348,000	37,514,336	
Outstanding - Diluted	60,428,217	58,257,913	60,375,033	37,514,336	

*The accompanying notes to consolidated financial statements are
an integral part of these consolidated statements.*

MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009, AND 2008, AND
CUMULATIVE FROM INCEPTION (MAY 8, 2006) THROUGH SEPTEMBER 30, 2009
(Unaudited)

	Nine Months Ended		Cumulative From Inception
	September 30,		
	2009	2008	
Operating Activities:			
Net (loss)	\$ (914,757)	\$ (327,826)	\$ (1,555,530)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:			
Depreciation and amortization	30,552	542	34,606
Donated services	-	3,000	13,000
Services paid by the issuance of common stock	-	-	6,410
Stock-based compensation for issued stock options	166,212	-	166,212
Changes in net assets and liabilities-			
Accounts receivable - Other	(14,432)	-	(25,006)
Prepaid expenses and deposits	(10,897)	(23,583)	(31,360)
Accounts payable and accrued liabilities	59,420	102,894	156,420
Net Cash (Used in) Operating Activities	(683,902)	(244,973)	(1,235,248)
Investing Activities:			
Purchases of property and equipment	(38,739)	(11,324)	(208,959)
Net Cash (Used in) Investing Activities	(38,739)	(11,324)	(208,959)
Financing Activities:			
Proceeds from loans payable	500,000	12,993	593,313
Payments on loan payable	-	-	(35,055)
Proceeds from capital lease obligations	-	-	154,054
Payments of principal on capital lease obligations	(19,337)	-	(50,312)
Proceeds from loans from related parties	28,078	13,338	80,521
Payments on loans from related parties	(14,645)	-	(58,950)
Issuance of common stock for cash	-	1,300,000	1,351,000
Net Cash Provided by (Used in) Financing Activities	494,096	1,326,331	2,034,571
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,715)	-	(12,185)
Net Increase (Decrease) in Cash and Cash Equivalents	(233,260)	1,070,034	578,179
Cash and Cash Equivalents - Beginning of Period	811,439	-	-
Cash and Cash Equivalents - End of Period	\$ 578,179	\$ 1,070,034	\$ 578,179
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the period for:			
Interest	\$ 5,130	\$ -	\$ 6,089
Income taxes	\$ -	\$ -	\$ -

Supplemental Information of Noncash Investing and Financing Activities:

On July 7, 2008, MabCure issued 25,638,400 (post forward stock split) shares of common stock for intellectual property valued at \$18,485,286 pursuant to an asset purchase agreement dated January 10, 2008, as amended.

On July 7, 2008, MabCure issued 6,409,600 (post forward stock split) shares of common stock to an officer and Director of the Company as a founder valued at \$6,410 pursuant to an asset purchase agreement dated January 10, 2008, as amended.

*The accompanying notes to consolidated financial statements are
an integral part of these consolidated statements.*

MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2009, AND 2008
(Unaudited)

(1) Summary of Significant Accounting Policies

Basis of Presentation and Organization

MabCure Inc. (“MabCure” or the “Company”) was incorporated in the State of Nevada on May 8, 2006, under the name of Smartec Holdings, Inc. The Company originally was in the business of developing a detergent for removing pesticides from fruits and vegetables. Because the Company was not successful in implementing its business plan, it considered various alternatives to ensure the viability and solvency of the Company. On January 10, 2008, the Company changed its name to MabCure Inc. to better reflect its new business plan. On January 10, 2008, MabCure entered into an asset purchase agreement with Indigoleaf Associates Ltd. (“Indigoleaf”) and Dr. Amnon Gonenne pursuant to which the Company agreed to purchase all of Indigoleaf’s interest and rights to a proprietary technology for the rapid and efficient generation of monoclonal antibodies against desired antigens such as cancer markers, including, but not limited to, the know-how, secrets, inventions, practices, methods, knowledge and data owned by Indigoleaf. The Company purchased this proprietary technology pursuant to an intellectual property transfer agreement and consummated the other transactions contemplated by the asset purchase agreement on July 7, 2008. Pursuant to the asset purchase agreement, as amended on April 2, 2009, the Company issued 25,638,400 (post forward stock split) shares of its common stock to Indigoleaf in consideration for the purchase of Indigoleaf’s proprietary technology, and the Company issued 6,409,600 (post forward stock split) shares of common stock to Dr. Gonenne in consideration for being one of the founders of the Company’s cancer therapy and detection business.

On October 30, 2008, the Company established MabCure, N.V., a wholly owned subsidiary in Belgium. The Belgian subsidiary was established in order to accelerate the development and commercialization of MabCure’s proprietary products for the early detection of cancer with specific antibodies and for the creation of highly specific therapeutics (antibodies and novel drugs) against cancer. MabCure, N.V. will be eligible to apply for research grants from the Flemish Government.

On June 27, 2008, pursuant to the asset purchase agreement, the Company closed a private placement consisting of 1,300,000 units of MabCure’s securities at a price of \$1.00 per unit, for aggregate proceeds of \$1,300,000. Each unit consists of: (i) one common share; (ii) one non-transferable share purchase warrant entitling the holder thereof to purchase one share of common stock for a period of 12 months commencing from the closing of the asset purchase agreement, at an exercise price of \$1.25 per common share; and (iii) one non-transferable share purchase warrant entitling the holder thereof to purchase one share of common stock for a period of 24 months commencing from the closing of the asset purchase agreement, at an exercise price of \$1.25 per common share.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned Belgian subsidiary, MabCure, N.V. All significant intercompany accounts and transactions have been eliminated in consolidation.

Unaudited Interim Consolidated Financial Statements

The interim consolidated financial statements of MabCure as of September 30, 2009, and December 31, 2008, and for the three-month and nine-month periods ended September 30, 2009, and 2008, and cumulative from inception, have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for interim reporting, and in accordance with the requirements of this Quarterly Report on Form 10-Q. The accompanying interim consolidated financial statements are unaudited and are subject to year-end adjustments. In the opinion of management, the accompanying interim consolidated financial statements include all known adjustments (which consist primarily of normal, recurring accruals, estimates, and assumptions that impact the financial statements) necessary to present fairly the consolidated financial position at the balance sheet dates and the consolidated results of operations for the three months and nine months then ended, and cumulative from inception. The accompanying interim consolidated financial statements should be read in conjunction with the audited financial statements and footnotes thereto included within the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the SEC. The results of operations for the three-month and nine-month periods ended September 30, 2009, are not necessarily indicative of operating results of the full year ending December 31, 2009.

MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2009, AND 2008
(Unaudited)

Cash and Cash Equivalents

For purposes of reporting within the consolidated statements of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Property and equipment

Property and equipment are recorded at historical cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the results of operations for the respective period. The Company uses the straight-line method of depreciation. The estimated useful lives for significant property and equipment categories are as follows:

Computers and office equipment	3 years
Computer software	3 years
Furniture and Fixtures	5-10 years
Equipment and tools	5 years
Vehicles	5 years

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives at each balance sheet date. The Company records an impairment or change in useful life whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. For the three and nine months ended September 30, 2009, and 2008, no events or circumstances occurred for which an evaluation of the recoverability of long-lived assets was required.

Lease Obligations

All noncancellable leases with an initial term greater than one year are categorized as either capital or operating leases. Assets recorded under capital lease obligations are amortized according to the same methods employed for property and equipment or over the term of the related lease, if shorter.

Fair Value of Financial Instruments

The Company estimates the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts the Company could realize in a current market exchange. As of September 30, 2009, and December 31, 2008, the carrying value of the Company's financial instruments approximated fair value due to the short-term maturity of these instruments.

Foreign Currency Translation

MabCure accounts for foreign currency translation pursuant to SFAS No. 52, "Foreign Currency Translation" ("SFAS No. 52"). The functional currency of the Company's Belgian subsidiary is the euro. Under SFAS No. 52, all assets and liabilities are translated into United States dollars using the current exchange rate at the end of each fiscal period. Revenues and expenses are translated using the average exchange rates prevailing throughout the respective periods. Translation adjustments are included in other comprehensive income (loss) for the period. Certain transactions of the Company's Belgian subsidiary are denominated in United States dollars. Translation gains or losses related to such transactions are recognized for each reporting period in the related interim consolidated statements of operations and comprehensive (loss).

MABCURE INC. AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Revenue Recognition

The Company is in the development stage and has yet to realize revenues from planned operations. It plans to recognize revenues from developing and commercializing its proprietary antibody technology for the early detection of cancer and for the creation of highly specific therapeutics (antibodies and novel drugs) against cancer. Revenues will be recognized for financial reporting purposes when delivery has occurred provided there is persuasive evidence of an agreement, acceptance has been approved by the customer, the fee is fixed or determinable, and collection of the related receivable is probable.

Website Development Costs

The Company recognizes website development costs in accordance with Emerging Issue Task Force (“EITF”) No. 00-02, “*Accounting for Website Development Costs*.” As such, the Company expenses all costs incurred that relate to the planning and post implementation phases of development of its website. Direct costs incurred in the development phase are capitalized and recognized over the estimated useful life. Costs associated with repair or maintenance for the website are included in general and administrative expenses in the accompanying interim consolidated statements of operations and comprehensive (loss). As of September 30, 2009, and December 31, 2008, the Company had capitalized \$3,640 related to website development costs.

Basic and Diluted Loss per Share

In accordance with SFAS No. 128, “*Earnings Per Share*” (“SFAS No. 128”), basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similarly to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Income Taxes

The Company accounts for income taxes pursuant to SFAS No. 109, “*Accounting for Income Taxes*” (“SFAS No. 109”). Under SFAS No. 109, deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the consolidated financial statement classification of the assets and liabilities generating the differences.

The Company maintains a valuation allowance with respect to deferred tax assets. The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company’s consolidated financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carryforward period under the Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

Stock-based Compensation

In December 2004, the FASB issued SFAS No. 123R, “*Share-Based Payment*” (“SFAS No. 123R”), which replaced SFAS No. 123, “*Accounting for Stock-Based Compensation*” (“SFAS No. 123”) and superseded APB Opinion No. 25, “*Accounting for Stock Issued to Employees*.” In January 2005, the SEC issued Staff Accounting Bulletin (“SAB”) No. 107, “*Share-Based Payment*,” which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the consolidated financial statements based on the grant date fair value of the award. SFAS No. 123R was to be effective for interim or annual reporting periods beginning on or after June 15, 2005, but in April 2005, the SEC issued a rule that will permit most registrants to implement SFAS No. 123R at the beginning of their next fiscal year, instead of the next reporting period as required by SFAS No. 123R. The pro-forma disclosures previously permitted under SFAS No. 123 no longer are an alternative to consolidated financial statement recognition. Under SFAS No. 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at

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(Unaudited)

date of adoption. The transition provisions include prospective and retroactive adoption methods. Under the retroactive method, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The prospective method requires that compensation expense be recorded for all unvested stock options and restricted stock at the beginning of the first quarter of adoption of SFAS No. 123R, while the retroactive methods would record compensation expense for all unvested stock options and restricted stock beginning with the first period restated.

On August 10, 2009, the Company granted to Directors and officers 420,000 options to purchase a like number of shares of common stock. As of September 30, 2009, 180,000 of such options were fully vested. Fair value was estimated at the date of grant using the Black-Scholes pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.69%
Expected dividend yield	None
Expected life	2.82 years
Expected volatility	200.97%

The weighted-average grant-date fair value of options on August 10, 2009, was \$0.79 per share.

The risk-free interest rate used in the Black-Scholes valuation method is based on the implied yield currently available in U.S. Treasury securities at maturity with an equivalent term. The Company has not declared or paid any dividends and does not currently expect to do so in the future. The expected term of options represents the period that our stock-based awards are expected to be outstanding and was determined based on projected holding periods for the remaining unexercised shares. Consideration was given to the contractual terms of our stock-based awards, vesting schedules and expectations of future employee behavior. Expected volatility is based on the Company's historical volatility of its stock price.

The Company's stock price volatility and option lives involve management's best estimates, both of which impact the fair value of the option calculated under the Black-Scholes methodology and, ultimately, the expense that will be recognized over the life of the option.

When options are exercised, the policy of the Company is to issue previously unissued shares of common stock to satisfy share option exercises. As of September 30, 2009, the Company had 1,439,652,000 shares of authorized but unissued common stock.

No tax benefits were attributed to the stock-based compensation expense because a valuation allowance was maintained for substantially all net deferred tax assets.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling Goods or Services" ("EITF 96-18"). Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

Estimates

The accompanying interim consolidated financial statements are prepared on the basis of accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of September 30, 2009, and December 31, 2008, and revenues and expenses for the three months and nine months ended September 30, 2009, and 2008, and cumulative from inception. Actual results could differ from those estimates made by management.

Reclassification

Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

MABCURE INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2009, AND 2008
(Unaudited)

(2) Development Stage Activities and Going Concern

The Company is currently in the development stage. The original business plan of the Company was to develop a detergent for removing pesticides from fruits and vegetables. However, the Company has changed its business plan to develop and commercialize its proprietary antibody technology for the early detection of cancer and for the creation of highly specific therapeutics (antibodies and novel drugs) against cancer. The Company plans to continue its capital formation activities through the issuance of debt and shares of common stock.

While management of the Company believes that it will be successful in its capital formation and planned operating activities, there can be no assurance that the Company will be able to raise additional equity capital, or be successful in the development and commercialization of its proprietary antibody technology for the early detection of cancer or for the creation of highly specific therapeutics (antibodies and novel drugs) against cancer that will generate sufficient revenues to sustain the operations of the Company.

The accompanying interim consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. MabCure has not established any source of revenues to cover its operating costs, and as such, has incurred an operating loss since inception. Further, as of September 30, 2009, and December 31, 2008, the cash resources of the Company were insufficient to meet its current business plan. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying interim consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

(3) Purchase of Intellectual Property and Stock Issuance to Founder

On January 10, 2008, MabCure entered into an asset purchase agreement with Indigoleaf Associates Ltd. ("Indigoleaf") and Dr. Amnon Gonenne pursuant to which the Company agreed to purchase all of Indigoleaf's interest and rights to a proprietary technology for the rapid and efficient generation of monoclonal antibodies against desired antigens such as cancer markers, including, but not limited to, the know-how, secrets, inventions, practices, methods, knowledge and data owned by Indigoleaf. The Company purchased this proprietary technology pursuant to an intellectual property transfer agreement and consummated the other transactions contemplated by the asset purchase agreement on July 7, 2008. Pursuant to the asset purchase agreement, as amended on April 2, 2009, the Company issued 25,638,400 (post forward stock split) shares of its common stock to Indigoleaf in consideration for the purchase of Indigoleaf's proprietary technology, valued at \$18,486,286 and the Company, issued 6,409,600 (post forward stock split) shares of common stock to Dr. Gonenne in consideration for being one of the founders of the Company's cancer therapy and detection business.

On April 2, 2009, the Company entered into an amendment to the asset purchase agreement dated January 10, 2008, whereby the parties specified their original intention that the 6,409,600 (post forward stock split) shares of the Company's common stock that were issued to Dr. Gonenne were, in fact, issued to Dr. Gonenne as founder's shares as consideration for being one of the founders of the Company's cancer therapy and detection business. The amendment to the asset purchase agreement provided that up to 75 percent of the shares issued to Dr. Gonenne, i.e., up to 4,807,200 (post forward stock split) shares of the Company's common stock, are subject to a lapsing repurchase right that may be exercised by the Company in the event Dr. Gonenne's employment agreement with the Company is terminated within 18 months from July 7, 2008. The 4,807,200 (post forward stock split) shares of the Company's common stock subject to the lapsing repurchase right shall be released from such right in three 6-month intervals, such that 1/3 of the shares (i.e. 1,602,400 post forward stock shares) shall be released from the lapsing repurchase right at the end of each 6-month interval, provided that at each respective 6-month interval, Dr. Gonenne continues to be retained by the Company pursuant to his employment agreement. All of the 4,807,200 shares of common stock shall be released from the lapsing repurchase right and no longer subject thereto upon the expiration of a continuous period of employment of 18 months from July 7, 2008.

The purchase of intellectual property from Indigoleaf, was accounted for under SFAS No. 142, "Accounting for Goodwill and Other Intangible Assets" ("SFAS No. 142"). The value of the intellectual property acquired on July 7, 2008, was calculated using the fair market value of the Company's common stock 15 days before and after the acquisition times a discount factor to

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reflect the fact that the issued stock is restricted and is escrowed for an extended period of time under the agreement. This value amounted to \$18,485,286 for the 25,638,400 (post forward stock split) shares issued by Indigoleaf and was recorded by the Company as an intangible asset, "intellectual property" in the accompanying interim consolidated balance sheets as of September 30, 2009, and December 31, 2008. The management of the Company believes that there are no legal, regulatory, contractual, competitive, or economic factors that limit the useful life of this intangible asset. Consequently, the Company considers the useful life of this asset to be indefinite and has recorded no amortization expense. In accordance with SFAS No. 142, the Company will, on a periodic basis, re-evaluate the remaining useful life of this intangible asset to determine whether events and circumstances continue to support an indefinite useful life.

(4) Loan Payable and Lease Obligations

Leases:

Capital Leases

The Company currently has capital lease commitments for furniture, fixtures, and vehicles. As of September 30, 2009, the total cost of capitalized leases presented in the accompanying consolidated balance sheets amounted to \$103,742. Amortization of the capital lease costs is included in depreciation and amortization expense.

Operating Lease

In addition, the Company currently has operating lease commitments for office space and employee housing with unrelated parties for a period of up to three years through September 2011. Lease expense related to the office space for the three and nine months ended September 30, 2009 amounted to \$3,277 and \$11,748, respectively. Lease expense related to employee housing for the three and nine months ended September 30, 2009 was \$5,323 and \$17,475, respectively.

Future noncancellable minimum rental commitments for leases as of September 30, 2009, were as follows:

<u>September 30,</u>	<u>Operating Leases</u>	<u>Capital Leases</u>
2010	\$ 27,579	\$ 41,802
2011	26,484	41,802
2012	-	21,777
2013	-	8,777
Thereafter	-	-
Total	<u>\$ 54,063</u>	114,158
Less - Amount representing interest		<u>(10,416)</u>
Present value of net minimum lease payments		103,742
Less - Current portion		<u>(36,421)</u>
Capital lease obligations, less current portion		<u>\$ 67,321</u>

Loans Payable:

On September 2, 2009, the Company entered into a loan agreement to obtain a bridge loan of \$500,000 from a third-party lender. The loan amount bears interest at a rate of six percent per annum, is unsecured, and matures on September 2, 2010. The accrued interest will be payable on the repayment of the loan. The loan amount will be used for ordinary working capital needs. As of September 30, 2009, the amount due was \$500,000.

The Company has a third-party loan payable that was provided for working capital purposes, and is non-interest bearing, unsecured, and has no terms for repayment. As of September 30, 2009, and December 31, 2008, the amount due was \$58,258.

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(5) Donated Capital

The Company records transactions of commercial substance with related parties at fair value as determined by management. The Company recognized donated services of its Directors for management fees, valued at \$500 per month. As of September 30, 2008, the total value of donated services was \$13,000, recorded under the "Stockholders' Equity (Deficit)" section of the consolidated balance sheets.

Beginning July 1, 2008, the Company no longer recorded donated services of Directors. Future services performed by Company Directors will be paid using cash and expensed as incurred.

(6) Common Stock

The Company is authorized to issue 1,500,000,000 shares of \$0.001 par value common stock. All common stock shares have equal voting rights, are non-assessable, have one vote per share, and entitle stockholders to receive dividends. Upon liquidation or wind-up, stockholders are entitled to participate equally with respect to any distribution of net assets or any dividends which may be declared. Voting rights are not cumulative and, therefore, the holders of more than 50 percent of the common stock could, if they choose to do so, elect all of the Directors of the Company.

On November 26, 2007, the Company implemented a 20-for-1 forward stock split of its authorized, issued, and outstanding common stock. As a result, the authorized capital of the Company increased from 75,000,000 shares of common stock with a par value of \$0.001, to 1,500,000,000 shares of common stock with a par value of \$0.001. The accompanying consolidated financial statements have been adjusted accordingly to reflect this forward stock split.

On December 20, 2006, the Company issued 51,000,000 (post forward stock split) shares of common stock at a price of \$0.001 per share for total proceeds of \$51,000.

On December 11, 2007, 24,000,000 (post forward stock split) shares of common stock were returned to the treasury and retired. The par value of the returned shares of \$24,000 were reallocated to additional paid-in capital.

On June 27, 2008, pursuant to the asset purchase agreement, the Company closed a private placement consisting of 1,300,000 units of MabCure's securities at a price of \$1.00 per unit, for aggregate proceeds of \$1,300,000. Each unit consists of: (i) one common share; (ii) one non-transferable share purchase warrant entitling the holder thereof to purchase one share of common stock for a period of 12 months commencing from the closing of the asset purchase agreement, at an exercise price of \$1.25 per common share; and (iii) one non-transferable share purchase warrant entitling the holder thereof to purchase one share of common stock for a period of 24 months commencing from the closing of the asset purchase agreement, at an exercise price of \$1.25 per common share.

On July 7, 2008, the Company issued 25,638,400 (post forward stock split) shares of its common stock to Indigoleaf Associates Ltd, and 6,409,600 (post forward stock split) shares of the Company's common stock to Dr. Amnon Gonenne, following the asset purchase agreement discussed in Note 3, entitled, "Purchase of Intellectual Property and Stock Issuance to Founder."

Stock options

On August 4, 2009, as part of the Company's Annual Meeting of Shareholders, the shareholders of the Company approved the adoption of the MabCure, Inc. 2009 Stock Option Plan (the "Plan"). The purpose of this Plan is to retain the services of valued key employees and consultants of the Company and to encourage such persons to acquire a greater proprietary interest in the Company, thereby strengthening their incentive to achieve the objectives of the shareholders of the Company, and to serve as an aid and inducement in the hiring of new employees and to provide an equity incentive to consultants and other persons selected by the Company. The Company has reserved 6,034,800 shares of common stock, par value \$0.001 per share, for issuance under the Plan, subject to adjustment to protect against dilution in the event of certain changes in the Company's capitalization.

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The following is a summary of stock option grants issued under the Plan:

In August 2009, the Company granted an option to each of two members of the Company's Board of Directors to purchase 120,000 shares (total – 240,000 shares) of its common stock at an exercise price of \$0.87 per share.

In August 2009, the Company granted an option to purchase 180,000 shares of its common stock at an exercise price of \$0.87 per share to its Chief Financial Officer.

The following table summarizes stock option activity for the Company during the nine months ended September 30, 2009:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding December 31, 2008	None			
Granted	420,000	\$0.87		
Exercised	-	-		
Forfeited or expired	-	-		
Outstanding September 30, 2009	420,000	\$0.87	4.86	\$218,400
Vested and Exercisable at September 30, 2009	180,000	\$0.87	4.86	\$93,600

As of September 30, 2009, the total unrecognized compensation cost related to stock options amounted to \$166,074, which will be recognized over the remaining requisite service period through August 2011.

(7) Income Taxes

The provision (benefit) for income taxes for the nine months ended September 30, 2009, and 2008 were as follows (using a 34 percent effective Federal income tax rate):

	<u>2009</u>	<u>2008</u>
Current Tax Provision:		
Federal-		
Taxable income	\$ -	\$ -
Total current tax provision	<u>\$ -</u>	<u>\$ -</u>
Deferred Tax Provision:		
Federal-		
Loss carryforwards	\$ 311,017	\$ 111,461
Change in valuation allowance	<u>(311,017)</u>	<u>(111,461)</u>
Total deferred tax provision	<u>\$ -</u>	<u>\$ -</u>

The Company had deferred income tax assets as of September 30, 2009, and December 31, 2008, as follows:

	<u>2009</u>	<u>2008</u>
Loss carryforwards	\$ 528,880	\$ 217,863
Less - Valuation allowance	<u>(528,880)</u>	<u>(217,863)</u>
Total net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

As of September 30, 2009, and December 31, 2008, the Company had net operating loss carryforwards for income tax reporting purposes of approximately \$1,555,530 (2008: \$640,733) that may be offset against future taxable income. The net

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operating loss carryforwards expire in the year 2029. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs or a change in the nature of the business. Therefore, the amount available to offset future taxable income may be limited.

No tax benefit has been reported in the interim consolidated financial statements for the realization of loss carryforwards, as the Company believes there is high probability that the carryforwards will not be utilized in the foreseeable future. Accordingly, the potential tax benefits of the loss carryforwards are offset by a valuation allowance of the same amount.

(8) Related Party Transactions

As of September 30, 2009, the Company owed to Directors and officers of the Company a total of \$21,571 (2008: \$8,138) for various working capital loans received by the Company. The loans are unsecured, non-interest bearing, and have no terms for repayment.

(9) Commitments and Contingencies

The Company is subject to various commitments under contractual and other commercial obligations. Refer to Note 4 entitled "Loan Payable and Lease Obligations" for minimum rental commitments under non-cancelable operating and capital lease obligations as of September 30, 2009.

On March 15, 2009, the Company entered into an agreement with a third party to provide investor and public relations services to the Company. The term of the agreement is 18 months, during which the Company shall pay to the third party \$13,500 monthly for services provided. Also, as part of the agreement, the Company shall deliver two warrants to purchase a total of 300,000 shares (post forward stock split) of the Company's common stock at \$1.00 per share purchase price.

On August 7, 2009, the Company entered into an agreement with a third party to provide investor relations services to the Company. The agreement term is six months, during which the Company shall pay the third party \$7,500 monthly for services provided, plus a retainer fee of \$15,000. In addition, at the commencement of the agreement, the Company shall deliver 51,725 unregistered and restricted shares of the common stock of the Company.

(10) Recent Accounting Pronouncements

In March 2008, the FASB issued FASB Statement No. 161, "*Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement 133*" ("SFAS No. 161"). SFAS No. 161 enhances required disclosures regarding derivatives and hedging activities, including enhanced disclosures regarding how: (a) an entity uses derivative instruments; (b) derivative instruments and related hedged items are accounted for under FASB Statement No. 133, "*Accounting for Derivative Instruments and Hedging Activities*"; and (c) derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Specifically, SFAS No. 161 requires:

- Disclosure of the objectives for using derivative instruments in terms of underlying risk and accounting designation;
- Disclosure of the fair values of derivative instruments and their gains and losses in a tabular format;
- Disclosure of information about credit-risk-related contingent features; and
- Cross-reference from the derivative footnote to other footnotes in which derivative-related information is disclosed.

SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. Earlier application is encouraged. The management of MabCure does not believe the adoption of this pronouncement to have a material impact on its consolidated financial statements.

In May 2008, the FASB issued FASB Statement No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States of America. The sources of accounting principles that are generally accepted are categorized in descending order as follows:

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- a) FASB Statements of Financial Accounting Standards and Interpretations, FASB Statement 133 Implementation Issues, FASB Staff Positions, and American Institute of Certified Public Accountants (AICPA) Accounting Research Bulletins and Accounting Principles Board Opinions that are not superseded by actions of the FASB.
- b) FASB Technical Bulletins and, if cleared by the FASB, AICPA Industry Audit and Accounting Guides and Statements of Position.
- c) AICPA Accounting Standards Executive Committee Practice Bulletins that have been cleared by the FASB, consensus positions of the FASB Emerging Issues Task Force (EITF), and the Topics discussed in Appendix D of EITF Abstracts (EITF D-Topics).
- d) Implementation guides (Q&As) published by the FASB staff, AICPA Accounting Interpretations, AICPA Industry Audit and Accounting Guides and Statements of Position not cleared by the FASB, and practices that are widely recognized and prevalent either generally or in the industry.

SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendment to its authoritative literature. It is only effective for nongovernmental entities; therefore, the GAAP hierarchy will remain in SAS 69 for state and local governmental entities and federal governmental entities. The management of MabCure does not believe the adoption of this pronouncement to have a material impact on its consolidated financial statements.

On May 26, 2008, the FASB issued FASB Statement No. 163, "*Accounting for Financial Guarantee Insurance Contracts*" ("SFAS No. 163"). SFAS No. 163 clarifies how FASB Statement No. 60, "*Accounting and Reporting by Insurance Enterprises*" ("SFAS No. 60"), applies to financial guarantee insurance contracts issued by insurance enterprises, including the recognition and measurement of premium revenue and claim liabilities. It also requires expanded disclosures about financial guarantee insurance contracts.

The accounting and disclosure requirements of SFAS No. 163 are intended to improve the comparability and quality of information provided to users of financial statements by creating consistency. Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under SFAS No. 60. That diversity results in inconsistencies in the recognition and measurement of claim liabilities because of differing views about when a loss has been incurred under FASB Statement No. 5, "*Accounting for Contingencies*." SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also requires disclosure about (a) the risk-management activities used by an insurance enterprise to evaluate credit deterioration in its insured financial obligations and (b) the insurance enterprise's surveillance or watch list.

SFAS No. 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years, except for disclosures about the insurance enterprise's risk-management activities. Disclosures about the insurance enterprise's risk-management activities are effective the first period beginning after issuance of SFAS No. 163. Except for those disclosures, earlier application is not permitted. The management of MabCure does not expect the adoption of this pronouncement to have material impact on its consolidated financial statements.

On May 22, 2009, the FASB issued FASB Statement No. 164, "*Not-for-Profit Entities: Mergers and Acquisitions*" ("SFAS No. 164"). SFAS No. 164 is intended to improve the relevance, representational faithfulness, and comparability of the information that a not-for-profit entity provides in its financial reports about a combination with one or more other not-for-profit entities, businesses, or nonprofit activities. To accomplish that, this Statement establishes principles and requirements for how a not-for-profit entity:

- a. Determines whether a combination is a merger or an acquisition.
- b. Applies the carryover method in accounting for a merger.
- c. Applies the acquisition method in accounting for an acquisition, including determining which of the combining entities the acquirer is.
- d. Determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition.

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This Statement also improves the information a not-for-profit entity provides about goodwill and other intangible assets after an acquisition by amending FASB Statement No. 142, *“Goodwill and Other Intangible Assets,”* to make it fully applicable to not-for-profit entities.

SFAS No. 164 is effective for mergers occurring on or after December 15, 2009, and acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. Early application is prohibited. The management of the Company does not expect the adoption of this pronouncement to have material impact on its financial statements.

On May 28, 2009, the FASB issued FASB Statement No. 165, *“Subsequent Events”* (“SFAS No. 165”). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, SFAS No. 165 provides:

1. The period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements.
2. The circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements.
3. The disclosures that an entity should make about events or transactions that occurred after the balance sheet date.

In accordance with this Statement, an entity should apply the requirements to interim or annual financial periods ending after June 15, 2009. The management of the Company does not expect the adoption of this pronouncement to have material impact on its financial statements.

On June 9, 2009, the FASB issued FASB Statement No. 166, *“Accounting for Transfers of Financial Assets- an amendment of FASB Statement No. 140”* (“SFAS No. 166”). SFAS No. 166 revises the derecognition provision of SFAS No. 140 *“Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities”* and will require entities to provide more information about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk with respect to the assets. It also eliminates the concept of a “qualifying special-purpose entity.”

This statement is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009. The management of the Company does not expect the adoption of this pronouncement to have a material impact on its financial statements.

In June 2009, the FASB issued FASB Statement 167 *“Amendments to FASB Interpretation No. 46(R).”* SFAS No. 167 amends certain requirements of FASB Interpretation No. 46(R), *“Consolidation of Variable Interest Entities”* to improve financial reporting by companies involved with variable interest entities and to provide additional disclosures about the involvement with variable interest entities and any significant changes in risk exposure due to that involvement. A reporting entity will be required to disclose how its involvement with a variable interest entity affects the reporting entity's financial statements.

This Statement shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009. The management of the Company does not expect the adoption of this pronouncement to have a material impact on its financial statements.

In June 2009, the FASB issued FASB Statement 168, *“The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162”* (“SFAS No. 168”). SFAS No. 168 establishes the FASB Accounting Standards Codification (the “Codification”) to become the single official source of authoritative, nongovernmental US generally accepted accounting principles (GAAP). The Codification did not change GAAP but reorganizes the literature.

SFAS No. 168 is effective for interim and annual periods ending after September 15, 2009. The management of the Company does not expect the adoption of this pronouncement to have a material impact on its financial statements.

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(11) Subsequent Event

Issuance of Common Stock

On October 28, 2009, the Company issued 51,725 shares of common stock to a third party provider of investor relations services pursuant to a consulting agreement dated August 7, 2009.

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

FORWARD-LOOKING STATEMENTS

Certain statements that the Company may make from time to time, including all statements contained in this report that are not statements of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the safe harbour provisions set forth in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words such as "plans," "expects," "believes," "anticipates," "estimates," "projects," "will," "should," and other words of similar meaning used in conjunction with, among other things, discussions of future operations, financial performance, product development and new product launches, FDA and other regulatory applications and approvals, market position and expenditures. Factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, the Company include the following: our future product development efforts may not yield marketable products due to results of studies or trials, failure to achieve regulatory approvals or market acceptance, proprietary rights of others or manufacturing issues; we face competition from several companies with greater financial, personnel and research and development resources than ours; delays in successfully completing any clinical trials we may conduct could jeopardize our ability to obtain regulatory approval or market our potential product candidates on a timely basis; biopharmaceutical product development is a long, expensive and uncertain process and the approval requirements for many products are still evolving; we may become subject to product liability claims, which could result in damages that exceed our insurance coverage; we may be subject to claims that our employees or we have wrongfully used or disclosed alleged trade secrets of their former employers; the commercialization of our product candidates may not be profitable; Our business could suffer if we cannot attract, retain and motivate skilled personnel and general economic conditions. The Company assumes no obligation to update any forward-looking statements. Additional information concerning these and other factors which could cause differences between forward-looking statements and future actual results is discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 as filed with the SEC on April 10, 2009.

EXECUTIVE OVERVIEW

We were incorporated in the State of Nevada on May 8, 2006. We are a development stage company with limited operations and no revenues from our business operations. Our registered independent auditors have issued a going concern opinion for this Annual Report. This means that our registered independent auditors believe there is substantial doubt that we can continue as an on-going business for the next 12 months.

Originally, we had been in the business of developing a detergent for removing pesticides from fruits and vegetables. Because we were not successful in implementing our initial business plan, we considered various alternatives to ensure the viability and solvency of our Company.

On January 10, 2008, we entered into an asset purchase agreement with Indigoleaf Associates Ltd. ("Indigoleaf"), and Dr. Amnon Gonenne, pursuant to which we purchased all of Indigoleaf's interest and rights to a proprietary technology for the rapid and efficient generation of monoclonal antibodies against desired antigens such as cancer markers, including, but not limited to, the know-how, secrets, inventions, practices, methods, knowledge and data owned by Indigoleaf. We purchased this proprietary technology pursuant to an intellectual property transfer agreement and consummated the other transactions contemplated by the asset purchase agreement on July 7, 2008. Pursuant to the asset purchase agreement, as amended on April 2, 2009, we issued 25,638,400 shares of our common stock to Indigoleaf in consideration for the purchase of Indigoleaf's proprietary technology, and we issued 6,409,600 shares of our common stock to Dr. Gonenne in consideration for his being one of the founders of our cancer therapy and detection business.

Recent Developments

On April 2, 2009, we entered into an amendment to the January 10, 2008 asset purchase agreement, pursuant to which the parties corrected the asset purchase agreement to reflect the original intention of the parties that the 6,409,600 shares of our common stock that had been issued to Dr. Gonenne had been issued to Dr. Gonenne as founders shares in consideration for his being one of the founders of our cancer therapy and detection business. The amendment to the asset purchase agreement provided that up to 75 percent of the shares issued to Dr. Gonenne, i.e., up to 4,807,200 shares of our common stock, are subject to a lapsing repurchase right that may be exercised by us in the event Dr. Gonenne's employment agreement with us is terminated within 18 months from July 7, 2008. The 4,807,200 shares of our common stock subject to the lapsing repurchase right shall be released from such right in three 6-month intervals, such that 1/3 of the shares (i.e. 1,602,400 shares) shall be released from the lapsing repurchase right at the end of each 6-month interval, provided that at each respective 6-month interval Dr. Gonenne continues to

be retained by us pursuant to his employment agreement. All of the 4,807,200 shares of common stock shall be released from the lapsing repurchase right and no longer subject thereto upon the expiration of a continuous period of employment of 18 months from July 7, 2008.

Over the next twelve months we plan to:

- continue with our anti-ovarian cancer program with the intention of progressing to a pilot clinical study;
- initiate our anti-prostate cancer program with the objective of leading to a pilot clinical study;
- initiate the anti-breast cancer and colorectal cancer programs, with the objective of creating novel MAbs against these cancers;
- initiate the antigen identification program in order to identify and sequence those antigens, or cancer markers, which are recognized by our novel MAbs. The first antigens to be studied will be the melanoma-specific cancer markers through the application of our anti-melanoma MAbs;
- explore the utility of our cancer-specific MAbs for the visualization in vivo of tumors that have metastasized; and
- hire two scientists for our Belgian subsidiary to assist in carrying out the tasks described above.

RESULTS OF OPERATIONS

For the three months ended September 30, 2009 and September 30, 2008

We had no revenues for the period from May 8, 2006 (date of inception) through September 30, 2009. Beginning January 2009, we commenced our research and development activities with our newly acquired proprietary antibody technology for the early detection of cancer and for the creation of highly specific therapeutics (antibodies and novel drugs) against cancer.

General and administrative expenses were \$376,259 for the three months ended September 30, 2009, compared to \$155,421 for the three months ended September 30, 2008. The increase in general and administrative expenses was due to an increase in our activity level and expenses related to the grant of certain stock options. General and administrative expenses primarily consist of payroll expenses, professional fees, stock-based compensation, and marketing and public relations expenses.

Payroll expense was \$69,859 for the three months ended September 30, 2009, compared to \$85,140 for the three months ended September 30, 2008. The decrease in payroll expense is due to the fact that a portion of the payroll related to research and development is recorded under research and development expense rather than under general and administrative expenses. Professional fees were \$21,357 for the three months ended September 30, 2009, compared to \$29,226 for the three months ended September 30, 2008. The decrease in professional fees was due to a decrease in start-up activities of the Company. Marketing and public relations amounted to \$53,669 for the three months ended September 30, 2009, compared to \$3,756 for the three months ended September 30, 2008. The increase in marketing and public relations expenses was primarily due to agreements we entered into with third parties to provide us with investor and public relations services. Stock-based compensation expense for the three months ended September 30, 2009, amounted to \$166,212, compared to \$0 for the same period in 2008. The increase in expense was related to the grant of certain stock options to certain Directors and officers during the three months ended September 30, 2009.

Research and development expense was \$23,656 for the three months ended September 30, 2009, compared to \$0 for the three months ended September 30, 2008. These costs primarily consist of salaries and wages for our scientists, who commenced research and development activities in January 2009.

Our net loss for the three months ended September 30, 2009, was \$403,502 compared to \$154,326 for the three months ended September 30, 2008. The weighted average number of shares outstanding was 60,348,000 or \$(0.01) per share for the calculation of basic loss per share, and 60,428,217 or \$(0.01) per share for the calculation of diluted loss per share, for the three months ended September 30, 2009, compared to 58,257,913 (post forward stock split) or \$(0.00) per share (basic and diluted) for the three months ended September 30, 2008.

For the nine months ended September 30, 2009 and September 30, 2008

General and administrative expenses were \$760,155 for the nine months ended September 30, 2009, compared to \$328,921 for the nine months ended September 30, 2008. The increase in general and administrative expenses was due to an increase in our activity level. General and administrative expenses primarily consist of payroll expenses, professional fees, stock-based compensation expense, and marketing and public relations expenses.

Payroll expense was \$211,957 for the nine months ended September 30, 2009, compared to \$85,140 for the nine months ended September 30, 2008. The increase in payroll expense was due to the hiring of our full-time employees. Professional fees were \$69,324 for the nine months ended September 30, 2009, compared to \$124,127 for the nine months ended September 30, 2008. The decrease in professional fees was due to a decrease in start-up activities of the Company. Marketing and public relations amounted to \$104,575 for the nine months ended September 30, 2009, compared to \$10,233 for the nine months ended September 30, 2008. The increase in marketing and public relations expenses was primarily due to agreements we entered into with third parties to provide us with investor and public relations services. Stock-based compensation expense for the nine months ended September 30, 2009, amounted to \$166,212, compared to \$0 for the same period in 2008. The increase in expense was related to the grant of certain stock options to certain Directors and officers during the period ended September 30, 2009.

Research and development expense was \$150,763 for the nine months ended September 30, 2009, compared to \$0 for the nine months ended September 30, 2008. These costs primarily consist of salaries and wages for our scientists, who commenced research and development activities in January 2009.

Our net loss for the nine months ended September 30, 2009, was \$914,757 compared to \$327,826 for the nine months ended September 30, 2008. The weighted average number of shares outstanding was 60,348,000 or \$(0.02) per share for the calculation of basic loss per share, and 60,375,033 or \$(0.02) per share for the calculation of diluted loss per share, for the nine months ended September 30, 2009, compared to 37,514,336 (post forward stock split) or \$(0.00) per share (basic and diluted) for the nine months ended September 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2009

As of September 30, 2009, our current assets were \$632,137 and our current liabilities were \$772,670, resulting in negative working capital of \$140,533.

As of September 30, 2009, our total liabilities were \$839,991 compared to total liabilities of \$286,475 as of December 31, 2008. The increase in total liabilities as of September 30, 2009, compared to the year ended December 31, 2008, was primarily due to an increase in our loans payable, partially offset by a reduction in our capital lease obligations.

For the nine months ended September 30, 2009, net cash used in operating activities was \$683,902 compared to net cash used in operating activities of \$244,973 for the nine months ended September 30, 2008. Net cash used in operating activities for the nine months ended September 30, 2009, was comprised of a net loss of \$914,757 (2008: \$327,826), donated services and depreciation and amortization of \$30,552 (2008: \$3,542), prepaid expenses and other current assets of \$(25,329) (2008: \$(23,583)), and accounts payable and accrued liabilities \$59,420 (2008: \$102,894).

For the nine months ended September 30, 2009, net cash used in investing activities was \$38,739 compared to net cash used in investing activities of \$11,324 for the nine months ended September 30, 2008. The increase in net cash used in investing activities for the period ended September 30, 2009, was the result of purchase of equipment.

Net cash flows provided by financing activities for the nine months ended September 30, 2009, was \$494,096 compared to net cash flows from financing activities of \$1,326,331 for the nine months ended September 30, 2008. Net cash flows from financing activities for the nine months ended September 30, 2009 included proceeds of \$500,000 received in connection with a bridge-loan we entered into on September 2, 2009. Net cash flows from financing activities for the nine months ended September 30, 2008, include proceeds of \$1,300,000 received as the result of a private placement completed during the quarter.

Going Concern

Our registered independent auditors included an explanatory paragraph in our Annual Report on Form 10-K for the year ended December 31, 2008, regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our registered independent auditors. The financial statements do not include any adjustments that might result from the outcome of that uncertainty.

There are no assurances that we will be able to obtain funds required for our continued operation. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease the operation of our business. The issuance of additional

equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Off-Balance Sheet Arrangements

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

CRITICAL ACCOUNTING POLICIES

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and liabilities as of the date of the financial statements and during the applicable periods. We base these estimates on historical experience and on other factors that we believe are reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions and could have a material impact on our financial statements.

Fair Value of Financial Instruments

We estimate the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts we could realize in a current market exchange. As of September 30, 2009, and December 31, 2008, the carrying value of our financial instruments approximated fair value due to the short-term maturity of these instruments.

Basic and Diluted Loss per Share

In accordance with SFAS No. 128, "Earnings Per Share," basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Income Taxes

We account for income taxes pursuant to SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). Under SFAS No. 109, deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

We maintain a valuation allowance with respect to deferred tax assets. We established a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration our financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carryforward period under the Federal tax laws.

Changes in circumstances, such as generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

Stock-based Compensation

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment" ("SFAS No. 123R"), which replaced SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") and superseded APB Opinion No. 25, "Accounting for Stock Issued to Employees." In January 2005, the SEC issued Staff Accounting Bulletin ("SAB") No. 107, "Share-Based Payment," which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on the grant date fair value of the award. SFAS No. 123R was to be effective for interim or annual reporting periods beginning on or after June 15, 2005, but in April 2005 the SEC issued a rule that will permit most registrants to implement SFAS No. 123R at the beginning of their next fiscal year, instead of the next reporting period as required by SFAS No. 123R. The pro-forma disclosures

previously permitted under SFAS No. 123 no longer will be an alternative to financial statement recognition. Under SFAS No. 123R, we must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition provisions include prospective and retroactive adoption methods. Under the retroactive method, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The prospective method requires that compensation expense be recorded for all unvested stock options and restricted stock at the beginning of the first quarter of adoption of SFAS No. 123R, while the retroactive methods would record compensation expense for all unvested stock options and restricted stock beginning with the first period restated. We have adopted the requirements of SFAS No. 123R which did not have any impact on the financial statements.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling Goods or Services" ("EITF 96-18"). Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18. As of September 30, 2009, we have adopted a stock option plan and have granted stock options. Refer to Note 1 and Note 6 of the Notes to Consolidated Financial Statements included elsewhere herein for further information.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 10 to the Consolidated Financial Statements entitled "Recent Accounting Pronouncements" included in this Quarterly Report for a discussion of recent accounting pronouncements and their impact on our Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Item 4T. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (who is acting as our principal executive officer) and our chief financial officer (who is acting as our principal financial officer and principal accounting officer) to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2009, the end of the three-month period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our president and our chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president and our chief financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

There have been no significant changes in our internal controls over financial reporting that occurred during the quarter ended September 30, 2009, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. However, from time to time, we may become a party to certain legal proceedings in the ordinary course of business.

Item 1A. Risk Factors.

Not Applicable.

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

On September 9, 2009, we authorized the issuance to certain designees of CEOcast, Inc. 51,725 shares of the Company's fully paid, non-assessable restricted common stock for investor relation services rendered to us by them. The shares will be issued under Section 4(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated by the Securities and Exchange Commission.

Item 3. Defaults Upon Senior Securities.

None.

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

On July 13, 2009, we sent our shareholders an information statement regarding action taken by written consent of majority shareholders (a) to elect Dr. Amnon Gonenne, Mr. Itshak Zivan, and Dr. David S. Frank as directors of the Company, each to serve until his successor is elected, (b) to ratify the appointment of Davis Accounting Group P.C. as the Company's Independent Accountants for 2009, and (c) to adopt the MabCure, Inc. 2009 Stock Option Plan. Indigoleaf Associates Ltd. and Dr. Amnon Gonenne (the "Consenting Stockholders"), the owners of 53.10% of the issued and outstanding shares of common stock of the Company, voted their shares in favor of the election of the three directors, the ratification of the appointment of the independent auditors, and the approval of the MabCure, Inc. 2009 Stock Option Plan. The Consenting Stockholders approved the three corporate actions by written consent dated June 25, 2009, effective as of the date of our Annual Meeting, August 4, 2009. This constituted the majority vote required to approve these actions. A shareholder meeting was held, but no proxies were solicited from other shareholders and no vote or other consent or action by other shareholders was requested or taken.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Articles of Incorporation (Incorporated by reference from our Registration Statement on Form SB-2 filed on March 8, 2007).
3.2	Bylaws (Incorporated by reference from our Registration Statement on Form SB-2 filed on March 8, 2007).
3.3	Certificate of Change (Incorporated by reference from our Quarterly Report on Form 10-QSB filed on November 20, 2007).
3.4	Certificate of Correction (Incorporated by reference from our Quarterly Report on Form 10-QSB/A filed on November 23, 2007).
3.5	Articles of Merger (Incorporated by reference from our Current Report on Form 8-K filed on January 24, 2008).

- 4.1 Specimen ordinary share certificate (Incorporated by reference from our Registration Statement on Form SB-2 filed on March 8, 2007).
- 10.1 Loan Agreement by and between Registrant and Chrysler Enterprises Ltd. dated September 2, 2009 (incorporated by reference from our Current Report on Form 8-K filed on September 17, 2009).
- 31.1* Section 302 Certification of the Sarbanes-Oxley Act of 2002 of Dr. Amnon Gonenne.
- 31.2* Section 302 Certification of the Sarbanes-Oxley Act of 2002 of Ron Kalfus.
- 32.1* Section 906 Certification of the Sarbanes-Oxley Act of 2002 of Dr. Amnon Gonenne.
- 32.2* Section 906 Certification of the Sarbanes-Oxley Act of 2002 of Ron Kalfus.

* Filed herewith.

SIGNATURES

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

Dated: November 17, 2009

MABCURE INC.

/s/ Dr. Amnon Gonenne

Dr. Amnon Gonenne

President, Chief Executive Officer and a member of the Board of Directors
(who also performs as the Principal Executive Officer)

November 17, 2009

/s/ Ron Kalfus

Ron Kalfus

Chief Financial Officer

(who also performs as Principal Financial Officer and Principal Accounting Officer)

November 17, 2009