As filed with the Securities and Exchange Commission on September 18, 1998

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

REGISTRATION STATEMENT
ON FORM S-3
UNDER THE SECURITIES ACT OF 1933

TECHNICLONE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	95-3698422
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

14282 FRANKLIN AVENUE,
TUSTIN, CALIFORNIA 92780-7017
(714) 508-6000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

LARRY O. BYMASTER
14282 FRANKLIN AVENUE,
TUSTIN, CALIFORNIA 92780-7017
(714) 508-6000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

WITH COPIES TO:
THOMAS J. CRANE, ESQ.
KENT M. CLAYTON, ESQ.
RUTAN & TUCKER, LLP
611 ANTON BLVD.
SUITE 1400
COSTA MESA, CA 92626
(714) 641-5100

APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC:
From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately $88,537,591 as of September 15, 1998, based upon the average bid and asked prices of such stock in the principal market for such stock as of such date.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE
Common Stock, $.001 par value (3)	20,625,000	$ 1.11	$22,893,750	$6,754
Shares of Common Stock, $.001 par value, Issuable Upon Exercise of Warrants to Purchase Common Stock (4)	2,062,500	$ 1.11	$2,289,375	$ 676
Common Stock, $.001 par value (5)	954,545	$ 1.11	$1,059,545	$ 313
Common Stock, $.001 par value (6)	1,726,364	$ 1.11	$1,916,265	$ 566
Shares of Common Stock, $.001 par value, Issuable Upon Exercise of Warrants to Purchase Common Stock (7)	165,000	$ 1.11	$ 183,150	$ 55

(1) Pursuant to Rule 416, there are also being registered such additional securities as may become issuable pursuant to the respective terms and provisions of a Regulation D Common Stock Equity Line Subscription Agreement dated as of June 16, 1998 (as amended, the "Equity Line Agreement") by and between the registrant (sometimes referred to herein as the "Company") and Resonance Limited and The Tail Wind Fund, Ltd. (the "Equity Line Investors") and a Placement Agent Agreement dated as of June 16, 1998 (the "Placement Agent Agreement") by and between the Company and Swartz Investments LLC, a Georgia limited liability company, d/b/a Swartz Institutional Finance (the "Placement Agent").

(2) In accordance with Rule 457(c), the aggregate offering price of shares of Common Stock and shares of Common Stock issuable upon exercise of warrants of the Company is estimated solely for purposes of calculating the registration fees payable pursuant hereto, as determined in accordance with Rule 457(c), using the average of the high and low sales price reported by the Nasdaq SmallCap Market for the Common Stock on September 14, 1998, which was $1.11 per share.

(3) Represents shares of Common Stock (the "Equity Line Shares") issuable to the Equity Line Investors pursuant to the Equity Line Agreement on or prior to June 16, 2001 upon written notice given by the Company to such investors (the "Notice Date"), no more than one time during any monthly period beginning on the effective date hereof, equal to up to $2,250,000 (which amount may be increased up to $5,000,000 by mutual agreement of the parties), less the aggregate dollar amount of any shares sold to the Equity Line Investors during the three month period immediately preceding such Notice Date, divided by (i) 82.5% of the lowest closing bid price during the ten trading days (the "10 day low closing bid price") immediately preceding such Notice Date (estimated solely for purposes of this registration statement to be not less than $1.00 per share of Common Stock, which allows the Company to sell the maximum number of Equity Line Shares to the Equity Line Investors under the terms of the Equity Line Agreement), or (ii) if 82.5% of such 10 day low closing bid price results in a discount of less than twenty cents ($0.20) per share from such 10 day low closing bid price, such 10 day low closing bid price minus twenty cents ($0.20) (the "Purchase Price"), at a purchase price equal to the Purchase Price immediately preceding the date on which such shares are sold to such investors; provided, that the number of such shares shall be limited to the same number of shares of restricted securities that such investors would otherwise be able to sell pursuant to Rule 144(e) promulgated under the Securities Act of 1933, as amended (the "Securities Act"), subject to a maximum dollar amount of $16,500,000 of shares of Common Stock so sold and to certain other limitations and restrictions.

(4) Represents shares of Common Stock issuable to the Equity Line Investors pursuant to the Equity Line Agreement upon exercise of warrants to purchase a number of shares of Common Stock equal to 10% of the number of Equity Line Shares sold to the Equity Line Investors at exercise prices equal to the respective prices per share at which the Equity Line Shares were sold to the Equity Line Investors (the "Equity Line Warrants") and, to the extent that

the relevant minimum commitment amount under the Equity Line Agreement is not fully utilized by the Company, shares of Common Stock issuable to the Equity Line Investors upon exercise of Warrants, to be issued to the Equity Line Investors on June 16 of each of the next three years, to purchase a number of shares of Common Stock equal to 10% of an amount equal to the difference of the relevant minimum commitment amount ($6,666,666.66 for 1999, $13,333,333.32 for 2000 and $20,000,000 for 2001) minus the aggregate amount of Common Stock sold to such investors during all years preceding such date, divided by the 10 day low closing bid price of the Common Stock immediately preceding such date (estimated solely for purposes of this registration statement to be not less than $1.00 per share of Common Stock, which allows the Company to sell the maximum number of Equity Line Shares to the Equity Line Investors under the terms of the Equity Line Agreement), at an exercise price equal to the 10 day low closing bid price of the Common Stock immediately preceding such date (the "Anniversary Warrants").

(5) Represents shares of Common Stock that may be issued to the Equity Line Investors pursuant to the Equity Line Agreement on the three-month and six-month anniversary date of the effective date of this Registration Statement (each such date, an "Adjustment Date") upon adjustment of the purchase price for the initial shares of Common Stock purchased by such investors on June 16, 1998 (the "Adjustment Shares"), based on a reasonable estimate of a potential 10 day low closing bid price immediately preceding such Adjustment Date (estimated solely for purposes of this registration statement to be not less than $1.00 per share of Common Stock, which allows the Company to sell the maximum number of Equity Line Shares to the Equity Line Investors under the terms of the Equity Line Agreement). In the event the number of Adjustments Shares registered hereby is insufficient, the Company will use other shares registered hereby for future sale to the Equity Line Investors for the purpose of satisfying its obligations under the Equity Line Agreement to deliver registered shares as Adjustment Shares.

(6) Represents shares of Common Stock issuable to the Placement Agent pursuant to the Placement Agent Agreement equal to 8% of the number of Equity Line Shares and Adjustment Shares.

(7) Represents shares of Common Stock issuable to the Placement Agent pursuant to the Placement Agent Agreement upon exercise of Warrants to purchase shares of Common Stock equal to 8% of the number of shares of Common Stock issuable upon exercise of the Equity Line Warrants and the Anniversary Warrants.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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SUBJECT TO COMPLETION DATED SEPTEMBER 18, 1998

PROSPECTUS

25,533,409 SHARES

[LOGO] TECHNICLONE
Corporation

COMMON STOCK

This Prospectus may be used only in connection with the resale, from time to time, of up to 25,533,409 shares (the "Shares") of Common Stock, par value $.001 per share ("Common Stock"), of Techniclone Corporation, a Delaware corporation ("Techniclone" or the "Company"), by the holders thereof named herein (the "Registered Stockholders") for their own benefit in transactions in the over-the-counter market, at prevailing market prices, at negotiated prices or otherwise. This Prospectus has been prepared for the purposes of registering the Shares under the Securities Act of 1933, as amended (the "Securities Act"), to allow for future sales by the Registered Stockholders to the public without restriction. To the knowledge of the Company, the Registered Stockholders have made no arrangement with any brokerage firm for the sale of the Shares. Many of the Shares offered by the Registered Stockholders may be acquired by such Registered Stockholders upon exercise of warrants to purchase Common Stock to be issued by the Company to the Registered Stockholders (collectively, the "Warrants"). Up to 20,625,000 Shares (the "Equity Line Shares") may be issued pursuant to a Regulation D Common Stock Equity Line Subscription Agreement dated as of June 16, 1998 (as amended, the "Equity Line Agreement") between the Company and Resonance Limited and The Tail Wind Fund, Ltd. (the "Equity Line Investors"), and up to 2,062,500 Shares may be issued upon exercise of warrants to be issued to the Equity Line Investors with exercise prices equal to the respective prices per share at which Shares are sold to the Equity Line Investors pursuant to the Equity Line Agreement (the "Equity Line Warrants"). To the extent that the relevant minimum commitment amount under the Equity Line Agreement is not fully utilized by the Company, the Company may be obligated to issue Warrants to the Equity Line Investors to purchase a number of shares of Common Stock equal to 10% of an amount equal to the difference of the relevant minimum commitment amount ($6,666,666.66 for 1999, $13,333,333.32 for 2000 and $20,000,000 for 2001) minus the aggregate amount of Common Stock sold to the Equity Line Investors during all years preceding such date, divided by the lowest closing bid price during the ten trading days (the "10 day low closing bid price") immediately preceding such date, with an exercise price equal to the 10 day low closing bid price of the Common Stock immediately preceding such date (the "Anniversary Warrants"). Assuming a 10 day low closing bid price of $1.00 per share of Common Stock, up to an aggregate of an additional 954,545 of Shares may be issued to the Equity Line Investors, if necessary, on the date that is three months after the date of this Prospectus and on the date that is six months after the date of this Prospectus, upon adjustment of the purchase price for the initial shares of Common Stock purchased by the Equity Line Investors pursuant to the Equity Line Agreement on June 16, 1998 (the "Adjustment Shares").

The price at which the Equity Line Shares will be issued and sold by the Company to the Equity Line Investors shall be (i) 82.5% of the 10 day low closing bid price immediately preceding the date on which such Shares are sold to the Equity Line Investors or (ii) if 82.5% of such 10 day low closing bid price results in a discount of less than twenty cents ($0.20) per share from such 10 day low closing bid price, such 10 day low closing bid price minus twenty cents ($0.20) (the "Purchase Price"). The remaining 1,891,364 Shares (the "Placement Agent Shares") may be issued pursuant to a Placement Agent Agreement (the "Placement Agent Agreement") dated as of June 16, 1998, between the Company and Swartz Investments LLC, a Georgia limited liability company d/b/a Swartz Institutional Finance (the "Placement Agent"), of which up to 1,650,000 Shares may be issued to the Placement Agent upon consummation of the issuance and sale of the Equity Line Shares by the Company to the Equity Line Investors, up to 76,364 Shares may be issued to the Placement Agent upon issuance of the Adjustment Shares to the Equity Line Investors and up to 165,000 Shares may be issued upon exercise of warrants to be issued to the Placement Agent (equal to 8% of the Equity Line Warrants and Anniversary Warrants to be issued to the Equity Line Investors upon the same terms and conditions thereof). See "The Equity Line Agreement."

All or a portion of the Shares offered by this Prospectus may be offered for sale, from time to time, by the Registered Stockholders, pursuant to this Prospectus, in one or more private or negotiated transactions, in open market transactions on The Nasdaq SmallCap Market ("Nasdaq SmallCap Market"), in settlement of short sale transactions, in settlement of options transactions, or otherwise, or by a combination of these methods, at fixed prices that may be changed, at market prices prevailing at the time of the sale, at prices related to such market prices, at negotiated prices or otherwise. The Registered Stockholders may effect these transactions by selling the Shares directly to one

or more purchasers or to or through broker-dealers or agents including: (a) in a block trade in which the broker or dealer so engaged will attempt to sell the shares of Common Stock as agent, but may position and resell a portion of the block as principal to facilitate the transaction; (b) in purchases by a broker or dealer and resale by such broker or dealer as a principal for its account pursuant to this Prospectus; (c) in ordinary brokerage transactions and (d) in transactions in which the broker solicits purchasers. The compensation to a particular underwriter, broker-dealer or agent may be in excess of customary commissions. The Registered Stockholders are "underwriters" within the meaning of the Securities Act, in connection with the sale of the Shares offered hereby. The Registered Stockholders will pay all commissions, transfer taxes and other expenses associated with the sales of the Shares by them. The Company will pay the expenses of the preparation of this Prospectus. The Company has agreed to indemnify the Registered Stockholders against certain liabilities, including, without limitation, liabilities arising under the Securities Act. The Company will receive the proceeds of the sale of the Equity Line Shares by the Company to the Equity Line Investors. The Company will not receive any of the proceeds from the sale of the Shares by the Registered Stockholders. The Company will not receive any proceeds from the exercise of the Warrants, which may only be exercised pursuant to a cashless exercise by the Registered Stockholders. Concurrently with sales of Shares under this Prospectus, the Registered Stockholders may effect other sales of Common Stock or Shares under Rule 144 or other exempt resale transactions. There can be no assurance that the Registered Stockholders, or any of them, will sell any or all of the Shares offered hereby. See "Plan of Distribution."

The Company's Common Stock is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is listed on the Nasdaq SmallCap Market under the symbol "TCLN". On September 14, 1998, the last reported sale price of the Company's Common Stock on the Nasdaq SmallCap Market was $1.06 per share.

SEE "RISK FACTORS" BEGINNING ON PAGE 7, FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is , 1998

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No dealer, sales representative or any other person has been authorized to give any information or to make any representations in connection with the offering described herein other than those contained or incorporated by reference in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any of the Registered Stockholders. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities by any person in any jurisdiction in which such an offer, solicitation or sale would be unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act relating to the Shares being offered pursuant to this Prospectus. For further information pertaining to the Common Stock and the Shares to which this Prospectus relates, reference is made to such Registration Statement. This Prospectus constitutes the prospectus of the Company filed as a part of the Registration Statement and it does not contain all information set forth in the Registration Statement, certain portions of which have been omitted in accordance with the rules and regulations of the Commission. In addition, the Company is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements and other information with the Commission relating to its business, financial statements and other matters. Reports and proxy and information statements filed pursuant to Section 14(a) and 14(c) of the Exchange Act and other information filed with the Commission as well as copies of the Registration Statement can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Midwest Regional Offices at 500 West Madison Street, Chicago, Illinois 60606 and Northeast Regional Office at 7 World Trade Center, New York, New York 10048. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the Commission at its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Such material may also be obtained electronically by visiting the Commission's web site on the Internet at http://www.sec.gov. The Common Stock of the Company is traded on the Nasdaq SmallCap Market under the symbol "TCLN".

Reports, proxy statements and other information concerning the Company may be inspected at the National Association of Securities Dealers, Inc., at 1735 K Street, N.W., Washington D.C. 20006.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have been filed by the Company with the Commission, are incorporated by this reference into this Prospectus:

(1) The Company's Annual Report on Form 10-K for the fiscal year ended April 30, 1998, as filed with the Commission on July 29, 1998 pursuant to Section 13(a) of the Exchange Act.

(2) The Company's Definitive Proxy Statement with respect to the Annual Meeting of Stockholders to be held on October 13, 1998, as filed with the Commission on August 27, 1998.

(3) The Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 1998, as filed with the Commission on September 14, 1998.

(4) The Company's Current Report on Form 8-K, as filed with the Commission on June 29, 1998.

(5) The Company's Current Report on Form 8-K, as filed with the Commission on March 9, 1998.

(6) The Company's Current Report on Form 8-K, as filed with the Commission on November 24, 1997.

(7) The Company's Current Report on Form 8-K, as filed with the Commission on May 12, 1997, as amended by Form 8-K/A Amendment No. 1 to such Form 8-K as filed with the Commission on October 2, 1997, and as further amended by Form 8-K/A Amendment No. 2 to such Form 8-K as filed with the Commission on October 14, 1997.

(8) The Company's Definitive Proxy Statement with respect to the Annual Meeting of Stockholders held on April 23, 1998, as filed with the Commission on March 17, 1998.

(9) The description of the Company's Common Stock contained in the Company's Registration Statement on Form 8-A and Form 8-B (Registration of Successor Issuers) filed under the Exchange Act, including any amendment or report filed for the purpose of updating such description

(10) All other reports filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the Company's fiscal year ended April 30, 1998.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which re-registers all securities then remaining unsold, shall be deemed to be incorporated herein by this reference and to be made a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference

herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide, without charge, to each person to whom a copy of this Prospectus is delivered, upon written or oral request of such person, a copy of any or all of the foregoing documents and information that has been or may be incorporated by reference herein (other than exhibits to such documents). Requests for such documents and information should be directed to Techniclone Corporation, Attention: Elizabeth A. Gorbett-Frost, Chief Financial Officer, 14282 Franklin Avenue, Tustin, California 92780-7017, telephone number (714) 508-6000.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements incorporated by reference from documents filed with the Commission by the Company are or may constitute forward-looking statements. Such statements include those contained herein or therein regarding the development or possible assumed future results of operations of the Company's business, the markets for the Company's products, anticipated capital expenditures, regulatory developments, any statements preceded by, followed by or that include the words "believes," "expects," "anticipates," or similar expression, and other statements contained or incorporated by reference herein regarding matters that are not historical facts. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that may cause actual results to differ materially include, among others, risks and uncertainties associated with completing pre-clinical and clinical trials of the Company's technologies; obtaining additional financing to support the Company's operations; obtaining regulatory approval for such technologies; complying with other governmental regulations applicable to the Company's business; obtaining the raw materials necessary in the development of such compounds; consummating collaborative arrangements with corporate partners for product development; achieving milestones under collaborative arrangements with corporate partners; developing the capacity to manufacture, market and sell the Company's products, either directly or indirectly with collaborative partners; developing market demand for and acceptance of such products; competing effectively with other pharmaceutical and biotechnological products; attracting and retaining key personnel; protecting proprietary rights; accurately forecasting operating and capital expenditures, other commitments, or clinical trial costs, general economic conditions, pricing pressures and uncertainties of litigation. Assumptions relating to budgeting, marketing, product development and other management decisions are subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and business developments, the impact of which may cause the Company to alter its capital expenditure or other budgets, which may in turn affect the Company's business, financial position and results of operations. As a result of these factors, the Company's revenue and income could vary significantly from quarter to quarter, and past financial performance should not be considered a reliable indicator of future performance. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements set forth or referred to above in this paragraph. Investors are cautioned not to place undue reliance on such statements which speak only as of the date hereof. The Company undertakes no obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required by the federal securities laws.

THE COMPANY

GENERAL

Techniclone Corporation was incorporated in the State of Delaware on September 25, 1996. On March 24, 1997, Techniclone International Corporation, a California corporation (a predecessor company incorporated in June 1981), was merged with and into Techniclone Corporation, a Delaware corporation (collectively "Techniclone"). This merger was effected for the purpose of effecting a change in the Company's state of incorporation from California to Delaware and making certain changes in the Company's charter documents. The "Company" refers to Techniclone Corporation, Techniclone International Corporation, its former subsidiary, Cancer Biologics Incorporated ("CBI"), which was merged into the Company on July 26, 1994 and its wholly-owned subsidiary Peregrine Pharmaceuticals, Inc., a Delaware corporation ("Peregrine").

The Company is engaged in the research, development and commercialization of novel cancer therapeutics in two principal areas: 1) direct tumor targeting agents for the treatment of refractory malignant lymphoma and 2) collateral targeting agents for the treatment of solid tumors.

Oncolym(R), the Company's most advanced direct tumor targeting agent candidate, is an investigational murine monoclonal antibody radiolabeled with I131 which is being studied in a Phase II/III trial for the treatment of intermediate and high-grade relapsed or refractory B-cell non-Hodgkins lymphoma ("NHL"). The clinical trials are currently being held at participating medical centers, including, M.D. Anderson Cancer Center, George Washington University Medical Center, Iowa City VA Medical Center, Queen's Medical Center- Hawaii, University of Illinois at Chicago Medical Center and University of Miami Hospital. The Company currently anticipates adding up to four additional clinical trial sites for Oncolym(R). Following the completion of the clinical trials, the Company expects to file an application with the United States Food and Drug Administration ("FDA") to market Oncolym(R) in the United States.

Collateral tumor targeting is broadly described as the therapeutic strategy of targeting peripheral structures and cell types, other than the viable cancer cells directly, as a means to treat solid tumors. The Company's three leading advanced collateral targeting agents for solid tumors are Tumor Necrosis Therapy ("TNT"), Vascular Targeting Agents ("VTAs"), and Vasopermeation Enhancement Agents ("VEAs").

TNT is a universal tumor targeting therapy potentially capable of treating a wide range of solid tumors. Radiolabeled TNT agents are believed to act by binding to dead or dying cells at the core of the tumor and irradiating the tumor from the inside out. TNT is potentially capable of carrying a wide variety of therapeutic agents to the interior of solid tumors. The Company's first TNT based product is an investigational, chimeric monoclonal antibody radiolabeled with the I131 isotope. During March 1998, the Company began enrolling patients into a Phase I study of TNT for the treatment of malignant glioma (brain cancer). The Company has since filed a protocol with the FDA to begin a Phase II study of TNT for the treatment of malignant glioma, which is currently expected to commence in December 1998. The clinical trials are currently being conducted at The Medical University of South Carolina with additional clinical sites to be added in the future. The Company has also recently received an unrestricted grant to conduct Phase I systemic trials of TNT for prostate, pancreatic and liver cancers at a clinical site in Mexico City.

VTAs are believed to act by destroying the vasculature of solid tumors. VTAs are multi-functional molecules that target the capillaries and blood vessels of solid tumors. Once there, these agents block the flow of oxygen and nutrients to the underlying tissue by creating a blood clot in the tumor. In preclinical trials, VTAs have caused clots in animals and within hours of the clot's formation, the tumor begins to die and

necrotic regions are formed. Since every tumor in excess of 2mm in size forms an expanding vascular network during tumor growth, VTAs could be effective against all types of solid tumors. Techniclone's scientists are doing preliminary studies on VTAs. The VTA technology was acquired in April of 1997 through the Company's acquisition of Peregrine Pharmaceuticals, Inc.

VEAs use vasoactive compounds (molecules that cause tissues to become more permeable) linked to monoclonal antibodies, such as the TNT antibody, to increase the vasoactive permeability at the tumor site and are believed to act by increasing the concentration of killing agents at the core of the tumor. In pre-clinical studies, the Company's scientists were able to increase the uptake of drugs or isotopes within a tumor by 200% to 400% if a vasoactive agent was given several hours prior to the therapeutic treatment. The therapeutic drug can be a chemotherapy drug, a radioactive isotope or other cancer fighting agent. This enhancement of toxic drug dosing is achieved by altering the physiology and, in particular, the permeability of the blood vessels and capillaries that serve the tumor. As the tumor vessels become more permeable, the amount of therapeutic treatment reaching the tumor cells increases.

The principal executive offices of the Company are located at 14282 Franklin Avenue, Tustin, California 92780-7017. The Company's telephone number is (714) 508-6000.

RISK FACTORS

An investment in the shares of Common Stock being offered hereby involves a high degree of risk. The following factors should be considered carefully in evaluating the Company and its business before making an investment in the Common Stock offered hereby, together with all of the other information set forth herein or incorporated herein by reference in this Prospectus.

FLUCTUATION OF FUTURE OPERATING RESULTS. A number of factors could cause actual results to differ materially from anticipated future operating results. These factors include worldwide economic and political conditions and industry specific factors. If the Company is to remain competitive and is to timely develop and produce commercially viable products at competitive prices in a timely manner, it must maintain access to external financing sources until it can generate revenue from licensing transactions or sales of products. The Company's ability to obtain financing and to manage its expenses and cash depletion rate ("burn rate") is the key to the Company's continued development of product candidates and the completion of ongoing clinical trials. The Company expects that its burn rate will vary substantially from quarter to quarter as it funds non-recurring items associated with clinical trials, product development, antibody manufacturing and radiolabeling expansion and scale-up, patent legal fees and various consulting fees. The Company has limited experience with clinical trials and if the Company encounters unexpected difficulties with its operations or clinical trials, it may have to expend additional funds, which would increase its burn rate.

EARLY STAGE OF DEVELOPMENT. Since its inception, the Company has been engaged in the development of drugs and related therapies for the treatment of people with cancer. The Company's product candidates are generally in the early stages of development, with two product candidates currently in clinical trials. Revenues from product sales have been insignificant and throughout the Company's history there have been minimal revenues from product royalties. If the initial results from any of the clinical trials are poor, then management believes that those results will adversely effect the Company's ability to raise additional capital, which will affect the Company's ability to continue full-scale research and development for its antibody technologies. Additionally, product candidates resulting from the Company's research and development efforts, if any, are not expected to be available commercially for at least the next year. No assurance can be given that the Company's product development efforts, including clinical trials, will be successful, that required regulatory approvals for the indications being studied can be obtained, that its product candidates can be manufactured and radiolabeled at an acceptable cost and with appropriate quality or that any approved products can be successfully marketed.

NEED FOR ADDITIONAL CAPITAL. The Company has experienced negative cash flows from operations since its inception and expects the negative cash flow from operations to continue for the foreseeable future. The Company currently has commitments to expend additional funds for facilities construction, clinical trials, radiolabeling contracts, consulting, and for the repurchase of LYM-1 (hereinafter referred to as "Oncolym(R)") marketing rights from Alpha Therapeutic Corporation ("Alpha"). The Company expects operating expenditures related to clinical trials to increase in the future as the Company's clinical trial activity increases and scale-up for clinical trial production continues. As a result of increased activities in connection with the Phase II/III clinical trials for Oncolym(R) and Phase I clinical trials for TNT and the development costs associated with VEAs and VTAs, the Company expects that the monthly negative cash flow will continue.

The Company has entered into an agreement for the sale and subsequent leaseback of its facilities, which consists of two buildings located in Tustin, California. The sale/leaseback transaction is with an unrelated entity and provides for the leaseback of the Company's facilities for a ten-year period with two five-year options to renew. While the sale/leaseback agreement is in escrow, it is subject to completion of normal due

diligence procedures by the buyer and there is no assurance that the transaction will be completed on a timely basis or at all.

Without obtaining additional financing or completing the aforementioned sale/leaseback transaction, the Company believes that it has sufficient cash on hand and available pursuant to the Equity Line Agreement to meet its obligations on a timely basis through November 30, 1998. Should the Company complete the sale and subsequent leaseback of its facilities by November 30, 1998, the Company believes it would have sufficient cash on hand and available pursuant to the Equity Line Agreement to meet its obligations on a timely basis through February 1999. The Company's ability to access funds under the Equity Line Agreement is subject to the satisfaction of certain conditions and the failure to satisfy these conditions may limit or preclude the Company's ability to access such funds, which could adversely affect the Company's business, financial position and results of operations unless additional financing sources are available. See "The Equity Line Agreement."

The Company must raise additional funds to sustain its research and development efforts, provide for future clinical trials, expand its manufacturing and radiolabeling capabilities, and continue its operations until it is able to generate sufficient additional revenue from the sale and/or licensing of its products. The Company will be required to obtain financing through one or more methods, including the aforementioned sale and subsequent leaseback of its facilities, obtaining additional equity or debt financing and/or negotiating a licensing or collaboration agreement with another company. There can be no assurance that the Company will be successful in raising these funds on terms acceptable to it, or at all, or that sufficient additional capital will be raised to complete the research, development, and clinical testing of the Company's product candidates. The Company's future success is dependent upon raising additional money to provide for the necessary operations of the Company. If the Company is unable to obtain additional financing, the Company's business, financial position and results of operations would be adversely affected.

ANTICIPATED FUTURE LOSSES. The Company has experienced significant losses since inception. As of July 31, 1998, the Company's accumulated deficit was approximately $76,487,000. The Company expects to incur significant additional operating losses in the future and expects cumulative losses to increase substantially due to expanded research and development efforts, preclinical studies and clinical trials, and scale-up of manufacturing and radiolabeling capabilities. The Company expects losses to fluctuate substantially from quarter to quarter. All of the Company's products are in development, preclinical studies or clinical trials, and no significant revenues have been generated from product sales. To achieve and sustain profitable operations, the Company, alone or with others, must successfully develop, obtain regulatory approval for, manufacture, introduce, market and sell its products. The time frame necessary to achieve market success is long and uncertain. The Company does not expect to generate significant product revenues for at least two years. There can be no assurance that the Company will ever generate product revenues sufficient to become profitable or to sustain profitability.

TECHNOLOGICAL UNCERTAINTY. The Company's future success depends significantly upon its ability to develop and test workable products for which the Company will seek FDA approval to market to certain defined groups. A significant risk remains as to the technological performance and commercial success of the Company's technology and products. The products currently under development by the Company will require significant additional laboratory and clinical testing and investment over the foreseeable future. The research, development and testing activities, together with the resulting increases in associated expenses, are expected to result in operating losses for the foreseeable future. Although the Company is optimistic that it will be able to complete development of one or more of its products, (i) the Company's research and development activities may not be successful; (ii) proposed products may not prove to be effective in clinical trials; (iii) the Company's product candidates may cause harmful side effects during clinical trials; (iv) the Company's

product candidates may take longer to progress through clinical trials than has been anticipated; (v) the Company's product candidates may prove impracticable to manufacture in commercial quantities at a reasonable cost and/or with acceptable quality; (vi) the Company may not be able to obtain all necessary governmental clearances and approvals to market its products; (vii) the Company's product candidates may not prove to be commercially viable or successfully marketed; or (viii) the Company may not ever achieve significant revenues or profitable operations. In addition, the Company may encounter unanticipated problems, including development, manufacturing, distribution, financing and marketing difficulties. The failure to adequately address these difficulties could adversely affect the Company's business, financial position and results of operations.

The results of initial preclinical and clinical testing of the products under development by the Company are not necessarily indicative of results that will be obtained from subsequent or more extensive preclinical studies and clinical testing. The Company's clinical data gathered to date with respect to its Oncolym(R) antibody are primarily from a Phase II dose escalation trial which was designed to develop and refine the therapeutic protocol to determine the maximum tolerated dose of total body radiation and to assess the safety and efficacy profile of treatment with a radiolabeled antibody. Further, the data from this Phase II dose escalation trial were compiled from testing conducted at a single site and with a relatively small number of patients. Substantial additional development and clinical testing and investment will be required prior to seeking any regulatory approval for commercialization of this potential product. There can be no assurance that clinical trials of Oncolym(R), TNT or other product candidates under development will demonstrate the safety and efficacy of such products to the extent necessary to obtain regulatory approvals for the indications being studied, or at all. Companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in earlier trials. The failure to adequately demonstrate the safety and efficacy of Oncolym(R), TNT or any other therapeutic product under development could delay or prevent regulatory approval of the product and would adversely affect the Company's business, financial condition and results of operations.

LENGTHY REGULATORY PROCESS; NO ASSURANCE OF REGULATORY APPROVALS. Testing, manufacturing, radiolabeling, advertising, promotion, export and marketing, among other things, of the Company's proposed products are subject to extensive regulation by governmental authorities in the United States and other countries. In the United States, pharmaceutical products are regulated by the FDA under the Federal Food, Drug, and Cosmetic Act and other laws, including, in the case of biologics, the Public Health Service Act. At the present time, the Company believes that its products will be regulated by the FDA as biologics. Manufacturers of biologics may also be subject to state regulation.

The steps required before a biologic may be approved for marketing in the United States generally include (i) preclinical laboratory tests and animal tests, (ii) the submission to the FDA of an Investigational New Drug ("IND") application for human clinical testing, which must become effective before human clinical trials may commence, (iii) adequate and well-controlled human clinical trials to establish the safety and efficacy of the product, (iv) the submission to the FDA of a Product License Application ("PLA") or a Biologics License Application ("BLA"), (v) the submission to the FDA of an Establishment License Application ("ELA"), (vi) FDA review of the ELA and the PLA or BLA, and (vii) satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is made to assess compliance with Current Good Manufacturing Practices ("CGMP"). The testing and approval process requires substantial time, effort and financial resources and there can be no assurance that any approval will be granted on a timely basis, if at all. There can be no assurance that Phase I, Phase II or Phase III testing will be completed successfully within any specific time period, if at all, with respect to any of the Company's product candidates. Furthermore, the FDA may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk.

The results of preclinical and clinical studies, together with detailed information on the manufacture and composition of a product candidate, are submitted to the FDA as a PLA or BLA requesting approval to market the product candidate. Before approving a PLA or BLA, the FDA will inspect the facilities at which the product is manufactured, and will not approve the marketing of the product candidate unless CGMP compliance is satisfactory. The FDA may deny a PLA or BLA if applicable regulatory criteria are not satisfied, require additional testing or information, and/or require post-marketing testing and surveillance to monitor the safety or efficacy of a product. There can be no assurance that FDA approval of any PLA or BLA submitted by the Company will be granted on a timely basis or at all. Also, if regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which it may be marketed.

Both before and after approval is obtained, violations of regulatory requirements, including the preclinical and clinical testing process, or the PLA or BLA review process may result in various adverse consequences, including the FDA's delay in approving or refusing to approve a product, withdrawal of an approved product from the market, and/or the imposition of criminal penalties against the manufacturer and/or license holder. For example, license holders are required to report certain adverse reactions to the FDA, and to comply with certain requirements concerning advertising and promotional labeling for their products. Also, quality control and manufacturing procedures must continue to conform to CGMP regulations after approval, and the FDA periodically inspects manufacturing facilities to assess compliance with CGMP. Accordingly, manufacturers must continue to expend time, monies and effort in the area of production and quality control to maintain CGMP compliance. In addition, discovery of problems may result in restrictions on a product, manufacturer, including withdrawal of the product from the market. Also, new government requirements may be established that could delay or prevent regulatory approval of the Company's product candidates.

The Company will also be subject to a variety of foreign regulations governing clinical trials and sales of its products. Whether or not FDA approval has been obtained, approval of a product candidate by the comparable regulatory authorities of foreign countries must be obtained prior to the commencement of marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. At least initially, the Company intends, to the extent possible, to rely on licensees to obtain regulatory approval for marketing its products in foreign countries.

COMMERCIAL PRODUCTION. To conduct clinical trials on a timely basis, obtain regulatory approval and be commercially successful, the Company must scale-up its manufacturing and radiolabeling processes and ensure compliance with regulatory requirements of its product candidates so that those product candidates can be manufactured and radiolabeled in increased quantities. As the Company's products currently in clinical trials, Oncolym(R) and TNT, move towards FDA approval, the Company or contract manufacturers must scale-up the production processes to enable production and radiolabeling in commercial quantities. The Company has expended significant funds for the scale-up of its antibody manufacturing capabilities for clinical trial requirements for its Oncolym(R) and TNT products and for refinement of its radiolabeling processes. If the Company were to commercially self-manufacture either of these products, it will have to expend an estimated additional six to ten million dollars for production facility expansion and an estimated additional five to eight million dollars for radiolabeling facilities. However, the Company believes it can successfully negotiate an agreement with contract antibody manufacturers to have these products produced on a "per run basis", thereby deferring or reducing the significant expenditure (six to ten million dollars) estimated to scale-up manufacturing. The Company believes that it can successfully negotiate an agreement with contract radiolabeling companies to provide radiolabeling services to meet commercial demands. Such a contract would, however, require a substantial investment by the Company (estimated at five to eight million dollars over the next two years) for equipment and related production area enhancements required by these vendors, and for vendor services associated with technology transfer assistance, scale-up and production start-up, and for

regulatory assistance. The Company anticipates that production of its products in commercial quantities will create technical and financial challenges for the Company. The Company has limited manufacturing experience, and no assurance can be given as to the Company's ability to scale-up its manufacturing operations, the suitability of the Company's present facility for clinical trial production or commercial production, the Company's ability to make a successful transition to commercial production and radiolabeling or the Company's ability to reach an acceptable agreement with contract manufacturers to produce and radiolabel Oncolym(R), TNT, or the Company's other product candidates, in clinical or commercial quantities. The failure of the Company to scale-up its manufacturing and radiolabeling for clinical trial or commercial production or to obtain contract manufacturers, could adversely affect the Company's business, financial position and results of operations.

SHARES ELIGIBLE FOR FUTURE SALE; DILUTION. The decline in the market price of the Company's Common Stock has lead to substantial dilution to holders of Common Stock. Under the terms of the Company's agreement with the holders of the Company's 5% Adjustable Convertible Class C Preferred Stock (the "Class C Stock"), the shares of the Class C Stock are convertible into shares of the Company's Common Stock at the lower of a conversion cap of $0.5958 (the "Conversion Cap") or a conversion price equal to the average of the lowest trading price of the Company's Common Stock for the five consecutive trading days ending with the trading date prior to the date of conversion reduced by 27 percent. The Company's agreement with the holders of the Class C Stock also provides that upon conversion, the holders of the Class C Stock will also receive warrants to purchase one-fourth of the number of shares of Common Stock issued upon conversion of the Class C Stock at an exercise price of $0.6554 per share (or 110% of the Conversion Cap), which warrants will expire in April 2002 (the "Class C Warrants"). Dividends on the Class C Stock are payable quarterly in shares of Class C Stock or cash at the rate of $50.00 per share per annum, at the option of the Company.

From September 26, 1997 (the date the Class C Stock became convertible into Common Stock) through August 31, 1998, 13,619 shares of Class C Stock, including Class C dividend shares and additional shares of Class C Stock issued during fiscal year 1998 (as described below), were converted into 24,578,437 shares of Common Stock, resulting in substantial dilution to the common stockholders. In addition, in conjunction with the conversion of the Class C Stock, the holders were granted warrants to purchase shares of Common Stock of the Company. Warrants to purchase 6,144,537 shares of common stock have been exercised through August 31, 1998, at an exercise price of $.6554 per share, in exchange for 5,831,980 shares of Common Stock and proceeds to the Company of $3,599,901. During fiscal year 1998, the registration statement required to be filed by the Company pursuant to the Company's agreement with the holders of the Class C Stock was not declared effective by the 180th day following the closing date of such offering, and therefore, the Company was required to issue an additional 325 shares of Class C Stock, calculated in accordance with the terms of such agreement. At August 31, 1998, 354 shares of Class C Stock remained outstanding and may be converted into shares of Common Stock at the lower of a 27% discount from the average of the lowest market trading price for the five consecutive trading days preceding the date of conversion or the Conversion Cap. Assuming the conversion of all of such remaining shares of Class C Stock at the Conversion Cap, the Company is required to issue to the holders of the Class C Stock upon conversion thereof an aggregate of approximately 594,000 shares of Common Stock and Class C Warrants to purchase an aggregate of up to approximately 149,000 shares of Common Stock at a purchase price of $.6554 per share.

Sales, particularly short selling, of substantial amounts of shares of Common Stock in the public market have adversely affected and may continue to adversely affect the prevailing market price of the Common Stock and, depending upon the then current market price of the Common Stock, increase the risks associated with the possible conversion of the Class C Stock and the Class C Warrants. From September 26, 1997, the date on which the Class C Stock was first convertible, through March 1998, the price of the Company's Common Stock steadily declined while the average trading volume increased significantly.

In addition to the Class C Warrants and warrants to purchase up to an aggregate of 274,908 shares of Common Stock previously issued to the Equity Line Investors and the Placement Agent in June 1998, at August 31, 1998, the Company had outstanding warrants and options to employees, directors, consultants and other parties to issue approximately 8,572,000 shares of Common Stock at an average price of $1.08 per share.

The sale and issuance of the Shares offered hereby to the Registered Stockholders may result in substantial dilution to the existing holders of Common Stock. The issuance of the Shares offered hereby to the Registered Stockholders, and the issuance of shares of Common Stock issuable upon conversion of the remaining Class C Stock and upon exercise of the remaining Class C Warrants and the exercise of such other outstanding warrants and options, as well as subsequent sales of the Shares and such shares of Common Stock in the open market, could also adversely affect the market price of the Company's Common Stock and impair the Company's ability to raise additional capital.

STOCK PRICE FLUCTUATIONS AND LIMITED TRADING VOLUME. The market price of the Company's Common Stock, and the market prices of securities of companies in the biotechnology industry generally, have been highly volatile. Also, at times there is a limited trading volume in the Company's Common Stock. Announcements of technological innovations or new commercial products by the Company or its competitors, developments or disputes concerning patent or proprietary rights, publicity regarding actual or potential medical results relating to products under development by the Company or its competitors, regulatory developments in both the United States and foreign countries, public concern as to the safety of biotechnology products and economic and other external factors, as well as period-to-period fluctuations in financial results may have a significant impact on the market price of the Company's Common Stock. The volatility in the stock price and the potential additional new shares of common stock that may be issued on the exercise of warrants and options and the historical limited trading volume are significant risks investors should consider.

MAINTENANCE CRITERIA FOR NASDAQ SMALLCAP MARKET, RISKS OF LOW-PRICED SECURITIES. The Company's Common Stock is presently traded on the Nasdaq SmallCap Market. To maintain inclusion on the Nasdaq SmallCap Market, the Company's Common Stock must continue to be registered under Section 12(g) of the Exchange Act, and the Company must continue to have either net tangible assets of at least $2,000,000, market capitalization of at least $35,000,000, or net income (in either its latest fiscal year or in two of its last three fiscal years) of at least $500,000. In addition, the Company must meet other requirements, including, but not limited to, having a public float of at least 500,000 shares and $1,000,000, a minimum bid price of $1.00 per share of Common Stock (without falling below this minimum bid price for a period of 30 consecutive business days), at least two market makers and at least 300 stockholders, each holding at least 100 shares of Common Stock. For the period of January 29, 1998 through May 4, 1998, the Company failed to maintain a $1.00 minimum bid price. From May 5, 1998, through September 2, 1998, the Company met this requirement. On September 3, 1998 and September 4, 1998, the Company again failed to maintain a $1.00 minimum bid price. However, since then, the Company has met this requirement. If the Company were to fail to meet the minimum bid price of $1.00 for a period of 30 consecutive business days, it would be notified by the Nasdaq and would then have a period of 90 calendar days from such notification to achieve compliance with the applicable standard by meeting the minimum requirement for at least 10 consecutive business days during such 90 day period. There can be no assurance that the Company will be able to maintain these requirements in the future. If the Company fails to meet the Nasdaq SmallCap Market listing requirements, the market value of the Common Stock could decline and holders of the Company's Common Stock would likely find it more difficult to dispose of and to obtain accurate quotations as to the market value of the Common Stock. In addition, if the Company's Common Stock ceases to be included on the Nasdaq SmallCap Market, the Company would not be able to access funds under the Equity Line Agreement.

If the Company's Common Stock ceases to be included on the Nasdaq SmallCap Market, the Company's Common Stock could become subject to rules adopted by the Commission regulating broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price per share of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on Nasdaq, provided that current price and volume information with respect to transactions in these securities is provided). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its sales person in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to these penny stock rules. If the Company's Common Stock becomes subject to the penny stock rules, investors may be unable to readily sell their shares of Common Stock.

INTENSE COMPETITION. The biotechnology industry is intensely competitive and changing rapidly. Virtually all of the Company's existing competitors have greater financial resources, larger technical staffs, and larger research budgets than the Company and greater experience in developing products and running clinical trials. Two of the Company's competitors, Idec Pharmaceuticals Corporation ("Idec") and Coulter Pharmaceuticals, Inc. ("Coulter"), each has a lymphoma antibody that may compete with the Company's Oncolym(R) product. Idec is currently marketing its lymphoma product for low grade non-Hodgkins Lymphoma and the Company believes that Coulter will be marketing its respective lymphoma product prior to the time the Oncolym(R) product will be submitted to the FDA for marketing approval. Coulter has also announced that it intends to seek to conduct clinical trials of its antibody treatment for intermediate and/or high grade non-Hodgkins lymphomas. In addition, there are several companies in preclinical studies with angiogenesis technologies which may compete with the Company's VTA technology. There can be no assurance that the Company will be able to compete successfully or that competition will not adversely affect the Company's business, financial position and results of operations. There can be no assurance that the Company's competitors will not be able to raise substantial funds and to employ these funds and their other resources to develop products which compete with the Company's other product candidates.

UNCERTAINTIES ASSOCIATED WITH CLINICAL TRIALS. The Company has limited experience in conducting clinical trials. The rate of completion of the Company's clinical trials will depend on, among other factors, the rate of patient enrollment. Patient enrollment is a function of many factors, including the nature of the Company's clinical trial protocols, existence of competing protocols, size of the patient population, proximity of patients to clinical sites and eligibility criteria for the study. Delays in patient enrollment will result in increased costs and delays, which could adversely effect the Company. There is no assurance that patients enrolled in the Company's clinical trials will respond to the Company's product candidates. Setbacks are to be expected in conducting human clinical trials. Failure to comply with FDA regulations applicable to this testing can result in delay, suspension or cancellation of the testing, or refusal by the FDA to accept the results of the testing. In addition, the FDA may suspend clinical trials at any time if it concludes that the subjects or patients participating in such trials are being exposed to unacceptable health risks. Further, there can be no assurance that human clinical testing will show any current or future product candidate to be safe and effective or that

data derived from the testing will be suitable for submission to the FDA. Any suspension or delay of any of the clinical trials could adversely effect the Company's business, financial condition and results of operations.

UNCERTAINTY OF MARKET ACCEPTANCE. Even if the Company's products are approved for marketing by the FDA and other regulatory authorities, there can be no assurance that the Company's products will be commercially successful. If the Company's two products in clinical trials, Oncolym(R) and TNT, are approved, they would represent a departure from more commonly used methods for cancer treatment. Accordingly, Oncolym(R) and TNT may experience under-utilization by oncologists and hematologists who are unfamiliar with the application of Oncolym(R) and TNT in the treatment of cancer. As with any new drug, doctors may be inclined to continue to treat patients with conventional therapies, in most cases chemotherapy, rather than new alternative therapies. The Company or its marketing partner will be required to implement an aggressive education and promotion plan with doctors in order to gain market recognition, understanding and acceptance of the Company's products. Market acceptance also could be affected by the availability of third party reimbursement. Failure of Oncolym(R) and TNT to achieve market acceptance would adversely affect the Company's business, financial condition and results of operations.

SOURCE OF RADIOLABELING SERVICES. The Company currently procures its radiolabeling services pursuant to negotiated contracts with one domestic entity and one European entity. There can be no assurance that these suppliers will be able to qualify their facilities, label and supply antibody in a timely manner, if at all, or that governmental clearances will be provided in a timely manner, if at all, and that clinical trials will not be delayed or disrupted. Prior to commercial distribution, the Company will be required to identify and contract with a commercial radiolabeling company for commercial services. The Company is presently in discussions with several companies to provide commercial radiolabeling services. A commercial radiolabeling service agreement will require the investment of substantial funds by the Company. See "Risk Factors-Commercial Production." The Company expects to rely on its current suppliers for all or a significant portion of its requirements for the Oncolym(R) and TNT antibody products to be used in clinical trials for the immediate future. Radiolabeled antibody cannot be stockpiled against future shortages due to the eight-day half-life of the I131 radioisotope. Accordingly, any change in the Company's existing or future contractual relationships with, or an interruption in supply from, its third-party suppliers could adversely affect the Company's ability to complete its ongoing clinical trials and to market the Oncolym(R) and TNT antibodies, if approved. Any such change or interruption would adversely affect the Company's business, financial condition and results of operations.

HAZARDOUS AND RADIOACTIVE MATERIALS. The manufacturing and use of the Company's Oncolym(R) and TNT require the handling and disposal of the radioactive isotope I131. The Company is relying on its current contract manufacturers to radiolabel its antibodies with I131 and to comply with various local, state and or national and international regulations regarding the handling and use of radioactive materials. Violation of these local, state, national or international regulations by these radiolabeling companies or a clinical trial site could significantly delay completion of the trials. Violations of safety regulations could occur with these manufacturers, so there is a risk of accidental contamination or injury. The Company could be held liable for any damages that result from an accident, contamination or injury caused by the handling and disposal of these materials, as well as for unexpected remedial costs and penalties that may result from any violation of applicable regulations, which could adversely effect the Company's business, financial condition and results of operations. In addition, the Company may incur substantial costs to comply with environmental regulations. In the event of any noncompliance or accident, the supply of Oncolym(R) and TNT for use in clinical trials or commercially could be interrupted, which could adversely affect the Company's business, financial condition and results of operations.

DEPENDENCE ON THIRD PARTIES FOR COMMERCIALIZATION. The Company intends to sell its products in the United States and internationally in collaboration with marketing partners. At the present time, the Company

does not have a sales force to market Oncolym(R) or TNT. If and when the FDA approves Oncolym(R) or TNT, the marketing of Oncolym(R) and TNT will be contingent upon the Company either licensing or entering into a marketing agreement with a large company or rely upon it recruiting, developing, training and deploying its own sales force. The Company does not presently possess the resources or experience necessary to market Oncolym(R), TNT or its other product candidates. Other than an agreement with Biotechnology Development, Ltd., the Company presently has no agreements for the licensing or marketing of its product candidates, and there can be no assurance that the Company will be able to enter into any such agreements in a timely manner or on commercially favorable terms, if at all. Development of an effective sales force requires significant financial resources, time and expertise. There can be no assurance that the Company will be able to obtain the financing necessary or to establish such a sales force in a timely or cost effective manner, if at all, or that such a sales force will be capable of generating demand for the Company's product candidates.

PATENTS AND PROPRIETARY RIGHTS. The Company's success depends, in large part, on its ability to maintain a proprietary position in its products through patents, trade secrets and orphan drug designations. The Company has several United States patents, United States patent applications and numerous corresponding foreign patent applications, and has licenses to patents or patent applications owned by other entities. No assurance can be given, however, that the patent applications of the Company or the Company's licensors will be issued or that any issued patents will provide competitive advantages for the Company's products or will not be successfully challenged or circumvented by its competitors. The patent position worldwide of biotechnology companies in relation to proprietary products is highly uncertain and involves complex legal and factual questions. Moreover, any patents issued to the Company or the Company's licensors may be infringed by others or may not be enforceable against others. In addition, there can be no assurance that the patents, if issued, would be held valid or enforceable by a court of competent jurisdiction. Enforcement of the Company's patents may require substantial financial and human resources. The Company may have to participate in interference proceedings if declared by the United States Patent and Trademark Office to determine priority of inventions, which typically take several years to resolve and could result in substantial costs to the Company.

A substantial number of patents have already been issued to other biotechnology and biopharmaceutical companies. Particularly in the monoclonal antibody and angiogenesis fields, competitors may have filed applications for or have been issued patents and may obtain additional patents and proprietary rights relating to products or processes competitive with or similar to those of the Company. To date, no consistent policy has emerged regarding the breadth of claims allowed in biopharmaceutical patents. There can be no assurance that patents do not exist in the United States or in foreign countries or that patents will not be issued that would have an adverse effect on the Company's ability to market any product which it develops. Accordingly, the Company expects that commercializing monoclonal antibody-based products may require licensing and/or cross-licensing of patents with other companies in this field. There can be no assurance that the licenses, which might be required for the Company's processes or products, would be available, if at all, on commercially acceptable terms. The ability to license any such patents and the likelihood of successfully contesting the scope or validity of such patents is uncertain and the costs associated therewith may be significant. If the Company is required to acquire rights to valid and enforceable patents but cannot do so at a reasonable cost, the Company's ability to manufacture its products would be adversely affected.

The Company also relies on trade secrets and proprietary know-how, which it seeks to protect, in part, by confidentiality agreements with its employees and consultants. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that the Company's trade secrets will not otherwise become known or be independently developed by competitors.

PRODUCT LIABILITY. The manufacture and sale of human therapeutic products involve an inherent risk of product liability claims. The Company has only limited product liability insurance. There can be no assurance

that the Company will be able to maintain existing insurance or obtain additional product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Product liability insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms, if at all. An inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims brought against the Company in excess of its insurance coverage, if any, or a product recall could adversely affect the Company's business, financial condition and results of operations.

HEALTH CARE REFORM AND THIRD-PARTY REIMBURSEMENT. Political, economic and regulatory influences are subjecting the health care industry in the United States to fundamental change. Recent initiatives to reduce the federal deficit and to reform health care delivery are increasing cost-containment efforts. The Company anticipates that Congress, state legislatures and the private sector will continue to review and assess alternative benefits, controls on health care spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, the creation of large insurance purchasing groups, price controls on pharmaceuticals and other fundamental changes to the health care delivery system. Any such changes could affect the Company's ultimate profitability. Legislative debate is expected to continue in the future, and market forces are expected to drive reductions of health care costs. The Company cannot predict what impact the adoption of any federal or state health care reform measures or future private sector reforms may have on its business.

The Company's ability to successfully commercialize its product candidates will depend in part on the extent to which appropriate reimbursement codes and authorized cost reimbursement levels of such products and related treatment are obtained from governmental authorities, private health insurers and other organizations, such as health maintenance organizations ("HMOs"). The Health Care Financing Administration ("HCFA"), the agency responsible for administering the Medicare program, sets requirements for coverage and reimbursement under the program, pursuant to the Medicare law. In addition, each state Medicaid program has individual requirements that affect coverage and reimbursement decisions under state Medicaid programs for certain health care providers and recipients. Private insurance companies and state Medicaid programs are influenced, however, by the HCFA requirements.

There can be no assurance that any of the Company's product candidates, once available, will be included within the then current Medicare coverage determination. In the absence of national Medicare coverage determination, local contractors that administer the Medicare program, within certain guidelines, can make their own coverage decisions. Favorable coverage determinations are made in those situations where a procedure falls within allowable Medicare benefits and a review concludes that the service is safe, effective and not experimental. Under HCFA coverage requirements, FDA approval for marketing will not necessarily lead to a favorable coverage decision. A determination will still need to be made as to whether the product is reasonable and necessary for the purpose used. In addition, HCFA has proposed adopting regulations that would add cost-effectiveness as a criterion in determining Medicare coverage. Changes in HCFA's coverage policy, including adoption of a cost-effective criterion, could adversely affect the Company's business, financial condition and results of operations.

Third-party payers are increasingly challenging the prices charged for medical products and services. Also, the trend toward managed health care in the United States and the concurrent growth of organizations such as HMOs, which could control or significantly influence the purchase of health care services and products, as well as legislative proposals to reform health care or reduce government insurance programs, may all result in lower prices for the Company's product candidates than it expects. The cost containment measures that health care payers and providers are instituting and the effect of any health care reform could adversely affect the Company's ability to operate profitably.

DEPENDENCE ON MANAGEMENT AND OTHER KEY PERSONNEL. The Company is dependent upon a limited number of key management and technical personnel. The loss of the services of one or more of these key employees could adversely affect the Company's business, financial condition and results of operations. In addition, the Company's success is dependent upon its ability to attract and retain additional highly qualified management and technical personnel. The Company faces intense competition in its recruiting activities, and there can be no assurance that the Company will be able to attract and/or retain qualified personnel.

IMPACT OF THE YEAR 2000. The Company has identified substantially all of its major hardware and software platforms in use and is continually modifying and upgrading its software and information technology ("IT") and non-IT systems. The Company has modified its current financial software to be Year 2000 ("Y2K") compliant. The Company does not believe that, with upgrades of existing software and/or conversion to new software, the Y2K issue will pose significant operational problems for its internal computer systems. The Company expects all systems to be Y2K compliant by April 30, 1999 through the use of internal and external resources. The Company has incurred insignificant costs to date associated with Y2K compliance and the Company presently believes estimated future costs will not be material. However, the systems of other companies on which the Company may rely also may not be timely converted, and failure to convert by another company could have an adverse effect on the Company's systems. The Company presently believes the Y2K problem will not pose significant operational problems and is not anticipated to have a material effect on its financial position or results of operations in any given year. However, actual results could differ materially from the Company's expectations due to unanticipated technological difficulties or project delays by the Company or its suppliers. If the Company and third parties upon which it relies are unable to address the issue in a timely manner, it could result in a material financial risk to the Company. In order to assure that this does not occur, the Company is in the process of developing a "worst case" contingency plan and plans to devote all resources required to attempt to resolve any significant Y2K issues in a timely manner.

EARTHQUAKE RISKS. The Company's corporate and research facilities, where the majority of its research and development activities are conducted, are located near major earthquake faults which have experienced earthquakes in the past. The Company does not carry earthquake insurance on its facility due to its prohibitive cost and limited available coverage. In the event of a major earthquake or other disaster affecting the Company's facilities, the operations and operating results of the Company could be adversely affected.

FORWARD LOOKING STATEMENTS. Based on current expectations, this Prospectus, the Company's Annual Report on Form 10-K and its quarterly and periodic reports contain certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. In light of the important factors that can materially affect results, including those set forth above, the inclusion of forward- looking information should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. The Company may encounter competitive, technological, financial and business challenges making it more difficult than expected to continue to develop, market and manufacture its products; competitive conditions within the industry may change adversely; upon development of the Company's products, demand for the Company's products may weaken; the market may not accept the Company's products; the Company may be unable to retain existing key management personnel; the Company's forecasts may not accurately anticipate market demand; and there may be other material adverse changes in the Company's operations or business. Certain important factors affecting the forward-looking statements made herein include, but are not limited to accurately forecasting capital expenditures and obtaining new sources of external financing prior to the expiration of existing support arrangements or capital. Assumptions relating to budgeting, marketing, product development and other management decisions are subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and business developments, the impact of which may cause the Company to alter its capital expenditure or other budgets, which may in turn affect the Company's business, financial position and results of operations.

THE EQUITY LINE AGREEMENT

On June 16, 1998, the Company entered into the Equity Line Agreement with the Equity Line Investors, pursuant to which the Company may issue and sell, from time to time, shares of its Common Stock for cash consideration up to an aggregate of $20 million. In connection with Equity Line Agreement, the Company also entered into the Placement Agent Agreement with the Placement Agent. The Equity Line Agreement expires on June 16, 2001.

Pursuant to the Equity Line Agreement, on June 16, 1998, the Company received immediate funding of $3,500,000 in exchange for 2,545,454 shares of common stock (the "Initial Shares") and issued warrants to the Equity Line Investors to purchase up to an aggregate of 254,545 shares of Common Stock at an exercise price of $1.375 per share (the "Initial Warrants"). Pursuant to the terms of the Equity Line Agreement, one-half of the number of Initial Shares is subject to adjustment on the date that is three months after the date of this Prospectus with the other half subject to adjustment six months after the date of this Prospectus (each such date, an "Adjustment Date"). At each Adjustment Date, if the lowest closing bid price during the ten trading days (the "10 day low closing bid price") immediately preceding such Adjustment Date (the "Adjustment Price") is less than the initial price per share paid for the shares of Common Stock purchased by the Equity Line Investors on June 16, 1998 ($1.375 per share), the Company will be obligated to issue additional shares of its Common Stock equal to the difference between the amount of shares which would have been issued if the price had been the Adjustment Price for $1,750,000 and one-half of the amount of shares actually issued (1,272,727 shares) (the "Adjustment Shares").

In connection with the issuance and sale of the Initial Shares and the Initial Warrants, the Company issued to the Placement Agent 203,636 shares of Common Stock (the "Initial Placement Agent Shares") and warrants to purchase up to 20,364 shares of Common Stock at an exercise price of $1.375 per share (the "Initial Placement Agent Warrants").

Pursuant to the requirements of a Registration Rights Agreement dated as of June 16, 1998, between the Company and the Equity Line Investors (the "Registration Rights Agreement") and the Placement Agent Agreement, the Company has filed a registration statement, of which this Prospectus forms a part, in order to permit the Registered Stockholders to resell the Shares to the public. The Company has also filed a registration statement in order to permit the Registered Stockholders to resell the Initial Shares and the Initial Placement Agent Shares and the shares of Common Stock that they may acquire pursuant to the exercise of the Initial Warrants and the Initial Placement Agent Warrants. Commencing ten days after the date of this Prospectus and continuing until June 16, 2001, the Company may from time to time, in its sole discretion, and subject to certain restrictions and limitations set forth in the Equity Line Agreement, sell ("put") to the Equity Line Investors, no more than one time during any monthly period upon written notice given by the Company to the Equity Line Investors (the "Notice Date"), a number of shares of Common Stock equal to up to $2,250,000 (which amount may be increased up to $5,000,000 by mutual agreement of the parties) less the aggregate dollar amount of any shares sold to the Equity Line Investors during the three month period immediately preceding such Notice Date, divided by (i) 82.5% of the 10 day low closing bid price immediately preceding such Notice Date, or (ii) if 82.5% of such 10 day low closing bid price results in a discount of less than twenty cents ($0.20) per share from such 10 day low closing bid price, such 10 day low closing bid price minus twenty cents ($0.20) (the "Purchase Price"), at a purchase price equal to the Purchase Price immediately preceding the date on which such Equity Line Shares are sold; provided, that the number of such Shares shall be limited to the same number of shares of restricted securities that such Registered Stockholders would otherwise be able to sell pursuant to Rule 144(e) promulgated under the Securities Act, and subject to a maximum dollar amount of $16,500,000 (representing the $20,000,000 total commitment amount less $3,500,000 of shares of Common Stock already issued and sold by the Company to the Equity Line Investors on or about June 16, 1998). At the time of each such sale of Equity Line Shares, the Equity Line Investors will be issued Equity Line Warrants, expiring on December 31, 2004, to purchase a number of shares of Common Stock equal to

10% of the number of Equity Line Shares sold in such sale at an exercise price equal to the price per share at which the Equity Line Shares were sold to the Equity Line Investors. To the extent that the Company has not fully utilized the relevant commitment amount about under the Equity Line Agreement, the Company may also be obligated to issue to the Equity Line Investors on June 16 of each of the next three years Anniversary Warrants to purchase a number of shares of Common Stock equal to 10% of an amount equal to the difference of the relevant minimum commitment amount ($6,666,666.66 for 1999, $13,333,333.32 for 2000 and $20,000,000 for 2001) minus the aggregate amount of Common Stock sold to the Equity Line Investors during all years preceding such date, divided by the 10 day low closing bid price of the Common Stock immediately preceding such date, at an exercise price equal to the 10 day low closing bid price of the Common Stock immediately preceding such date.

Pursuant to the Placement Agent Agreement, the Company is obligated to issue to the Placement Agent a number of Placement Agent Shares equal to 8% of the number of Equity Line Shares sold to the Equity Line Investors from time to time and 8% of the Adjustment Shares issued to the Equity Line Investors and Placement Agent Warrants to purchase shares of Common Stock equal to 8% of the number of shares of Common Stock issuable upon exercise of the Equity Line Warrants and the Anniversary Warrants, upon the same terms and conditions thereof.

The Company's ability to put shares of its Common Stock, and the Equity Line Investors' obligations to purchase the Shares, is conditioned upon the satisfaction of certain conditions and subject to certain limitations. These conditions and limitations include: (i) the registration statement of which this Prospectus forms a part shall have been declared effective by the Commission, (ii) the representations and warranties of the Company set forth in the Equity Line Agreement must be true and correct in all material respects as of the date of each put, (iii) the Company shall have performed and complied with all obligations under the Equity Line Agreement, the Registration Rights Agreement and the Warrants required to be performed as of the date of each put, (iv) no statute, rule, regulation, executive order, decree, ruling or injunction shall be in effect which prohibits or directly and adversely affects any of the transactions contemplated by the Equity Line Agreement, (v) at the time of a put, there shall have been no material adverse change in the Company's business prospects or financial condition, except as disclosed in the Company's most recent periodic reports filed since June 16, 1998, with the Commission pursuant to the Exchange Act, (vi) the Company's Common Stock shall not have been delisted from the Nasdaq SmallCap Market nor suspended from trading, (vii) the Company shall have obtained the approval of the stockholders of the Company for the issuance of Shares which could be acquired by the Registered Stockholders pursuant to the Equity Line Agreement in excess of 20% of the issued and outstanding shares of Common Stock (as required pursuant to the Rules of the National Association of Securities Dealers, Inc.), (viii) the closing bid price of the Common Stock on any trading during the ten days preceding the date of the put cannot be less than or equal to $0.50, and (ix) if the closing bid price of the Common Stock on any trading day during the ten trading days preceding the date of the put is less than $1.00 but greater than $0.50, the Company may only exercise the put for an amount of shares not greater than 15% of the amount that would otherwise be available to the Company pursuant to the terms of the Equity Line Agreement.

The Registered Stockholders have agreed that they will not create or increase a net short position with respect to the Common Stock during the ten trading days prior to any put date or during the thirty calendar days prior to the date that is three months after the date of this Prospectus and the thirty calendar days prior to the date that is six months after the date of this Prospectus. The Registered Stockholders have further agreed that they will not engage in any trading practice or activity for the purpose of manipulating the price of the Common Stock or otherwise engage in any trading practice or activity that violates the rules and regulations of the Commission.

USE OF PROCEEDS

The proceeds from the sale of the Shares will be received directly by the Registered Stockholders. The Company will not receive any proceeds from the sale of the Shares offered hereby. The Company will not receive any proceeds from the exercise of the Warrants, which may only be exercised pursuant to a cashless exercise by the Registered Stockholders.

However, the Company will receive the purchase price paid pursuant to the Equity Line Agreement if and to the extent Common Stock is sold by the Company pursuant thereto. The purchase price of the shares of Common Stock to be issued and sold by the Company pursuant to the Equity Line Agreement shall be equal to 85% of the 10 day low closing bid price immediately preceding the date on which such shares are sold. See "The Equity Line Agreement."

RECENT DEVELOPMENTS

On July 17, 1998, the Company notified the holders of the Class C Stock of its intent to redeem the Class C Warrants issued in conjunction with the Class C Stock offering in April 1997, if such Class C Warrants were not exercised on or before August 6, 1998. As a result, the holders of the Class C Warrants elected to exercise 4,076,157 of the Class C Warrants and the Company issued to such holders an aggregate of 3,763,600 shares of its Common Stock for which it received an aggregate of $2,244,264. At August 21, 1998, 354 shares of Class C Stock remained outstanding and, assuming the conversion of all of such remaining shares of Class C Stock at the Conversion Cap, the Company is required to issue to the holders of the Class C Stock upon conversion thereof an aggregate of approximately 594,000 shares of Common Stock and Class C Warrants to purchase an aggregate of up to approximately 149,000 shares of Common Stock at a purchase price of $.6554 per share.

In July 1998, the Company renegotiated its short-term note payable for $2,385,000 with a construction contractor to provide for an extension of time until July 29, 1998, to repay such note, and issued to the contractor a warrant, expiring on March 31, 2001, to purchase up to 240,000 shares of Common Stock at an exercise price of $.5625 per share. On July 29, 1998, the Company repaid $500,000 of the note to the contractor and renegotiated the payment terms of the note to provide for an extension of time until August 17, 1998 to repay the remaining balance of the note. In connection with this subsequent extension agreement, the Company issued to the contractor a warrant, expiring in July 2001, to purchase up to 95,000 shares of the Company's common stock at an exercise price of $1.37 per share and also issued an aggregate of 147,235 shares of Common Stock in lieu of repayment of accrued and unpaid interest on such note. On August 17, 1998, the Company utilized funds received from the exercise of Class C Warrants during July 1998 and August 1998 to repay the remaining balance of $1,885,000 of such note in full, plus related legal fees in the amount of $5,000.

The Company has entered into an agreement for the sale and subsequent leaseback of its facilities, which consists of two buildings located in Tustin, California. The sale/leaseback transaction is with an unrelated entity and provides for the leaseback of the Company's facilities for a ten-year period with two five-year options to renew. While the sale/leaseback agreement is in escrow, it is subject to completion of normal due diligence procedures by the buyer and there is no assurance that the transaction will be completed on a timely basis or at all.

On February 29, 1996, the Company entered into a Distribution Agreement with Biotechnology Development, Ltd. ("BTD"), a limited partnership controlled by a former director and shareholder of the Company. Under the terms of the agreement, BTD was granted the right to market and distribute LYM

products in Europe and other designated foreign countries in exchange for a nonrefundable fee of $3,000,000 and the performance of certain duties by BTD as outlined in the agreement. The agreement also provides that the Company will retain all manufacturing rights to the LYM antibodies and will supply the LYM antibodies to BTD at preset prices. In conjunction with the agreement, the Company was granted an option to repurchase the marketing rights to the LYM antibodies through August 29, 1998 at its sole discretion. The repurchase price under the option, if exercised by the Company, would include a cash payment of $4,500,000, the issuance of stock options for the purchase of 1,000,000 shares of the Company's Common Stock at a price of $5.00 per share with a five-year term, and royalties equal to 5% of gross sales on LYM products in designated geographic areas. Although the Company has not exercised its rights under the repurchase option, it continues to negotiate with BTD for the repurchase of the LYM rights with terms that are acceptable to the Company and BTD. There can be no assurance, however, that the Company will be able to reacquire such marketing rights.

On September 8, 1998, Edward J. Legere II resigned from the Board of Directors and the remaining directors appointed Mr. William C. Shepherd to fill the vacancy on the Board of Directors caused by Mr. Legere's resignation. Mr. Legere's resignation was not due to any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

REGISTERED STOCKHOLDERS

The following table sets forth certain information as of August 31, 1998, with respect to each Registered Stockholder for whom the Company is registering securities for resale to the public. The Company will not receive any of the proceeds from the sale of the Shares by the Registered Stockholders.

NAME OF REGISTERED STOCKHOLDER	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING(1)		MAXIMUM NUMBER OF SHARES TO BE SOLD PURSUANT TO THIS PROSPECTUS	SHARES BENEFICIALLY OWNED AFTER OFFERING(2)	
	NUMBER	PERCENT		NUMBER	PERCENT
Resonance Limited(3).... c/o Isac Securities 310 Madison Avenue Suite 503 New York, NY 10017	560,000	0.8%	4,728,409(4)	560,000	0.8%
The Tail Wind Fund, Ltd. (5)..... Windermere House 404 East Bay Street P.O. Box SS-5539 Nassau, Bahamas	2,239,999	3.4%	18,913,636(6)	2,239,999	3.4%
Swartz Institutional Finance (7)..... 1080 Holcomb Ridge Rd. 200 Roswell Summit Suite 285 Roswell, GA 30076	223,999	0.3%	1,891,364(8)	223,999	0.3%

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(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table above have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them. Based on an aggregate of 66,386,493 shares of Common Stock issued and outstanding as of August 31, 1998.

(2) Assumes that all Shares acquired pursuant to the Equity Line Agreement, the Placement Agent Agreement and the Warrants are sold pursuant to this Prospectus. Includes an aggregate of 2,749,090 shares of Common Stock issued to the Registered Stockholders on or about June 16, 1998 and shares issuable upon exercise of warrants to purchase an aggregate of up to 274,908 shares of Common Stock issued to the Registered Stockholders on or about June 16, 1998, which shares have been separately registered for resale under the Securities Act and are the subject of a separate prospectus. Based on an aggregate of 66,386,493 shares of Common Stock issued and outstanding as of August 31, 1998.

(3) As of the date of this Prospectus, this Registered Stockholder owns 560,000 shares of Common Stock of the Company, including 50,909 shares of Common Stock issuable upon exercise of outstanding warrants which are exercisable during the 60 day period ending on October 31, 1998, which represents less than 1% of the issued outstanding Common Stock of the Company as of August 31, 1998.

(4) Includes up to 4,315,909 Shares which may be issued pursuant to the Equity Line Agreement and up to 412,500 Shares issuable upon exercise of Warrants which may be issued pursuant to the Equity Line Agreement. See "The Equity Line Agreement."

(5) As of the date of this Prospectus, this Registered Stockholder owns 2,239,999 shares of Common Stock of the Company, including 203,636 shares of Common Stock issuable upon exercise of outstanding warrants which are exercisable during the 60 day period ending on October 31, 1998, which represents approximately 3.4% of the issued and outstanding Common Stock of the Company as of August 31, 1998.

(6) Includes up to 17,263,636 Shares which may be issued pursuant to the Equity Line Agreement and up to 1,650,000 Shares issuable upon exercise of Warrants which may be issued pursuant to the Equity Line Agreement. See "The Equity Line Agreement."

(7) As of the date of this Prospectus, the Placement Agent owns 223,999 shares of Common Stock of the Company, including 20,363 shares of Common Stock issuable upon exercise of outstanding warrants which are exercisable during the 60 day period ending on October 31, 1998, which represents less than 1% of the outstanding Common Stock of the Company as of August 31, 1998.

(8) Includes up to 1,726,364 Shares which may be issued pursuant to the Placement Agent Agreement and 165,000 Shares issuable upon exercise of Warrants which may be issued pursuant to the Placement Agent Agreement. See "The Equity Line Agreement."

None of the Registered Stockholders have had any material relationship with the Company or any of its affiliates within the past three years other than as a result of the ownership of Common Stock or as a result of the negotiation and the execution of the Equity Line Agreement.

The Shares offered hereby by the Registered Stockholders are to be acquired pursuant to the Equity Line Agreement between the Company and the Equity Line Investors and pursuant to the Placement Agent Agreement between the Company and the Placement Agent or upon exercise of the Warrants. Under the Equity Line Agreement, the Company agreed to register the Shares for resale by the Registered Stockholders to permit their resale by the Registered Stockholders from time to time to the public without restriction. The Company will prepare and file such amendments and supplements to the registration statement as may be necessary in accordance with the rules and regulations of the Securities Act to keep it effective until the earlier to occur of (i) the date as of which all Shares may be resold in a public transaction without volume limitations or other material restrictions without registration under the Securities Act, including without limitation, pursuant to Rule 144 under the Securities Act or (ii) the date as of which all Shares offered hereby have been resold.

The Company has agreed to pay the expenses (other than broker discounts and commissions, if any) in connection with this Prospectus.

PLAN OF DISTRIBUTION

The Company has been advised by the Registered Stockholders that all or a portion of the Shares offered by this Prospectus may be offered for sale, from time to time, by the Registered Stockholders in one or more private or negotiated transactions, in open market transactions on the Nasdaq SmallCap Market, in settlement of short sale transactions, in settlement of options transactions, or otherwise, or by a combination of these methods, at fixed prices that may be changed, at market prices prevailing at the time of the sale, at prices related to such market prices, at negotiated prices, or otherwise. The Registered Stockholders may effect these transactions by selling the Shares directly to one or more purchasers or to or through broker-dealers or agents including: (a) in a block trade in which the broker or dealer so engaged will attempt to sell the shares of Common Stock as agent, but may position and resell a portion of the block as principal to facilitate the transaction; (b) in purchases by a broker or dealer and resale by such broker or dealer as a principal for its account pursuant to this Prospectus; (c) in ordinary brokerage transactions and (d) in transactions in which the broker solicits purchasers. The compensation to a particular broker-dealer may be in excess of customary commissions. To the knowledge of the Company, the Registered Stockholders have made no arrangement with any brokerage firm for the sale of the Shares.

The Registered Stockholders are "underwriters" within the meaning of the Securities Act, in connection with the sale of the Shares offered hereby. Any broker-dealers or agents who act in connection with the sale of the Shares may also be deemed to be underwriters. Profits on any resale of the Shares by the Registered Stockholders and any discounts, commissions or concessions received by any such broker-dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act.

Any broker-dealer participating in such transactions as agent may receive commissions from the Registered Stockholders (and, if they act as agent for the purchaser of such Shares, from such purchaser). Broker-dealers may agree with the Registered Stockholders to sell a specified number of Shares at a stipulated price per share and, to the extent such a broker-dealer is unable to do so acting as agent for the Registered Stockholder, to purchase as principal any unsold Shares at the price required to fulfill the broker-dealer commitment to the Registered Stockholder. Broker-dealers who acquire Shares as principal may thereafter resell such Shares from time to time in transactions (which may involve crosses and block transactions and which may involve sales to and through other broker-dealers, including transactions of the nature described above) in the over-the-counter market, in negotiated transactions or otherwise at market prices prevailing at the time of sale or at negotiated prices, and in connection with such resales may pay to or receive from the purchasers of such Shares commissions computed as described above. To the extent required under the Securities Act, a supplemental prospectus will be filed, disclosing (a) the name of any such broker-dealers; (b) the number of Shares involved; (c) the price at which such Shares are to be sold; (d) the commissions paid or discounts or concessions allowed to such broker-dealers, where applicable; (e) that such broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this Prospectus, as supplemented; and (f) other facts material to the transaction.

Under applicable rules and regulations under the Exchange Act, any person engaged in a distribution of the Shares may not simultaneously engage in market making activities with respect to the Shares for a period beginning when such person becomes a distribution participant and ending upon such person's completion of participation in the distribution, including stabilization activities in the Common Stock to effect covering transactions, to impose penalty bids or to effect passive marketing making bids. In addition to and without limiting the foregoing, in connection with transactions in the Shares, the Company and the Registered Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Rule 10b-5 thereof and, insofar as the Company and the Registered

Stockholders are distribution participants, Regulation M and Rules 100, 101, 102, 103, 104 and 105 thereof. All of the foregoing may affect the marketability of the Shares.

The Registered Stockholders have agreed that they will not create or increase a net short position with respect to the Common Stock during the ten trading days prior to any put date or during the thirty calendar days prior to the date that is three months after the date of this Prospectus and the thirty calendar days prior to the date that is six months after the date of this Prospectus. The Registered Stockholders have further agreed that they will not engage in any trading practice or activity for the purpose of manipulating the price of the Common Stock or otherwise engage in any trading practice or activity that violates the rules and regulations of the Commission.

The Registered Stockholders will pay all commissions, transfer taxes and other expenses associated with the sales of the Shares by them. The Shares offered hereby are being registered pursuant to contractual obligations of the Company, and the Company has agreed to pay the expenses of the preparation of this prospectus. The Company has also agreed to indemnify the Registered Stockholders against certain liabilities, including, without limitation, liabilities arising under the Securities Act.

The Company will not receive any proceeds from the exercise of the Warrants, which may only be exercised pursuant to a cashless exercise by the Registered Stockholders. The Company will not receive any of the proceeds from the sale of the Shares by the Registered Shareholders. However, the Company will receive the purchase price paid pursuant to the Equity Line Agreement if and to the extent Common Stock is sold by the Company pursuant thereto. The purchase price of the shares of Common Stock to be issued and sold by the Company pursuant to the Equity Line Agreement shall be equal to the Purchase Price immediately preceding the date on which such shares are sold. See "The Equity Line Agreement."

In order to comply with the securities laws of certain states, if applicable, the Shares may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the Shares may not be sold unless the Shares have been registered or qualified for sale in these states or an exemption from registration or qualification is available and complied with.

The Common Stock of the Company is currently traded on the Nasdaq SmallCap Market under the symbol "TCLN". Concurrently with sales under this prospectus, the Registered Stockholders may effect other sales of Shares under Rule 144 or other exempt resale transactions. There can be no assurance that the Registered Stockholders, or any of them, will sell any or all of the Shares offered hereunder.

DESCRIPTION OF SECURITIES

As of the date of this Prospectus, the authorized capital stock of the Company consists of 120,000,000 shares of Common Stock, par value $.001 per share, and 5,000,000 shares of Preferred Stock, par value $.001 per share, of which 10,000 shares are designated as Series B Convertible Preferred Stock ("Series B Stock") and 17,200 shares are designated as 5% Adjustable Convertible Class C Preferred Stock ("Class C Stock"). As of August 31, 1998, there were 66,386,493 shares of Common Stock outstanding held by 5,805 stockholders of record, 354 shares of Class C Stock outstanding held by 8 holders of record and no shares of Series B Stock outstanding.

Holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Subject to preferences that may be applicable to the holders of outstanding shares of Preferred Stock, if any, the holders of Common Stock are entitled to receive such lawful dividends as may be declared by the Board of Directors. In the event of liquidation, dissolution or winding up of the Company, and subject to the rights of the holders of outstanding shares of Preferred Stock, if any, the holders of shares of Common Stock shall be entitled to receive pro rata all of the remaining assets of the Company available for distribution to its stockholders. There are no redemption or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are fully paid and nonassessable, and shares of Common Stock to be issued pursuant to this offering shall be fully paid and nonassessable.

The Warrants are exercisable at any time beginning on the date of issuance thereof and ending on December 31, 2004. The shares of Common Stock underlying the Warrants, when issued upon exercise in whole or in part, will be fully paid and nonassessable, and the Company will pay any transfer tax incurred as a result of the issuance of the Common Stock to the holder upon its exercise.

Each of the Warrants contain provisions that protect the holder against dilution by adjustment of the exercise price. Such adjustments will occur in the event, among others, of a merger, stock split or reverse stock split, stock dividend or recapitalization. The Company is not required to issue fractional shares upon the exercise of any Warrant. The holder of the Warrant will not possess any rights as a stockholder of the Company until such holder exercises the Warrant. The Warrant may be exercised upon surrender on or before the expiration date of the Warrant at the offices of the Company, with an exercise form completed and executed as indicated, accompanied by payment of the exercise price for the number of shares with respect to which the Warrant is being exercised. The exercise price is payable only pursuant to a "cashless exercise," in which that number of shares of Common Stock underlying the Warrant having a fair market value equal to the aggregate exercise price are canceled as payment of the exercise price.

For the life of each of the Warrants, the holder thereof has the opportunity to profit from a rise in the market price of the Common Stock without assuming the risk of ownership of the shares of Common Stock issuable upon the exercise of the Warrant. The Warrant holder may be expected to exercise the Warrant at a time when the Company would, in all likelihood, be able to obtain any needed capital by an offering of Common Stock on terms more favorable than those provided for by the Warrant. Furthermore, the terms on which the Company could obtain additional capital during the life of the Warrant may be adversely affected.

The Shares to which this Prospectus relates to be offered and sold from time to time by the Registered Stockholders are the Equity Line Shares, the Adjustment Shares, if any, and the Placement Agent Shares and Shares of Common Stock issuable upon exercise of the Equity Line Warrants, the Anniversary Warrants and the Placement Agent Warrants (collectively referred to in this Prospectus as the "Warrants"). This Prospectus does not cover the Initial Shares or the Initial Placement Agent Shares or shares of Common Stock issuable

upon exercise of the Initial Warrants or the Initial Placement Agent Warrants, which shares have been separately registered for resale under the Securities Act and are the subject of a separate Prospectus.

LEGAL MATTERS

The validity of the Shares offered hereby will be passed upon for the Company by Rutan & Tucker, LLP, Costa Mesa, California.

EXPERTS

The consolidated financial statements and related consolidated financial statement schedule, incorporated in this Prospectus by reference from Techniclone Corporation's Annual Report on Form 10-K for the year ended April 30, 1998, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company's Bylaws provide that the Company will indemnify its directors and officers and may indemnify its employees and other agents to the fullest extent permitted by law. The Company believes that indemnification under its Bylaws covers at least negligence and gross negligence by indemnified parties, and permits the Company to advance litigation expenses in the case of stockholder derivative actions or other actions, against an undertaking by the indemnified party to repay such advances if it is ultimately determined that the indemnified party is not entitled to indemnification. The Company has liability insurance for its officers and directors.

In addition, the Company's Certificate of Incorporation provides that, pursuant to Delaware law, its directors shall not be liable for monetary damages for breach of the directors' fiduciary duty as a director to the Company and its stockholders. This provision in the Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the Company for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Provisions of the Company's Bylaws require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers (other than liabilities arising from actions not taken in good faith or in a manner the indemnitee believed to be opposed to the best interests of the Company) to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified and to obtain directors' insurance if available on reasonable terms. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is therefore unenforceable. The Company believes that its Certificate of Incorporation and Bylaw provisions are necessary to attract and retain qualified persons as directors and officers.

The Company has in place a directors' and officers' liability insurance policy that, subject to the terms and conditions of the policy, insures the directors and officers of the Company against loses arising from any wrongful act (as defined by the policy) in his or her capacity as a director of officer. The policy reimburses the Company for amounts which the Company lawfully indemnifies or is required or permitted by law to indemnify its directors and officers.

NO DEALER, SALES REPRESENTATIVE OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF THE REGISTERED STOCKHOLDERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE SECURITIES BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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25,533,409 Shares

[LOGO] TECHNICLONE CORPORATION

COMMON STOCK

PROSPECTUS

, 1998

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCES AND DISTRIBUTION

The following table sets forth the estimated expenses in connection with the Offering described in this Registration Statement:

SEC registration fee.....	$ 8,364
Printing and engraving expenses.....	5,000
Legal fees and expenses.....	45,000
Blue Sky fees and expenses.....	2,500
Accounting fees and expenses.....	25,000
Miscellaneous.....	10,000
Total.....	$95,864

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company's Certificate of Incorporation (the "Certificate") and Bylaws include provisions that eliminate the directors' personal liability for monetary damages to the fullest extend possible under Delaware Law or other applicable law (the "Director Liability Provision"). The Director Liability Provision eliminates the liability of Directors to the Company and its stockholders for monetary damages arising out of any violation by a director of his fiduciary duty of due care. However, the Director Liability Provision does not eliminate the personal liability of a director for (i) breach of the director's duty of loyalty, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, (iii) payment of dividends or repurchases or redemption of stock other than from lawfully available funds, or (iv) any transactions from which the director derived an improper benefit. The Director Liability Provision also does not affect a director's liability under the federal securities laws or the recovery of damages by third parties. Furthermore, pursuant to Delaware Law, the limitation liability afforded by the Director Liability Provision does not eliminate a director's personal liability for breach of the director's duty of due care. Although the directors would not be liable for monetary damages to the corporation or its stockholders for negligent acts or commissions in exercising their duty of due care, the directors remain subject to equitable remedies, such as actions for injunction or rescission, although these remedies, whether as a result of timeliness or otherwise, may not be effective in all situations. With regard to directors who also are officers of the Company, these persons would be insulated from liability only with respect to their conduct as directors and would not be insulated from liability for acts or omissions in their capacity as officers. These provisions may cover actions undertaken by the Board of Directors, which may serve as the basis for a claim against the Company under the federal and state securities laws. The Company has been advised that it is the position of the Commission that insofar as the foregoing provisions may be involved to disclaim liability for damages arising under the Securities Act, such provisions are against public policy as expressed in the Act and are therefore unenforceable.

Delaware Law provides a detailed statutory framework covering indemnification of directors, officers, employees or agents of the Company against liabilities and expenses arising out of legal proceedings brought against them by reason of their status or service as directors, officers, employees or agents. Section 145 of the Delaware General Corporation Law ("Section 145") provides that a director, officer, employee or agent of a corporation (i) shall be indemnified by the corporation for expenses actually and reasonably incurred in defense of any action or proceeding if such person is sued by reason of his service to the corporation, to the extent that

such person has been successful in defense of such action or proceeding, or in defense of any claim, issue or matter raised in such litigation, (ii) may, in actions other than actions by or in the right of the corporation (such as derivative actions), be indemnified for expenses actually and reasonably incurred, judgments, fines and amounts paid in settlement of such litigation, even if he is not successful on the merits, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation (and in a criminal proceeding, if he did not have reasonable cause to believe his conduct was unlawful), and (iii) may be indemnified by the corporation for expenses actually and reasonably incurred (but not judgments or settlements) of any action by the Corporation or of a derivative action (such as a suit by a stockholder alleging a breach by the director or officer of a duty owed to the corporation), even if he is not successful, provided that he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, provided that no indemnification is permitted without court approval if the director has been adjudged liable to the corporation.

Delaware Law also permits a corporation to elect to indemnify its officers, directors, employees and agents under a broader range of circumstances than that provided under Section 145. The Certificate contains a provision that takes full advantage of the permissive Delaware indemnification laws (the "Indemnification Provision") and provides that the Company is required to indemnify its officers, directors, employees and agents to the fullest extent permitted by law, including those circumstances in which indemnification would otherwise be discretionary, provided, however, that prior to making such discretionary indemnification, the Company must determine that the person acted in good faith and in a manner he or she believed to be in the best interests of the Company and, in the case of any criminal action or proceeding, the person had no reason to believe his or her conduct was unlawful.

In furtherance of the objectives of the Indemnification Provision, the Company has also entered into agreements to indemnify its directors and executive officers, in addition to the indemnification provided for in the Company's Certificate and Bylaws (the "Indemnification Agreements"). The Company believes that the Indemnification Agreements are necessary to attract and retain qualified directors and executive officers. Pursuant to the Indemnification Agreements, an indemnitee will be entitled to indemnification to the extent permitted by Section 145 or other applicable law. In addition, to the maximum extent permitted by applicable law, an indemnitee will be entitled to indemnification for any amount or expense which the indemnitee actually and reasonably incurs as a result of or in connection with prosecuting, defending, preparing to prosecute or defend, investigating, preparing to be a witness, or otherwise participating in any threatened, pending or completed claim, suit, arbitration, inquiry or other proceeding (a "Proceeding") in which the indemnitee is threatened to be made or is made a party or participant as a result of his or her position with the Company, provided that the indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and had no reasonable cause to believe his or her conduct was unlawful. If the Proceeding is brought by or in the right of the Company and applicable law so provides, the Indemnification Agreement provides that no indemnification against expenses shall be made in respect of any claim, issue or matter in the Proceeding as to which the indemnitee shall have been adjudged liable to the Company.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

ITEM 16. EXHIBITS

EXHIBIT NO.	DESCRIPTION
3.1.....	Certificate of Incorporation of Techniclone Corporation, a Delaware corporation (Incorporated by reference to Exhibit B to the Company's 1996 Proxy Statement as filed with the Commission on or about August 20, 1996)
3.2.....	Bylaws of Techniclone Corporation, a Delaware corporation (Incorporated by reference to Exhibit C to the Company's 1996 Proxy Statement as filed with the Commission on or about August 20, 1996)
3.3.....	Certificate of Designation of 5% Adjustable Convertible Class C Preferred Stock as filed with the Delaware Secretary of State on April 23, 1997. (Incorporated by reference to Exhibit 3.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)
4.1.....	Form of Certificate for Common Stock (Incorporated by reference to the exhibit of the same number contained in the Registrants' Annual Report on Form 10-K for the fiscal year ended April 30, 1988)
4.4.....	Form of Subscription Agreement entered into with Series B Convertible Preferred Stock Subscribers (Incorporated by reference to Exhibit 4.1 contained in Registrant's Report on Form 8-K dated December 27, 1995, as filed with the Commission on or about January 24, 1996)
4.5.....	Registration Rights Agreement dated December 27, 1995, by and among Swartz Investments, Inc. and the holders of the Registrant's Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.2 contained in Registrant's Current Report on Form 8-K dated December 27, 1995 as filed with the Commission on or about January 24, 1996)
4.6.....	Warrant to Purchase Common Stock of Registrant issued to Swartz Investments, Inc. (Incorporated by reference to Exhibit 4.3 contained in Registrant's Current Report on Form 8-K dated December 27, 1995 as filed with the Commission on or about January 24, 1996)

EXHIBIT NO.	DESCRIPTION
4.7.....	5% Preferred Stock Investment Agreement between Registrant and the Investors named therein (Incorporated by reference to Exhibit 4.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)
4.8.....	Registration Rights Agreement between the Registrant and the holders of the Class C Preferred Stock (Incorporated by reference to Exhibit 4.2 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)
4.9.....	Form of Stock Purchase Warrant to be issued to the holders of the Class C Preferred Stock upon conversion of the Class C Preferred Stock (Incorporated by reference to Exhibit 4.3 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)
4.10.....	Regulation D Common Equity Line Subscription Agreement dated as of June 16, 1998 between the Registrant and the Subscribers named therein (the "Equity Line Subscribers") (Incorporated by reference to Exhibit 4.4 contained in Registrant's Report on Form 8-K dated as filed with the Commission on or about June 29, 1998)
4.11.....	Form of Amendment to Regulation D Common Stock Equity Line Subscription Agreement (incorporated by reference to Exhibit 4.5 contained in Registrant's Current Report on Form 8-K filed with the Commission on or about June 29, 1998)
4.12.....	Registration Rights Agreement dated as of June 16, 1998 between the Registrant and the Equity Line Subscribers (Incorporated by reference to Exhibit 4.6 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about June 29, 1998)
4.13.....	Form of Stock Purchase Warrant to be issued to the Equity Line Subscribers pursuant to the Regulation D Common Stock Equity Subscription Agreement (Incorporated by reference to Exhibit 4.7 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about June 29, 1998)

EXHIBIT NO.	DESCRIPTION
4.14.....	Placement Agent Agreement dated as of June 16, 1998, by and between the Registrant and Swartz Investments LLC, a Georgia limited liability company d/b/a Swartz Institutional Finance*
4.15.....	Second Amendment to Regulation D Common Stock Equity Line Subscription Agreement dated as of September 16, 1998, by and among the Registrant, The Tail Wind Fund, Ltd. and Resonance Limited*
5.....	Opinion of Rutan & Tucker, LLP*
10.22.....	1982 Stock Option Plan (Incorporated by reference to the exhibit contained in Registrant's Registration Statement on Form S-8 (File No. 2-85628))
10.23.....	Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan - 1986 (Incorporated by reference to the exhibit contained in Registrant's Registration Statement on Form S-8 (File No. 33-15102))
10.24.....	Cancer Biologics Incorporated Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan - 1987 (Incorporated by reference to the exhibit contained in Registrant's Registration Statement on Form S-8 (File No. 33-8664))
10.25.....	Amendment to 1982 Stock Option Plan dated March 1, 1988 (Incorporated by reference to the exhibit of the same number contained in Registrants' Annual Report on Form 10-K for the year ended April 30, 1988)
10.26.....	Amendment to 1986 Stock Option Plan dated March 1, 1988 (Incorporated by reference to the exhibit of the same number contained in Registrant's Annual Report on Form 10-K for the year ended April 30, 1988)
10.31.....	Agreement dated February 5, 1996, between Cambridge Antibody Technology, Ltd. and Registrant (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K dated February 5, 1996, as filed with the Commission on or about February 8, 1996)
10.32.....	Distribution Agreement dated February 29, 1996, between Biotechnology Development, Ltd. and Registrant (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K dated February 29, 1996, as filed with the Commission on or about March 7, 1996)
10.33.....	Option Agreement dated February 29, 1996, by and between Biotechnology Development, Ltd. And Registrant (Incorporated by reference to Exhibit 10.2 contained in Registrant's Current Report on Form 8-K dated February 29, 1996, as filed with the Commission on or about March 7, 1996)

EXHIBIT NO.	DESCRIPTION
10.34.....	Purchase Agreement for Real Property and Escrow Instructions dated as of March 22, 1996, by and between TR Koll Tustin Tech Corp. and Registrant (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K dated March 25, 1996, as filed with the Commission on or about April 5, 1996)
10.35.....	Incentive Stock Option and Nonqualified Stock Option Plan-1993 (Incorporated by reference to the exhibit contained in Registrants' Registration Statement on Form S-8 (File No. 33-87662))
10.36.....	Promissory Note dated October 24, 1996 in the original principal amount of $1,020,000 payable to Imperial Thrift and Loan Association by Registrant (Incorporated by reference to Exhibit 10.1 to Registrants' Current Report on Form 8-K dated October 25, 1996)
10.37.....	Deed of Trust dated October 24, 1996 among Registrant and Imperial Thrift and Loan Association (Incorporated by reference to Exhibit 10.2 to Registrants' Current Report on Form 8-K dated October 25, 1996)
10.38.....	Assignment of Lease and Rents dated October 24, 1996 between Registrant and Imperial Thrift and Loan Association (Incorporated by reference to Exhibit 10.3 on Registrants' Current Report on Form 8-K dated October 25, 1996)
10.39.....	Commercial Security Agreement dated October 24, 1996 between Imperial Thrift and Loan Association and Registrant (Incorporated by reference to Exhibit 10.4 on Registrants' Current Report on Form 8-K dated October 25, 1996)
10.40.....	1996 Stock Incentive Plan (Incorporated by reference to the exhibit contained in Registrants' Registration Statement on Form S-8 (File No. 333-17513))
10.41.....	Stock Exchange Agreement dated as of January 15, 1997 among the stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1997)

EXHIBIT NO.	DESCRIPTION
10.42.....	First Amendment to Stock Exchange Agreement among the Stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)
10.43.....	Termination and Transfer Agreement dated as of November 14, 1997 by and between Registrant and Alpha Therapeutic Corporation (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about November 24, 1997)
23.1.....	Consent of Rutan & Tucker, LLP (contained in Exhibit 5)*
23.2.....	Consent of Deloitte & Touche LLP*

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* filed herewith

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price present no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tustin, State of California, on September 3, 1998.

TECHNICLONE CORPORATION

By: /s/ LARRY O. BYMASTER
Larry O. Bymaster, President

In accordance with the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Larry O. Bymaster Larry O. Bymaster	President, Chief Executive Officer and Director (Principal Executive Officer)	September 3, 1998
/s/ Elizabeth A. Gorbett-Frost Elizabeth A. Gorbett-Frost	Chief Financial Officer and Secretary (Principal Financial and Principal Accounting Officer)	September 8, 1998
/s/ Thomas R. Testman Thomas R. Testman	Chairman of the Board	September 8, 1998
/s/ Rock Hankin Rock Hankin	Director	September 8, 1998
 William C. Shepherd	Director	September , 1998
/s/ Carmelo J. Santoro, Ph.D. Carmelo J. Santoro, Ph.D.	Director	September 8, 1998
/s/ Clive R. Taylor Clive R. Taylor, M.D., Ph.D.	Director	September 5, 1998

EXHIBIT INDEX

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5	Opinion of Rutan & Tucker, LLP	____
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EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
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10.40	1996 Stock Incentive Plan (Incorporated by reference to the exhibit contained in Registrants' Registration Statement on Form S-8 (File No. 333-17513))	
10.41	Stock Exchange Agreement dated as of January 15, 1997 among the stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 to Registrants' Quarterly Report on Form 10-Q for the quarter ended January 31, 1997)	
10.42	First Amendment to Stock Exchange Agreement among the Stockholders of Peregrine Pharmaceuticals, Inc. and Registrant (Incorporated by reference to Exhibit 2.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about May 12, 1997)	
10.43	Termination and Transfer Agreement dated as of November 14, 1997 by and between Registrant and Alpha Therapeutic Corporation (Incorporated by reference to Exhibit 10.1 contained in Registrant's Current Report on Form 8-K as filed with the Commission on or about November 24, 1997)	
23.1	Consent of Rutan & Tucker, LLP (contained in Exhibit 5)	
23.2	Consent of Deloitte & Touche LLP	____

EXHIBIT 4.14

PLACEMENT AGENT AGREEMENT

THIS AGREEMENT ("Agreement") is made as of the 16th day of June, 1998, by and between Techniclone Corporation, a corporation organized under the laws of the state of Delaware ("Company"), and Swartz Investments LLC, a Georgia limited liability company, d/b/a Swartz Institutional Finance (the "Agent").

RECITALS:

WHEREAS, the Company proposes to issue and sell shares of its Common Stock, which are accompanied by a warrant or warrants to purchase a number of shares of Common Stock of the Company (together the "Securities") resulting in gross proceeds to the Company of a minimum of Three Million Five Hundred Thousand Dollars ($3,500,000) and a maximum of Twenty Million Dollars ($20,000,000), excluding Warrants, in an offering (the "Offering") not involving a public offering under the Securities Act of 1933, as amended (the "Act"), pursuant to an exemption from the registration requirements of the Act under Regulation D promulgated under the Act ("Regulation D"), as described below; and

WHEREAS, the Agent has offered to assist the Company in placing the Securities on a "best efforts" basis with respect to sales of Securities thereafter up to the Maximum Proceeds (as defined below), and the Company desires to secure the services of the Agent on the terms and conditions hereinafter set forth.

TERMS:

NOW, THEREFORE, in consideration of the premises and the mutual promises, conditions and covenants herein contained, the parties hereto do hereby agree as follows:

1. ENGAGEMENT OF AGENT. The Company on the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, hereby appoints the Agent as its exclusive placement agent for this Offering, to sell, on a "best efforts basis," a minimum dollar amount of Securities resulting in gross proceeds to the Company of Three Million Five Hundred Thousand Dollars ($3,500,000) (the "Minimum Proceeds") and a maximum dollar amount of Securities, excluding Warrants, resulting in gross proceeds to the Company of Twenty Million Dollars ($20,000,000) (the "Maximum Proceeds"). The Agent, on the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, accepts such appointment and agrees to use its best efforts to find purchasers for the Securities. This appointment shall be irrevocable for the period commencing on the date of the executed Letter of Agreement, and ending on the earlier of (i) the Call Closing Date on which the sum of the Aggregate Initial Tranche Dollar Amount plus the aggregate of the Call Dollar Amounts for all Call Closings equal the Maximum Offering Amount pursuant to that certain Regulation D Equity Line Subscription Agreement (the "Subscription Agreement"), (ii) on June 22, 1998, if the Initial Tranche Closing has not occurred by such date, which period may be extended by the consent of the Company and the Agent (the "Offering Period"), or (iii) June 16, 2001.

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

In order to induce the Agent to enter into this Agreement, the Company hereby represents and warrants to and agrees with the Agent as follows:

2.1 Offering Documents. The Company (with the assistance of the Agent and Subscriber) has prepared the Subscription Agreement, certain exhibits thereto, investor Warrants and a Registration Rights Agreement, which documents have been or will be sent to proposed investors. In addition, proposed investors have received or will receive prior to closing, copies of the Company's Annual Report on Form 10-K/A for the

year ended April 30, 1997, and the Company's quarterly report on Form 10-Q/A for the quarter ended January 31, 1998 ("SEC Documents"). The SEC Documents were prepared in conformity with the requirements (to the extent applicable) of the Securities Exchange Act of 1934, as amended, (the "'34 Act") and the rules and regulations ("Rules and Regulations") of the Commission promulgated thereunder. As used in this Agreement, the term "Offering Documents" refer to and mean the SEC Documents, the Subscription Agreement and all amendments, exhibits and supplements thereto, together with any other documents which are provided to the Agent by, or approved for Agent's use by, the Company for the purpose of this Offering (including, but not limited to, the Registration Rights Agreement).

2.2 Provision of Offering Documents. The Company shall deliver to the Agent, without charge, as many copies of the Offering Documents as the Agent may reasonably require for the purposes contemplated by this Agreement. The Company authorizes the Agent, in connection with the Offering of the Securities, to use the Offering Documents as from time to time amended or supplemented in connection with the offering and sale of the Securities and in accordance with the applicable provisions of the Act and Regulation D.

2.3 Accuracy of Offering Documents. The Offering Documents, at the time of delivery to Subscribers for the Securities, conformed in all material respects with the requirements, to the extent applicable, of the '34 Act and the applicable Rules and Regulations and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. On the Closing Date (as hereinafter defined), the Offering Documents will contain all statements which are required to be stated therein in accordance with the Act and the Rules and Regulations for the purposes of the proposed Offering, and all statements of material fact contained in the Offering Documents will be true and correct, and the Offering Documents will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.4 Duty to Amend. If during such period of time as in the reasonable opinion of the Agent or its counsel an Offering Document relating to this financing is required to be delivered under the Act, any event occurs or any event known to the Company relating to or affecting the Company shall occur as a result of which the Offering Documents as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary at any time after the date hereof to amend or supplement the Offering Documents to comply with the Act or the applicable Rules and Regulations, the Company shall forthwith notify the Agent thereof and shall prepare such further amendment or supplement to the Offering Documents as may be required and shall furnish and deliver to the Agent and to others, whose names and addresses are designated by the Agent, all at the cost of the Company, a reasonable number of copies of the amendment or supplement (or of the amended or supplemented Offering Documents) which, as so amended or supplemented, will not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the Offering Documents, not misleading in the light of the circumstances when delivered to a purchaser or prospective purchaser, and which will comply in all respects with the requirements (to the extent applicable) of the '34 Act and the applicable Rules Regulations.

2.5 Corporation Condition. The Company's condition is as described in its Offering Documents, except for continuing losses and changes in the ordinary course of business and normal year-end adjustments that are not in the aggregate materially adverse to the Company. The Offering Documents, taken as a whole, present fairly the business and financial position of the Company as of the Closing Date.

2.6 No Material Adverse Change. Except as may be reflected in or contemplated by the Offering Documents, subsequent to the dates as of which information is given in the Offering Documents, and prior to the Closing Date, taken as a whole, there has not been any material adverse change in the condition, financial or otherwise, or in the results of operations of the Company or in its business.

2.7 No Defaults. Except as disclosed in the Offering Documents or in writing to the Agent, the Company is not in default in any material respect in the performance of any obligation, agreement or condition contained in any material debenture, note or other evidence of indebtedness or any material indenture or loan agreement of the Company. The execution and delivery of this Agreement, and the consummation of the transactions herein contemplated, and compliance with the terms of this Agreement will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, the Certificate of Incorporation or Bylaws of the Company (in any respect that is material to the Company), any material note, indenture, mortgage, deed of trust, or other agreement or instrument to which the Company is a party or by which the Company or any property of the Company is bound, or to the Company's knowledge, any existing law, order, rule, regulation, writ, injunction or decree of any government, governmental instrumentality, agency or body, arbitration tribunal or court, domestic or foreign, having jurisdiction over the Company or any property of the Company. The consent, approval, authorization or order of any court or governmental instrumentality, agency or body is not required for the consummation of the transactions herein contemplated except such as may be required under the Act or under the Blue Sky or securities laws of any state or jurisdiction.

2.8 Incorporation and Standing. The Company is, and at the Closing Date will be, duly formed and validly existing in good standing as a corporation under the laws of the State of Delaware and with full power and authority (corporate and other) to own its properties and conduct its business, present and proposed, as described in the Offering Documents; the Company, has full power and authority to enter into this Agreement, and the Company is duly qualified and in good standing as a foreign entity in each jurisdiction in which the failure to so qualify would have a material adverse effect on the Company or its properties.

2.9 Legality of Outstanding Securities. Prior to the Closing Date, the outstanding securities of the Company have been duly and validly authorized and issued, and are fully paid and non-assessable, and conform in all material respects to the statements with regard thereto contained in the Offering Documents.

2.10 Legality of Securities. The Securities when sold and delivered in accordance with the Offering Documents, and the Agent Securities (as defined in Section 3.4 below) when issued and delivered, will constitute legal, valid and binding obligations of the Company, enforceable in accordance with the terms thereof, and the Securities and Agent Securities shall be duly and validly issued and outstanding, fully paid and nonassessable. The Common Stock into which any Securities are exercisable and the Common Stock into which any of Agent's Securities are exercisable, when issued upon exercise of any Securities or upon exercise of any of Agent's Securities, as applicable, shall be duly and validly issued and outstanding, fully paid and non-assessable.

2.11 Litigation. Except as set forth in the Offering Documents, there is now, and at the Closing Date there will be, no action, suit or proceeding before any court or governmental agency, authority or body pending or, to the knowledge of the Company, threatened, which might result in judgments against the Company not adequately covered by insurance or which collectively might result in any material adverse change in the condition (financial or otherwise) or business of the Company or which would materially adversely affect the properties or assets of the Company.

2.12 Finders. The Company does not know of any outstanding claims for services in the nature of a finder's fee or origination fees with respect to the sale of the Securities hereunder for which the Agent may be responsible, and the Company will indemnify the Agent from any liability for such fees (including the

payment of attorney's fees incurred by Agent due to any claim by any such finder or originator) by any party who, in the reasonable opinion of Agent's counsel, has a legitimate claim for such compensation from the Company and for which person the Agent is not legally responsible. In the event of such claim, Agent shall properly notify Company thereof and the Company may, at its option and at its sole cost and expense, take over the defense of such a claim with counsel of its choice, reasonably satisfactory to Agent. Agent shall not settle any such claims or litigation arising hereunder without the prior written consent of the Company, which shall not be unreasonably withheld.

2.13 Tax Returns. The Company has filed all federal and state and local tax returns which are required to be filed, and has paid all material taxes shown on such returns and on all assessments received by it to the extent such taxes have become due (except for taxes the amount of which the Company is contesting in good faith). All taxes with respect to which the Company is obligated have been paid, or adequate accruals have been set up to cover any such unpaid taxes.

2.14 Authority. The execution and delivery by the Company of this Agreement have been duly authorized by all necessary action, and this Agreement is the valid, binding and legally enforceable obligation of the Company except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws, by principles governing enforcement of equitable remedies and, with respect to indemnification against liabilities under the Act, matters of public policy.

2.15 Actions by the Company. The Company will not take any action which will impair the effectiveness of the transactions contemplated by this Agreement.

3. ISSUE, SALE AND DELIVERY OF THE SECURITIES.

3.1 Deliveries of Securities. Certificates in such form that, subject to applicable transfer restrictions as described in the Subscription Agreement, they can be negotiated by the purchasers thereof (issued in such denominations and in such names as the Agent may direct the Company to issue) for the Securities, and the Agent Securities (described in Section 3.4 below), shall be delivered by the Company to the Escrow Agent, with copies made available to the Agent for checking at least one (1) full business day prior to the Closing Date, it being understood that the directions from the Agent to the Company shall be given at least two (2) full business days prior to the Closing Date. The certificates for the Securities and the Agent Securities shall be delivered at the at the Initial Tranche Closing and at each subsequent Call Closing (as defined hereinafter).

3.2 Escrow of Funds. Pursuant to the Escrow Agreement, a copy of which is attached hereto as Exhibit "A" (the "Escrow Agreement"), executed by the Company, each Subscriber and the escrow agent (the "Escrow Agent"), the Subscribers shall place all funds for purchase of Securities in an escrow account set up by the Company. The Company shall have the right in its sole and absolute discretion, for any reason or no reason, to approve or reject the subscriptions of each Subscriber, as described the Subscription Agreement. With respect to the Initial Tranche Closing, at such time as Subscribers subscribing for at least the Minimum Proceeds have delivered to the Escrow Agent their signed subscription documents, those Subscribers have been approved by the Company and all other Closing conditions have been met, Escrow Agent shall release the subscription funds and signed documents to the Company and release the certificates representing the Securities to the Subscribers. In no event, however, shall the Initial Tranche Closing occur after June 22, 1998, unless a later date is agreed upon by the Company and the Agent (the "Termination Date"). Pursuant to the Escrow Agreement, the Subscribers shall place all funds for purchase of Securities with respect to any Call for Proceeds into such escrow account set up by the Company. With respect to any Call Closing, at such time as Subscribers have delivered to the Escrow Agent any necessary Closing documents, those Subscribers have been

approved by the Company and all other Closing conditions have been met, Escrow Agent shall release the subscription funds and signed documents to the Company and release the certificates representing the Securities to the Subscribers.

3.3 Closing Date. The Initial Tranche Closing shall take place at the offices of Escrow Agent on the Initial Tranche Closing Date as specified in the Subscription Agreement. Any subsequent Call Closing shall take place at the offices of the Escrow Agent on each Call Closing Date as specified in the Subscription Agreement. The Initial Tranche Closing Date and any Call Closing Date shall be referred to herein as the "Closing Date."

3.4 Agent's Compensation. The Company shall pay the Agent the amounts pursuant to Section 3.4.1 and 3.4.2 herein, which shall be the full amount payable to the Agent for its services, as fees and expenses, in connection with this Offering.

3.4.1 First Ten Million Dollars Placed. For the first Ten Million Dollars ($10,000,000) placed in this Offering, the Agent shall be paid:

(a) a cash placement fee ("First Cash Placement Fee") equal to seven percent (7%) of the purchase price of any and all Securities placed up to the aggregate purchase price of the first ten million dollars ($10,000,000) of Securities placed, which shall equal a total of seven hundred thousand dollars ($700,000) for the first ten million dollars ($10,000,000) of Securities placed;

(b) a non-accountable expense allowance equal to one percent (1%) of the purchase price of any and all Securities placed up to the aggregate purchase price of the first ten million dollars ($10,000,0000) of Securities placed, which covers legal and brokerage expenses of this portion of the placement (the "First Non-Accountable Expense Allowance," together with the First Cash Placement Fee, referred to as the ("First Cash Fee")); and

(c) an amount of securities (the "First Agent Securities") equal to (i) eight percent (8%) of all Common Stock issued to Subscribers (the "First Agent Common Stock") and (ii) eight percent (8%) of all warrants issued to Subscribers, subject to adjustment as specified in Section 3.5 below.

3.4.2 Securities Placed in Excess of Ten Million Dollars. For the placement of Securities in excess of Ten Million Dollars ($10,000,000) in this Offering, the Agent shall be paid:

(a) a cash placement fee (the "Second Cash Placement Fee," together with the First Cash Placement Fee, referred to as the Cash Placement Fee) equal to seven percent (7%), of the purchase price of any and all Securities placed in excess of the aggregate purchase price of ten million dollars ($10,000,000), which shall equal a total of seven hundred thousand dollars ($700,000) for the next ten million dollars ($10,000,000) of Securities placed;

(b) a one time non-accountable expense allowance (the "Second Non- Accountable Expense Allowance," together with the Second Cash Placement Fee and the First Cash Fee, referred to as the "Cash Fee") equal to one hundred thousand dollars ($100,000) for any and all Securities placed in excess of the aggregate purchase price of ten million dollars ($10,000,000), such non-accountable expense allowance to be paid upon placement of any Securities resulting in an aggregate purchase price in excess of ten million one Hundred thousand dollars ($10,100,000); and

(c) an amount of securities (the "Second Agent Securities" together with the First Agent Securities, referred to as the "Agent Securities") equal to (i) eight percent (8%) of all Common Stock issued to Subscribers (the "Second Agent Common Stock," together with the First Agent Common Stock

referred to as the Agent Common Stock) and (ii) eight percent (8%) of all warrants issued to Subscribers, subject to adjustment as specified in Section 3.5 below.

3.5 Reset of Agent Securities. If the Agent is not able to close, on or before August 25, 1998, the Company's private placement of at least four million dollars ($4,000,000) to fund the buyout of certain distribution rights from Biotechnology Development Ltd. pursuant to that certain Letter of Agreement by and between Company and Agent, dated on or about June 15, 1998, then the amount of First Agent Securities payable to Agent pursuant to Section 3.4.1(c) shall be increased from eight percent (8%) to ten percent (10%) and the amount of Second Agent Securities payable to Agent pursuant to Section 3.4.2(c) shall be increased from eight percent (8%) to ten percent (10%), in each case such increase to be applied retroactively to all securities issued to Agent since the date of execution of this Agreement. In order to give effect to such retroactive increase, the Company shall issue, within five (5) business days of such increase, such additional First Agent Securities and/or Second Agent Securities as is necessary to fully compensate Agent for all amounts placed prior to August 25, 1998.

3.6 Payment of Fees. The Escrow Agent shall be instructed to pay all Cash Fees and to deliver all Agent Securities pursuant to Section 3.4 of this Agreement, directly to the Agent from the proceeds of the Initial Tranche Closing and all subsequent Call Closings, simultaneous with the transfer of proceeds to the Company.

3.7 Press Release. The Agent shall have the right to review and comment upon any press release issued by the Company in connection with the Offering.

4. OFFERING OF THE SECURITIES ON BEHALF OF THE COMPANY.

4.1 In offering the Securities for sale, the Agent shall offer them solely as an agent for the Company, and such offer shall be made upon the terms and subject to the conditions set forth in the Offering Documents. The Agent shall commence making such offer as an agent for the Company as soon as possible following delivery of the final Company approved Offering Documents to Agent (or notification by Company or its Counsel the latest version of any Offering Documents on Agent's computer system is acceptable for faxing to Subscribers).

4.2 The Agent will only make offers to sell the Securities to, or solicit offers to subscribe for any Securities from, persons or entities that Agent reasonably believes are "accredited investors" as defined Regulation D.

5. RIGHT OF FIRST REFUSAL.

The Company hereby grants Agent rights of first refusal as follows:

5.1 The Agent has the night of first refusal to act as placement agent for any future private financings of the Company under which the Company issues or sells, or agrees to issue or sell, for cash (a) any debt or equity securities which are convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock either (i) at any conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security, or (ii) with a fixed conversion, exercise or exchange price that is subject to being reset at some future date at any time after the initial issuance of such debt or equity security or upon the occurrence of specified contingent events directly or indirectly related to the business of the Company or the market for the Common Stock, or (b) any securities of the Company pursuant to an equity

line structure or format similar in nature to this Offering or otherwise, excluding joint ventures, mergers, acquisitions, or similar transactions; provided, however, that the Agent has the right of first refusal to act as placement agent for any future private financings between the Company and each Subscriber pursuant to the Subscription Agreement, whether equity securities, convertible debt securities, or securities or instruments convertible into or exchangeable for debt or equity securities of the Company, excluding joint ventures, mergers, acquisitions, or similar transactions. The duration of the Agent's right of first refusal under this Section 5.1 shall be for a period of two (2) years following the Initial Tranche Closing Date.

5.2 In the event that the Company wishes to undertake a transaction described in this Section 5, the Company must send Agent a written notice of the proposed transaction (whether the transaction is initiated by the Company or is offered to the Company by a third party), in sufficient specificity to allow the Agent to understand the proposed transaction clearly. This notice must be delivered to Agent at least twenty (20) days prior to the proposed closing of the transaction. The Agent shall have fifteen (15) days from receipt of that notice to determine whether or not it wishes to exercise its right of first refusal with respect to that transaction. The Agent shall notify the Company in writing of its decision to exercise or waive its right of first refusal with respect to the transaction described in the notice. If the Agent waives its right of first refusal with respect to a particular transaction, the Company may proceed with that transaction; provided, however, that if prior to any Closing in the proposed transaction the terms of the transaction are changed in any material way from the terms set forth in the notice to the Agent, the Agent's night of first refusal shall commence again. Agent's waiver of its rights of its rights of first refusal with respect to any specific transaction shall not act as a waiver of its rights with respect to future transactions within the applicable time period.

5.3 In the event that Company breaches Section 5.1 of this Agreement, Agent shall be entitled to receive compensation based upon the aggregate purchase price of securities placed in such transaction in an amount calculated pursuant to Section 3.4 hereof, excluding, however, all amounts designated as Non- Accountable Expense Allowances.

6. COVENANTS OF THE COMPANY.

The Company covenants and agrees with the Agent that:

6.1 After the date hereof, the Company will not at any time, prepare and distribute any amendment or supplement to the Offering Documents, of which amendment or supplement the Agent shall not previously have been advised and the Agent and its counsel furnished with a copy within a reasonable time period prior to the proposed adoption thereof, or to which the Agent shall have reasonably objected in writing on the ground that it is not in compliance with the Act or the Rules and Regulations (if applicable).

6.2 The Company will pay, whether or not the transactions contemplated hereunder are consummated or this Agreement is prevented from becoming effective or is terminated, all costs and expenses incident to the performance of its obligations under this Agreement, including all expenses incident to the authorization of the Securities and their issue and delivery to the Agent, any original issue taxes in connection therewith, all transfer taxes, if any, incident to the initial sale of the Securities, the fees and expenses of the Company's counsel (except as provided below) and accountants, the cost of reproduction and furnishing to the Agent copies of the Offering Documents as herein provided; provided, however, that the Company shall not be responsible for the direct payment of fees and costs incurred by Agent, including attorney's fees of or any costs incurred by the Agent's counsel.

6.3 As a condition precedent to the Initial Tranche Closing, the Company will deliver to the Agent a true and correct copy of all documents requested by Agent included in Agent's due diligence request,

including but not limited to the Certificate of Incorporation of the Company, and all amendments and certificates of designation of preferences of preferred stock, certified by the Secretary of State of the State of Delaware.

6.4 Prior to the Closing Date, the Company will cooperate with the Agent in such investigation as it may make or cause to be made of all of the properties, business and operations of the Company in connection with the Offering of the Securities. The Company will make available to it in correction therewith such information in its possession as the Agent may reasonably request and will make available to the Agent such persons as the Agent shall deem reasonably necessary and appropriate in order to verify or substantiate any such information so supplied.

6.5 The Company shall be responsible for making any and all filings required by the Blue Sky authorities of the State of Delaware and filings required by the laws of the jurisdictions in which the Subscribers who are accepted for purchase of Securities are located, if any.

6.6 The Company shall, at its next annual shareholder meeting, to be held no later than October 31, 1998, use its best efforts to obtain approval of its shareholders to authorize (i) the issuance of the full number of shares of Common Stock which would be issuable pursuant to the Subscription Agreement but for the Cap Amount, as defined in the Subscripton Agreement, and eliminate any prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization with jurisdiction over the Company or any of its securities with respect to the Company's ability to issue shares of Common Stock in excess of the Cap Amount (such approvals being the "Shareholder 20% Approval").

7. NON-CIRCUMVENTION & CONFIDENTIALITY OF PROPRIETARY AGENT INFORMATION.

7.1 Non-Circumvention. The investors who participate in the Offering and the other investors who are listed on the schedule attached hereto as Exhibit B shall be considered, for purposes of this Agreement, the property of Agent. The Company on behalf of itself, its parent or its subsidiaries (collectively hereinafter referred to as "Company") agree not to circumvent, directly or indirectly, Agent's relationship with these investors, their parents or any of the investors' subsidiaries or affiliates (collectively hereinafter referred to as "Investors") and Company will not directly or indirectly contact or negotiate with any of these Investors regarding an investment in the Company, or any other company, and will not enter into any agreement or transaction with Investors, or disclose the names of Investors, except as such disclosure may be required by any law, rule, regulation, regulatory body, court or administrative agency, for a period of time beginning on the date hereof and ending on the date that is two (2) years after the Initial Tranche Closing Date without the prior written approval of Agent; provided, however, that notwithstanding the above, nothing contained in this Agreement shall prevent Company from directly or indirectly, selling securities to the Investors through a public offering or from, directly or indirectly, contacting or negotiating with the Investors in satisfaction of Company's obligations under the Subscription Agreements entered into in connection herewith. In the event that the Company, with Swartz's advance written permission accepts an investment (a "Subsequent Investment") from an Investor or Investors (other than in a public offering) in a placement being arranged without an agent or through an agent other than the Agent during the period beginning on the date hereof and terminating on the second (2nd) anniversary of the Initial Tranche Closing Date as described in the Subscription Agreement, the Company agrees to pay to the Agent a fee equal to six percent (6%) of all amounts invested by such Investor(s). In the event that the Company accepts a Subsequent Investment without Swartz's advance written permission, the Company agrees to pay to the Agent a fee equal to eight percent (8%) of all amounts invested by such Investor(s).

Any Class B investor, from the previous Swartz placement are subject to the Original Non-circumvent Agreement between Company and Swartz, dated December 27, 1995. Class B investors are listed on the schedule attached hereto as Exhibit C.

7.2 Specific Performance and Attorney's Fees. The Company acknowledges and agrees that, if it breaches its obligations under Sections 7.1, damages at law will be an insufficient remedy to Agent and that Agent would suffer irreparable damage as a result of such violation. Accordingly, it is agreed that Agent shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief against the breaching party to enforce the provisions of such sections, which injunctive relief shall be in addition to any other rights or remedies available to Agent. The Company agrees to pay to Agent (severally and not jointly) all costs and expenses incurred by Agent relating to the enforcement of the terms of Sections 7.1 hereof due to its own actions, whether by injunction, a suit for damages or both, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

8. INDEMNIFICATION.

8.1 The Company agrees to indemnify and hold harmless the Agent, each person who controls the Agent within the meaning of Section 15 of the Act and the Agent's employees, accountants, attorneys and agents (the "Agent's Indemnitees") against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act or the '34 Act or any other statute or at common law and for any reasonable legal or other expenses (including the costs of any investigation and preparation) incurred by them in connection with any litigation, whether or not resulting in any liability, but only insofar as such losses, claims, damages, liabilities and litigation arise out of or are based upon (i) the Company's breach of its obligations under the Subscription Agreement to deliver shares of Common Stock to a Subscriber upon submission by Subscriber of the required documentation, or (ii) any untrue statement of material fact contained in the Offering Documents or any amendment or supplement thereto or any application or other document filed in any state or jurisdiction in order to qualify the Securities under the Blue Sky or securities laws thereof, or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein, under the circumstances under which they were made, not misleading, all as of the date of the Offering Documents or of such amendment as the case may be, or (iii) any breach of any representation, warranty or covenant made by the Company in this Agreement, provided, however, that the indemnity agreement contained in this Section 8.1 shall not apply to amounts paid in settlement of any such litigation, if such settlements are made without the consent of the Company (but no such settlement may be made without the Company's prior written consent, which consent shall not be unreasonably withheld), nor shall it apply to the Agent's Indemnitees in respect to any such losses, claims, damages or liabilities arising out of or based upon any such untrue statement or alleged untrue statement or any such omission or alleged omission, if such statement or omission was made in reliance upon information furnished in writing to the Company by the Agent specifically for use in connection with the preparation of the Offering Documents or any such amendment or supplement thereto or any application or other document filed in any state or jurisdiction in order to qualify the Securities under the Blue Sky or securities law thereof. This indemnify agreement is in addition to any other liability which the Company may otherwise have to the Agent's Indemnitees. The Agent's Indemnitees agree, within ten (10) days after the receipt by them of written notice of the commencement of any action against them in respect to which indemnify may be sought from the Company under this Section 8.1, to notify the Company in writing of the commencement of such action; provided, however, that the failure of the Agent's Indemnitees to notify the Company of any such action shall not relieve the Company from any liability which it may have to the Agent's Indemnitees on account of the indemnity agreement contained in this Section 8.1, except with respect to any failure which irreparably prejudices the Company or causes an event of adjudication materially adverse to the Company. The Company shall not be relieved from any other liability which it may have to the Agent's Indemnitees, and if the Agent's

Indemnitees shall notify the Company of the commencement thereof, the Company shall be entitled to participate in (and, to the extent that the Company shall wish, to direct) the defense thereof at its own expense, but such defense shall be conducted by counsel of recognized standing and reasonably satisfactory to the Agent's Indemnitees, defendant or defendants, in such litigation. The Company agrees to notify the Agent's Indemnitees promptly of the commencement of any litigation or proceedings against the Company or any of the Company's officers or directors of which the Company may be advised in connection with the issue and sale of any of the Securities and to furnish to the Agent's Indemnitees, at their request, copies of all pleadings therein and to permit the Agent's Indemnitees to be observers therein and apprise the Agent's Indemnitees of all developments therein, all at the Company's expense.

8.2 With the exception provided below as to limitations of indemnity, the Agent agrees, in the same manner and to the same extent as set forth in Section 8.1 above, to indemnify and hold harmless the Company, and the Company's and Company's directors, officers, employees, accountants, attorneys and agents (the "Company's Indemnitees") with respect to (i) any statement in or omission from the Offering Documents or any amendment or supplement thereto or any application or other document filed by the Company in any state or jurisdiction in order for the Company to qualify, the Securities under the Blue Sky or securities laws thereof, or any information furnished pursuant to Section 2.4 hereof, if such statement or omission was made in reliance upon information furnished in writing to the Company by the Agent in a document executed by Agent on its behalf specifically for use in connection with the preparation thereof or supplement thereto, or (ii) any untrue statement of a material fact made by the Agent or its agents not based on statements in the Offering Documents or authorized in writing by the Company, or with respect to any misleading statement made by the Agent or its agents resulting from the omission of material facts which misleading statement is not based upon the Offering Documents, and any documents filed with public or governmental authorities or agencies, and any public press releases or information furnished in writing by the Company or, (iii) any breach of any representation, warranty or covenant made by the Agent in this Agreement. The Agent shall not be liable for amounts paid in settlement of any such litigation if such settlement was effected without its consent. In case of the commencement of any action in respect of which indemnity may be sought from the Agent, the Company's Indemnitees shall have the same obligation to have notice as set forth in Section 8.1 above, subject to the same loss of indemnity in the event such notice is not given, and the Agent shall have the same night to participate in (and, to the extent that it shall wish, to direct) the defense of such action at its own expense, but such defense shall be conducted by counsel of recognized standing reasonably satisfactory to the Company. The Agent agrees to notify the Company's Indemnitees, at their request, and to provide copies of all pleadings therein and to permit the Company's Indemnitees to be observers therein and appraise them of all the developments therein, all at the Agent's expense. As to Damages, Company recognizes that since it is receiving the net proceeds of the monies generated by this placement, that indemnity, if any, to be paid by the Placement Agent to the Company shall be strictly limited to the Placement Agent's Cash Fee, inclusive of attorney fees and costs of arbitration and/or court proceedings.

9. LIQUIDATION DAMAGES.

Company and Agent both acknowledge that it would be extremely impractical and difficult to ascertain the actual damages to be suffered by Company if Agent is found by an arbitrator or a court of competent jurisdiction to have breached any of the representations, warranties and covenants contained in Section 13 of this instrument. Accordingly, should a breach of the representations of Section 13 be proven and Agent found liable for said breach, Company and Agent hereby agree that the damages shall be limited to an amount equal to the Cash Placement Fee received by Agent pursuant to Section 3.4 of this Agreement plus the return to the Company of the Agent Securities received by Agent pursuant to Section 3.4 of this Agreement (or, to the extent that the Agent Securities have already been sold by Agent, the value, as defined below, of the Agent Securities), inclusive of all attorney's fees and cost of court. For purposes hereof, the value of the Agent Common Stock

shall be deemed to equal the lesser of (i) the aggregate Share Price of any Agent Common Stock issued to Agent or (ii) the market value of such Agent Common Stock on the date that such shares were sold by Agent, and in either case, the Agent may return such Agent Common Stock to the Company in lieu of any payment, as to the value of such Agent Securities, for damages pursuant to this Section. For purposes hereof, the value of each Warrant issued to Agent which has been exercised by Agent shall be the difference of (i) the market value of the Common Stock received upon such exercise on the date that such shares were sold by Agent, minus (ii) the Exercise Price of such Warrant. This provision is not to be construed as a penalty, but as full liquidated damages under Georgia law.

10. EFFECTIVENESS OF AGREEMENT.

This Agreement shall become effective (i) at 9:00 A.M., Atlanta, Georgia time, on the date hereof or (ii) upon release by the Agent of the Securities for offering after the date hereof, whichever occurs first. The Agent agrees to notify the Company immediately after the Agent shall have taken any action by such release or otherwise wherein this Agreement shall have become effective.

11. CONDITIONS OF THE AGENT'S OBLIGATIONS.

The Agent's obligations to act as agent of the Company hereunder and to find purchasers for the Securities shall be subject to the accuracy, as of the Closing Date, of the representations and warranties on the part of the Company herein contained, to the fulfillment of or compliance by the Company with all covenants and conditions hereof, and to the following additional conditions:

11.1 Counsel to the Agent shall not have objected in writing or shall not have failed to give his consent to the Offering Documents (which objection or failure to give consent shall not have been done unreasonably).

11.2 The Agent shall not have disclosed to the Company that the Offering Documents, or any amendment thereof or supplement thereto, contains an untrue statement of fact, which, in the opinion of counsel to the Agent, is material, or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein, or is necessary to make the statements therein, under the circumstances in which they were made, not misleading.

11.3 Between the date hereof and the Closing Date, the Company shall not have sustained any loss on account of fire, explosion, flood, accident, calamity or any other cause of such character as would materially adversely affect its business or property considered as an entire entity, whether or not such loss is covered by insurance.

11.4 Except as set forth in the Disclosure Documents to the Subscripton Agreement, during the time period between the date hereof and the Initial Tranche Closing Date, there shall be no litigation instituted or threatened against the Company, and there shall be no proceeding instituted or threatened against the Company before or by any federal or state commission, regulatory body or administrative agency or other governmental body, domestic or foreign, wherein an unfavorable ruling, decision or finding would materially adversely affect the business, franchises, license, permits, operations or financial condition or income of the Company considered as an entity.

11.5 Except as contemplated herein or as set forth in the Offering Documents, during the period subsequent to the most recent financial statements contained in the Offering Documents, if any, and prior to the Initial Tranche Closing Date, the Company (i) shall have conducted its business in all material respects in

the usual and ordinary manner as the same is being conducted as of the date hereof and (ii) except in the ordinary course of business, the Company shall not have incurred any liabilities or obligations (direct or contingent) or disposed of any assets, or entered into any material transaction or suffered or experienced any substantially adverse change in its condition, financial or otherwise. At the Closing Date, the equity account of the Company shall be substantially the same as reflected in the most recent balance sheet contained in the Offering Documents except for reductions for matters discussed in the Subscription Agreements and without considering the proceeds from the sale of the Securities other than as may be set forth in the Offering Documents.

11.6 The authorization of the Securities by the Company and all proceedings and other legal matters hereto and to this Agreement shall be reasonably satisfactory in all material respects matters to counsel to the Agent, who shall have furnished the Agent on the Closing Date with such favorable opinion with respect to the sufficiency of all corporate proceedings and other legal matters relating to this Agreement as the Agent may reasonably require, and the Company shall have furnished such counsel such documents as he may have requested to enable him to pass upon the matters referred to in this subparagraph.

11.7 The Company shall have furnished to the Agent the opinion, dated the Closing Date, addressed to the Agent, from counsel to the Company, as required by the Subscription Agreement in substantially the form attached to the Subscription Agreement as Exhibit D.

11.8 The Company shall have furnished to the Agent a due diligence back up certificate signed by the Chief Executive Officer and the Chief Financial Officer of the Company (a copy of which is attached hereto as Exhibit C), dated as of the Closing Date, to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects at and as of the Closing Date (other than representations and warranties which by their terms are specifically limited to a date other than the Closing Date), and the Company has complied with all the agreements and has satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) the Company has carefully examined the Offering Documents, and any amendments and supplements thereto, and, to the best of its knowledge, all statements contained in the Offering Documents, and any amendments and supplements thereto, are true and correct, and neither the Offering Documents, nor any amendment or supplement thereto, includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein under the circumstances in which they were made not misleading, and since the date hereof, there has occurred no event required to be set forth in an amended or supplemented Offering Documents, which has not been set forth; except as set forth in the Offering Documents, since the respective dates as of which the periods for which the information is given in the Offering Documents and prior to the date of such certificate, (a) there has not been any material adverse change, financial and otherwise, in the affairs of condition of the Company, and (b) except as disclosed in the Offering Documents, the Company has not incurred any material liabilities, direct or contingent or entered into any material transactions, otherwise than in the ordinary course of business; and

(iii) the Company has provided true and correct copies of all documents in its possession or which it could obtain that were requested by Agent pursuant to any due diligence inquiry.

12. TERMINATION.

12.1 This Agreement may be terminated by the Agent by notice to the Company in the event that the Company shall have failed or been unable to comply with any of the material terms, conditions or provisions of this Agreement on the part of the Company to be performed, complied with fulfilled within the respective times, if any, herein provided for, unless compliance therewith or performance or satisfaction thereof shall have been expressly waived by the Agent in writing. However, if any material breach by Company can be cured within ten (10) business days, Agent shall provide Company such reasonable period to cure.

12.2 This Agreement may be terminated by the Company by notice to the Agent in the event that the Agent shall have failed or been unable to comply with any of the terms, conditions or provisions of this Agreement on the part of the Agent to be performed, complied with or fulfilled within the respective times, if any, herein provided for, unless compliance therewith or performance or satisfaction thereof shall have been expressly waived by the Company in writing. However, if any material breach by Agent can be cured within ten (10) business days, Company shall provide Agent such ten (10) business days to cure.

12.3 This Agreement may be terminated by the Agent by notice to the Company at any time, if, in the reasonable, good faith judgment of the Agent, payment for and delivery of the Securities is rendered impracticable or inadvisable because: (i) additional material governmental restrictions not in force and effect on the date hereof shall have been imposed upon trading in securities generally, (ii) a war or other national calamity shall have occurred, or (iii) the condition of the market (either generally or with reference to the sale of the Securities to be offered hereby) or the condition of any matter affecting the Company or any other circumstance is such that it would be undesirable, impracticable or inadvisable, in the judgment of the Agent, to proceed with this Agreement or with the Offering.

12.4 Any termination of this Agreement pursuant to this Section 12 shall be without liability of any character (including, but not limited to, loss of anticipated profits or consequential damages) on the part of any party thereto, except that the Company shall remain obligated to pay the costs and expenses provided to be paid by it specified in Sections 3 and 5; and the Company and the Agent shall be obligated to pay, respectively, all losses, claims, damages or liabilities, joint or several, under Section 8.1 in the case of the Company and Section 8.2 in the case of the Agent.

13. AGENT'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Agent represents and warrants to and agrees with the Company that:

13.1 The Placement Agent is a limited liability company duly organized and existing under the laws of the state of Georgia. The Placement Agent is an OSJ branch office of Dunwoody 91 Brokerage Services, Inc., a licensed NASD broker-dealer, and a member of SIPC.

13.2 There is not now pending or threatened or to the Agent's knowledge, contemplated against the Agent any action or proceeding of which the Agent has been advised, either in any court of competent jurisdiction, before the Commission or before any state securities commission or the NASD, concerning the Agent's activities which would impair the ability of the Agent to conduct the Offering as contemplated by this Agreement.

13.3 In the event any action or proceeding of the type referred to Section 13.2 above shall in be instituted or threatened against the Agent at any time prior to the Closing Date or, in the event there shall be filed by or against the Agent in any court, pursuant to any federal, state, local or municipal statute, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of its assets or if the Agent makes an assignment for the benefit of creditors, the Company shall have the right, on three (3)

days' written notice to the Agent, to terminate this Agreement without any liability to the Agent of any kind, except for the payment of all expenses provided herein.

13.4 Agent understands and acknowledges that prior to issuance, the Securities are not being registered under the Act, and that the Offering is to be conducted pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). Accordingly, in conducting its activities under this Agreement.

(a) Agent has not offered or sold and will not offer or sell any Securities to any investor which Agent does have reasonable grounds to believe, or does not believe, is an "Accredited Investor," within the meaning of Regulation D under the Act.

(b) Agent has not offered or sold and will not offer or sell any Securities by means of any form of general solicitation or general advertising, including, but not limited to, the following:

(1) any advertisement article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and

(2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(c) Agent will not solicit or accept the subscription of any person unless immediately before accepting such subscription Agent has reasonable grounds to believe and does believe that (i) such person is an Accredited Investor and (ii) all representations made and information furnished by such person in the Subscription Agreement and related documents are true and correct in all material respects.

(d) Agent will not solicit any purchasers of any Securities unless the Offering Documents are furnished to such prospective purchaser.

(e) Upon notice from the Company that the Offering Documents are required to be amended or supplemented, Agent will immediately cease use of the Offering Documents until Agent has received such amendment or supplement and thereafter will make use of the Offering Documents only as so amended or supplemented, and Agent will deliver a copy of such amendment or supplement to each prospective investor to whom a copy of the Offering Documents had previously been delivered (and who has not returned such copy).

(f) Agent will use its best efforts to conduct the offering of the Securities in a manner that will allow the availability of the private offering exemption from federal securities regulation provided by Regulation D promulgated under the Securities Act of 1933, as amended.

(g) Agent will notify the Company in writing promptly when any event shall have occurred during the Offering Period as a result of which any representation or warranty of the Agent herein would not be true.

13.5 Neither the Agent nor any of its Affiliates will take any action which will impair the effectiveness of the transactions contemplated by this Agreement.

13.6 All corporate actions by Agent required for the execution, delivery and performance of this Agreement have been taken. The execution and delivery of this Agreement by the Agent, the observance and performance thereof, and the consummation of the transactions contemplated herein or in the Offering

Documents do not and will not constitute a material breach of, or a material default under, any instrument or agreement by which the Agent is bound, and does not and will not, to the best of the Agent's knowledge, contravene any existing law, decree or order applicable to it. This Agreement constitutes a valid and binding agreement of Agent, enforceable in accordance with its terms.

13.7 Agent understands that the Company is relying upon Agent's representations and warranties in connection with the Offering and the sale of the Securities contemplated by this Agreement.

13.8 Agent's representations and warranties under this Section 13 shall be true and correct as of the Closing, and shall survive the Closing indefinitely.

13.9 Upon closing of the Offering and with the Company's prior written approval for each such service to be provided, Placement Agent agrees to provide the following services (the "PLUS Package Aftermarket Services") for a period of one (1) year following the Initial Tranche Closing Date of the Offering (service may be provided for periods following one (1) year subject to subsequent agreement between Company and Placement Agent).

(1) Analyst Coverage and Reporting

Placement Agent's analyst will prepare a full-scale research report ("Analyst Report") on the Company which is expected to include the following:

- Company's Technology
- Company's Target Market
- Industry overview
- Business plan & strategy
- Competitors
- Current contracts
- 3rd Party Partners
- Company Management and Board

The Analyst Report will be prepared following the Offering and will be updated at least quarterly thereafter.

(2) Identification of Target Institutions to Distribute Analyst Coverage.

Placement Agent will identify a minimum of twenty five (25) institutional buy- side equity investors (together with the private equity investors in the Offering, referred to as the "Target Affinity Group") which have orientation toward the Company's specific industry and/or small capitalization equity securities. Placement Agent will contact the institutional investment manager of each member of the Target Affinity Group and use its best efforts to get each to agree to participate in the "PLUS" program. Placement Agent will thereafter distribute its Analyst Report to the participating Target Affinity Group, including all Analyst Report updates.

(3) Quarterly Institutional Conference Calls.

Placement Agent will arrange and conduct Quarterly (post earnings) conference calls between the Target Affinity Group and the Company regarding the Company's progress and future prospects. Placement Agent will bear the telephone expense of such conference calls.

(4) Annual Investor Conference.

Placement Agent will arrange and conduct a New York based investor conference to highlight the Company to the Target Affinity Group and other institutional equity investors who have interest in attending the Company presentation. The investor conference will be arranged by Placement Agent approximately twelve (12) months after the Offering. Placement Agent will make all arrangements, organize the event, contact and make invitations to targeted participants and provide support personnel at the event. The Company will be responsible for the expenses of all accommodations and conference facilities as well as travel and lodging expenses for Company and Placement Agent personnel during conference.

(5) Competitive/Industry Tracking and Alert Service.

Placement Agent will identify Company's top three publicly traded competitors and will use reasonable efforts to provide timely "Fax Alerts" to a person designated by Company highlighting significant announcements by competition and of significant industry related news.

(6) "PLUS -ONLINE" Services.

(i) Internet Site. Placement Agent will, within three (3) months of the closing of the Offering, provide an Internet based on-line system which will provide access to the Target Affinity Group and others designated by the Company (as agreed between Placement Agent and Company) of the following Company related information:

- Company overview/slideshow presentation
- A full motion video of the Company's overview
- Placement Agent Analyst Report coverage including quarterly updates
- A chronological archive of the Company's press releases
- Video/voice Archive of Company's quarterly earnings conference call presentations
- A full motion video "Virtual Roadshow" or "Factory Tour"
- 10Q and 10K documents

Placement Agent will bear expense of the on-line internet system and uploading/maintenance of all textual and static graphics materials. Company will bear the expense and determine the extent of the full-motion video based presentation material to be included in the on-line presentations.

(ii) E-mail Connectivity. The on-line internet system will include electronic functions between Company management, Placement Agent personnel and the participating "PLUS" Program members.

14. COMPANY ACKNOWLEDGMENT.

14.1 Company understands and acknowledges that each of the Investors, in their sole discretion, may elect to hold the Securities for various periods of time, as provided in the Offering Documents, and the Company further acknowledges that Agent makes no representations or warranties as to how long the Securities will be held by each Investor or the Investors' trading history or investment strategies.

14.2 The number of Initial Tranche Reset Shares, as defined in the Subscription Agreement, that the Company may be obligated to issue on the Initial Tranche Reset Date, as defined in the Subscription Agreement may increase substantially in certain circumstances, including the circumstance in which the trading price of the Common Stock declines. The Company's executive officers and directors have studied and fully understand the nature of this Agreement and the Securities being sold hereunder and recognize that they have a potential dilutive effect. The board of directors of the Company has concluded in its good faith business judgment that such issuance is in the best interests of the Company.

14.3 Company understands that there is no assurance as to how the market and/or market makers will respond to the private placement structure.

14.4 Company acknowledges that Agent has not made (either directly or through any agent or representative) any representations, warranties or covenants contrary to sections 14.1 through 14.3 and that Agent has disclosed the risks inherent in the structure of the Offering including, without limitation, risks associated with the activities contemplated in Sections 14.1 through 14.3.

14.5 Company acknowledges that due to the existence of the reset provision with respect to the Initial Tranche and the possible issuance of Three Month Reset Shares and Six Month Reset Shares, an issuance of more than twenty percent (20%) of the outstanding Common Stock of Company could occur.

14.6 Company acknowledges that this Offering will not be deemed to be integrated with any prior placement of securities by the Company under Rule 502 of the Securities Act of 1933 or other applicable law.

15. NOTICES. Except as otherwise expressly provided in this Agreement:

15.1 Whenever notice is required by the provisions of this Agreement to be given to the Company, such notice shall be in writing, addressed to the Company, at:

If to Company: Attn: Elizabeth Gorbett-Frost
Techniclone Corporation
14282 Franklin Avenue
Tustin, CA 92780
Telephone: 714-508-6000
Facsimile: 714-838-4094

With a Copy to: Attn: R. C. Shepard
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport-Beach, CA 92660-6441
Telephone: 714-725-4000
Facsimile: 714-725-4100

15.2 Whenever notice is required by the provisions of this Agreement to be given to the Agent, such notice shall be given in writing, addressed to the Agent, at:

If to the Agent: Attn: Eric Swartz, President
Swartz Investments, LLC
1080 Holcomb Bridge Road
200 Roswell Sunumt, Suite 285
Roswell, Georgia 30076
Telephone: (770) 640-8130
Facsimile: (770) 640-7150

With a Copy to: Attn: Robert L. Hopkins, President
Dunwoody Brokerage Services, Inc.
8309 Dunwoody Place
Atlanta, Georgia 30350
Telephone: (770) 640-0011
Facsimile: (770) 993-1324

15.3 Any notice instructing the Escrow Agent to distribute monies or Securities held in Escrow must be signed by authorized agents of both the Company and the Agent in order to be valid.

16. MISCELLANEOUS.

16.1 Benefit. This Agreement is made solely for the benefit of the Agent and the Company, their respective officers and directors and any controlling person referred to in Section 15 of the Act and their respective successors and assigns, and no other person may acquire or have any night under or by virtue of this Agreement, including, without limitation, the holders of any Securities. The term "successor" or the term "successors and assigns" as used in this Agreement shall not include any purchasers, as such, of any of the Securities.

16.2 Survival. The respective indemnities, agreements, representations, warranties, covenants and other statements of the Company and the Agent, or the officers, directors or controlling persons of the Company and the Agent as set forth in or made pursuant to this Agreement and the indemnity agreements of the Company and the Agent shall survive and remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Company or the Agent or any such officer, director or controlling person of the Company or of the Agent; (ii) delivery of or payment for the Securities; or (iii) the Closing Date, and any successor of the Company or the Agent or any controlling person, officer or director thereof, as the case may be, shall be entitled to the benefits hereof.

16.3 Governing Law, Jurisdiction and Arbitration. The validity, interpretation and construction of this Agreement and of each party hereof will be governed by the laws of the State of Delaware. Any controversy or claim arising out of or related to this Agreement or the breach thereof, shall be settled by binding

arbitration in Wilmington, Delaware in accordance with the Expedited Procedures (Rules 53-57) of the Commercial Arbitration Rules of the American Arbitration Association (AAA). A proceeding shall be commenced upon written demand by Company or any Holder to the other. The arbitrator(s) shall enter a judgment by default against any party which fails or refuses to appear in any properly noticed arbitration proceeding. The proceeding shall be conducted by one (1) arbitrator, unless the amount alleged to be in dispute exceeds two hundred fifty thousand dollars ($250,000), in which case three (3) arbitrators shall preside. The arbitrator(s) will be chosen by the parties from a list provided by the AAA, and if they are unable to agree within ten (10) days, the AAA shall select the arbitrator(s). The arbitrators must be experts in securities law and financial transactions. The arbitrators shall assess costs and expenses of the arbitration, including all attorneys' and experts' fees, as the arbitrators believe is appropriate in light of the merits of parties' respective positions in the issues in dispute. The award of the arbitrator(s) shall be final and binding upon the parties and may be enforced in any court having jurisdiction. The arbitration shall be held in such place as set by the arbitrator(s) in accordance with Rule 55.

16.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which may be deemed an original and all of which together will constitute one and the same instrument.

16.5 Confidential Information. All confidential financial or business information (except publicly available or freely usable material otherwise obtained from another source) respecting either party will be used solely by the other party in connection with the within transactions, be revealed only to employees or contractors of such other party who are necessary to the conduct of such transactions, and be otherwise held in strict confidence.

16.6 Public Announcements. Neither party hereto will issue any public announcement concerning the within transactions without the review and comment of the other party. The Agent shall have the right to review and comment upon any press release issued by the Company in connection with the Offering.

16.7 Finders. Company represents that it is not obligated to pay any compensation or other fees, costs or related expenditures in cash or securities in excess of $200,000 to any underwriter, broker, agent, finder or other representative other than Agent. Company agrees to indemnify the Agent with respect to any other claim for a fee in connection with the Offering. Agent agrees to indemnify the Company with respect to any claim for a finder's fee which arises because of Agent's agreement to pay a fee to the person or entity making such claim.

16.8 Recitals. The recitals to this Agreement are a material part hereof, and each recital Is incorporated into this Agreement by reference and made a part of this Agreement.

17. ESCROW AGENT FEES.

The Placement Agent hereby agrees to pay the Escrow Agent for the opening of the Escrow Account plus incidental expenses (to be paid out of moneys will wired into escrow) for all ordinary services rendered (the "Escrow Fee") pursuant to that certain Escrow Agreement and Instructions (the "Escrow Agreement"), of even date herewith, by and between the Company, each Subscriber and the Escrow Agent. The Placement Agent and Company further agree to pay the Escrow Agent reasonable fees, which shall be agreed upon between the parties, for any services in addition to those provided for pursuant to the Escrow Agreement to the extent that the Placement Agent or the Company, respectively, has expressly requested such extraordinary services and has been made aware of their cost in advance of their performance.

IN WITNESS WHEREOF, the parties hereto have duly caused this Placement Agent Agreement to be executed as of the day and year first above written.

"THE COMPANY"
TECHNICLONE CORPORATION

By: /s/ Elizabeth Gorbett-Frost

Elizabeth Gorbett-Frost, CFO

"THE AGENT"
SWARTZ INVESTMENTS, LLC
d/b/a SWARTZ INSTITUTIONAL FINANCE

By: /s/ Eric S. Swartz

Eric S. Swartz, President

EXHIBIT 4.15

SECOND AMENDMENT
TO
REGULATION D COMMON STOCK EQUITY LINE SUBSCRIPTION AGREEMENT

THIS SECOND AMENDMENT TO REGULATION D COMMON STOCK EQUITY LINE SUBSCRIPTION AGREEMENT (this "Second Amendment") is entered into as of September 16, 1998, by and among Techniclone Corporation, a corporation duly incorporated and existing under the laws of the State of Delaware (the "Company"), The Tail Wind Fund, Ltd. and Resonance Limited (hereinafter referred to, individually, as a "Subscriber" and, collectively, as the "Subscribers").

RECITALS:

WHEREAS, pursuant to the Company's offering ("Offering") of up to Twenty Million Dollars ($20,000,000), excluding Warrants, of Common Stock of the Company pursuant to that certain Regulation D Common Stock Equity Line Subscription Agreement, dated June 16, 1998 between the Company and the Subscribers, as amended by that certain Amendment to Regulation D Common Stock Equity Line Subscription Agreement dated as of June 19, 1998 (as so amended, (the "Subscription Agreement"), the Company has agreed to sell and the Subscribers have agreed to purchase, from time to time, as provided in the Subscription Agreement, shares of the Company's Common Stock (the "Equity Line Shares") for a maximum aggregate offering amount of Twenty Million Dollars ($20,000,000) and the Company has agreed to issue to the Subscribers, from time to time, warrants to purchase a number of shares of Common Stock, exercisable through December 31, 2004 (the "Subscriber Warrants"); and

WHEREAS, the Subscribers have agreed to certain concessions in connection with the registration under the Securities Act of 1933, as amended, of the Equity Line Shares and the shares underlying the Subscriber Warrants and, in consideration thereof, the Company has agreed to amend certain terms of the Subscription Agreement as set forth herein.

TERMS:

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Second Amendment and in the Subscription Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment of Section 2.3.1. The Company and the Subscribers hereby agree and amend Section 2.3.1 of the Subscription Agreement by deleting subsection (d) thereof in its entirety and inserting in its place the following new subsection (d):

'(d) The "Call Share Price" shall equal (i) eighty-two and one-half percent (82.5%) of the Market Price on the Call Date or (ii) if eighty-two and one-half percent of the Market Price on the Call Date results in a discount of less than twenty cents ($0.20) per share from such Market Price, such Market Price minus twenty cents ($0.20).'

2. Amendment of Section 2.3.3. The Company and the Subscribers hereby agree and amend Section 2.3.3 of the Subscription Agreement by deleting the phrase "provided, however, if the Company does not deliver the certificate or certificates representing the Call Shares on or before the Company Due Date, then the Call Share Price for such Call for Proceeds shall be reset to equal eighty five percent (85%) of the lower of the (i) the Market Price on the Call Date, or (ii) the lowest Closing Bid Price on any Trading Day from the Call Date until the date immediately preceding the date that the Company delivers the certificate or certificates representing all of the Call Shares to the Escrow Agent, including any additional shares required to be issued based upon such reset of the Call Share Price, if applicable;" set forth therein and inserting in its place the following phrase "provided, however, if the Company does not deliver the certificate or certificates representing the Call Shares on or before the Company Due Date, then the Call Share Price for such Call for Proceeds shall be reset to equal the lower of (A) eighty-two and one-half percent (82.5%) of the lower of the (i) the Market Price on the Call Date, or (ii) the lowest Closing Bid Price on any Trading Day from the Call Date until the date immediately preceding the date that the Company delivers the certificate or certificates representing all of the Call Shares to the Escrow Agent, including any additional shares required to be issued based upon such reset of the Call Share Price, if applicable, or (B) the lower of (i) the Market Price on the Call Date, or (ii) the lowest Closing Bid Price on any Trading Day from the Call Date until the date immediately preceding the date that the Company delivers the certificate or certificates representing all of the Call Shares to the Escrow Agent, including any additional shares required to be issued based upon such reset of the Call Share Price, if applicable, minus twenty cents ($0.20);"

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of this 16th day of September, 1998.

TECHNICLONE CORPORATION

By: /s/ Elizabeth Gorbett-Frost

Elizabeth Gorbett-Frost, CFO

Address: Techniclone Corporation
14282 Franklin Avenue
Tustin, CA 92780
Telephone No. (714) 508-6000
Facsimile No. (714) 838-4094

THE TAIL WIND FUND, LTD.

By: /s/ Jason McCarroll
/s/ Mizpah A. Albury

Name: BRIGHTON HOLDINGS LIMITED
Title: AS SOLE DIRECTOR

Address: The Tail Wind Fund, Ltd.
Windermere House
404 East Bay Street
P.O. Box SS-5539
Nassau, Bahamas
Telephone No. (011) 44-171-468-7660
Facsimile No. (011) 44-171-468-7657

RESONANCE LIMITED

By: /s/ M. Mandel

Name: M. Mandel
Title: Pres.

Address: Resonance Limited
c/o Isac Securities
310 Madison Avenue, Suite 503
New York, NY 10017
Telephone No. (212) 692-9577
Facsimile No. (212) 692-9598

EXHIBIT 5

September 18, 1998

Techniclone Corporation
14282 Franklin Avenue
Tustin, California 92780-7017

Re: Registration Statement on Form S-3:
Techniclone Corporation Common Stock, par value $.001 per share

Ladies and Gentlemen:

We are rendering this opinion in connection with the Registration Statement on Form S-3 (the "Registration Statement"), filed by Techniclone Corporation (the "Company") with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on September 18, 1998. The Registration Statement relates to the resale of up to 25,533,409 shares of common stock, $.001 par value, of the Company by the holders thereof named therein (the "Shares").

In our capacity as your counsel in connection with this transaction, we have examined the proceedings taken and are familiar with the proceedings proposed to be taken by you in connection with the authorization and issuance of the securities in the manner set forth in the Registration Statement. We have examined such documents as we consider necessary to render this opinion. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as copies and the genuineness of all signatures. We have also assumed the legal capacity of all natural persons and that, with respect to all parties to agreements or instruments relevant hereto other than the Company, such parties had the requisite power and authority to execute, deliver and perform such agreements or instruments, that such agreements or instruments have been duly authorized by all requisite action and have been executed and delivered by such parties and that such agreements or instruments are valid, binding and enforceable obligations of such parties.

Based upon the foregoing and the compliance with applicable state securities laws and the additional proceedings to be taken by the Company as referred to above, we are of the opinion that the Shares have been duly authorized, and when issued by the Company upon receipt of payment therefor (to the extent required), the Shares will be validly issued, fully paid and nonassessable.

Our opinions herein are limited to the effect on the subject transaction of United States Federal law and the General Corporation Law of the State of Delaware. We assume no responsibility regarding the applicability thereto, or the effect thereon, of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm contained under the caption "Legal Matters" in the prospectus which is a part of the Registration Statement.

Sincerely,

/s/ Rutan & Tucker, LLP

RUTAN & TUCKER, LLP

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Techniclone Corporation on Form S-3 of our report dated June 15, 1998, except for Note 12, as to which the date is July 17, 1998 (which expresses an unqualified opinion and includes an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern), appearing in the Annual Report on Form 10-K of Techniclone Corporation for the year ended April 30, 1998 and to the reference to us under the heading "Experts" in the Prospectus, which is a part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Costa Mesa, California

September 17, 1998