

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 30, 2012

Commission File Number: 000-54014

VistaGen Therapeutics, Inc.

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

Nevada

(State or other jurisdiction of incorporation or organization)

205093315

(IRS Employer Identification No.)

384 Oyster Point Blvd, No. 8, South San Francisco, California 94080
(Address of principal executive offices)

650-244-9990

(Registrant's Telephone number)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

See Item 2.03 of this Current Report on Form 8-K.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

On August 30, 2012, VistaGen Therapeutics, Inc. ("VistaGen") issued a convertible secured promissory note, in the principal amount of \$750,000 (the "August 2012 Note"), to Platinum Long Term Growth VII, LLC ("Platinum").

On August 31, 2012, VistaGen restructured indebtedness to Morrison & Foerster ("M&F"), its intellectual property counsel, which indebtedness was originally evidenced by an unsecured, non-convertible promissory note issued to M&F on May 5, 2011 in the aggregate principal amount of \$2.2 million (the "Original M&F Note") (the "M&F Restructuring"). The Original M&F Note accrued interest at the rate of 7.5% per annum. As further described below, pursuant to the M&F Restructuring, VistaGen issued to M&F two new unsecured promissory notes to replace the Original M&F Note, one in the principal amount of \$1.0 million ("Replacement Note A") and the other in the principal amount of approximately \$1.38 million ("Replacement Note B").

Replacement Note A and Replacement Note B (together, the "Replacement Notes") are due and payable on or before March 31, 2016. Payment of the principal and interest on Replacement Note B shall be made solely by M&F's surrender from time to time of all or a portion of the principal and interest balance due on Replacement Note B in connection with its exercise of a warrant to purchase restricted common stock of VistaGen at an exercise price of \$1.00 per share (the "New M&F Warrant"), the exercise terms of which permit M&F's exercise by concurrent cancellation of indebtedness and surrender of a promissory note issued by VistaGen; provided, however, that M&F shall have the option to require payment of Replacement Note B in cash upon the occurrence of a change in control of VistaGen or an event of default, and only in such circumstances.

Platinum Financing

The August 2012 Note purchased by Platinum accrues interest at the rate of 10% per annum and is due and payable on July 2, 2015. However, although no assurances can be given, VistaGen currently anticipates that all amounts due under the terms of (i) the August 2012 Note and (ii) a substantially similar convertible secured promissory note purchased by Platinum on July 2, 2012 in the principal amount of \$500,000 ("July 2012 Note"), will be rolled into a proposed convertible secured note and warrant financing involving Platinum expected to result in gross proceeds to VistaGen of approximately \$3.25 million, including proceeds of \$1.25 million from the issuance of the July 2012 Note and August 2012 Note. VistaGen and Platinum also amended the security agreement executed by the parties on July 2, 2012 to secure repayment of all obligations due and payable under the terms of the July 2012 Note and the August 2012 Note.

M&F Restructuring

Under the terms of the M&F Restructuring, the Original M&F Note was cancelled and all of VistaGen's past due payment obligations under the terms of the Original M&F Note were satisfied. M&F received a payment of \$155,000 on August 31, 2012 pursuant to the terms of the Original M&F Note, and was issued the Replacement Notes, each dated as of August 31, 2012. Replacement Note A was issued in the principal amount of \$1.0 million and Replacement Note B was issued in the principal amount of \$1,379,376. Both Replacement Notes accrue interest at the rate of 7.5% per annum and are due and payable on March 31, 2016. Payment of the principal and interest on Replacement Note B shall be made solely by M&F's surrender from time to time of all or a portion of the principal and interest balance due on Replacement Note B in connection with its exercise of the New M&F Warrant at an exercise price of \$1.00 per share, and concurrent cancellation of indebtedness and surrender of Replacement Note B; provided, however, that M&F shall have the option to require payment of Replacement Note B in cash upon the occurrence of a change in control of VistaGen or an event of default, and only in such circumstances.

The New M&F Warrant is exercisable for that number of restricted shares of VistaGen common stock equal to the total of all principal and accrued interest due under the terms of Replacement Note B, to the extent such obligations remain unpaid, divided by \$1.00. Additionally, in connection with the M&F Restructuring, VistaGen amended the warrant originally issued to M&F on March 15, 2010 to reduce the exercise price from \$3.00 to \$2.00 per share, extend the expiration date to September 15, 2017 and provide for exercise by paying cash or by cancellation in whole or in part of indebtedness under either of the Replacement Notes (the "Amended M&F Warrant").

Important Notice Regarding the Transaction Documents

The foregoing descriptions of the August 2012 Note, M&F Restructuring, the Replacement Notes, New M&F Warrant, Amended M&F Warrant and the transactions contemplated thereby (together, the "Transaction Documents") are not complete and are subject to and qualified in their entirety by reference to the Transaction Documents attached to this Current Report on Form 8-K as exhibits and incorporated herein by reference.

The Transaction Documents have been included to provide investors and security holders with information regarding their respective terms. They are not intended to provide any other financial information about VistaGen or its subsidiaries and affiliates. The representations, warranties and covenants contained in the Transaction Documents were made only for purposes of the Transaction Documents and as of specific dates; were solely for the benefit of the parties to such Transaction Documents; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of VistaGen or its subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Transaction Documents, which subsequent information may or may not be fully reflected in public disclosures by VistaGen.

Item 3.02 Unregistered Sales of Equity Securities.

See Item 2.03 of this Current Report on Form 8-K. The August 2012 Note, Replacement Notes, the New M&F Warrant and the Amended M&F Warrant were offered and sold in transactions exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), in reliance on Section 4(2) thereof and Rule 506 of Regulation D thereunder. Each of the investors represented that it was an "accredited investor" as defined in Regulation D. The proceeds from the sale of the August 2012 Note are expected to be used for general corporate purposes.

Item 9.01 Financial Statements and Exhibits.

See Exhibit Index.

SIGNATURES

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

VistaGen Therapeutics, Inc.

Date: *September 5, 2012*

By: /s/ Shawn K. Singh

Name: Shawn K. Singh
Title: Chief Executive Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-10.1	August 2012 Note
EX-10.2	Amendment to Security Agreement
EX-10.3	Replacement Note A
EX-10.4	Replacement Note B
EX-10.5	New M&F Warrant
EX-10.6	Amended M&F Warrant

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR BOND LABORATORIES, INC. SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

**VISTAGEN THERAPEUTICS, INC.
Secured Convertible Promissory Note**

**Principal Sum (U.S.): \$750,000
No.: N-PLTG-3**

**Issuance Date: August 30, 2012
Maturity Date: July 2, 2015**

FOR VALUE RECEIVED, the undersigned, VistaGen Therapeutics, Inc., a Nevada corporation (the "*Company*"), hereby promises to pay to the order of Platinum Long Term Growth VII, LLC, a Delaware limited liability company, or any future permitted holder of this Promissory Note (the "*Holder*"), at the principal office of the Holder set forth herein, or at such other place as the holder may designate in writing to the Company, the principal sum of Seven Hundred Fifty Thousand Dollars (\$750,000) or such other amount as may be outstanding hereunder, together with all accrued but unpaid interest, shall be paid as provided in this Promissory Note (the "*Note*").

1. **Ranking.** This Note shall rank on a parity with the Secured Convertible Promissory Note dated July 2, 2012 issued by the Company to the Holder (the "*July Note*") and senior to all other indebtedness and equity securities of the Company. The Company may not redeem, declare or pay any dividends (whether in cash, stock or any combination thereof), or otherwise make any distributions with respect to any class or series of capital stock of the Company, or prepay any outstanding indebtedness, while this Note is outstanding without the written consent from Holder(s) representing at least two-thirds (2/3rds) of the then-outstanding aggregate principal amount of the Note. The Company shall not incur any indebtedness except Permitted Indebtedness. "Permitted Indebtedness" means: (a) indebtedness owed to Holder; (b) purchase money indebtedness in an amount not to exceed \$500,000 and which is secured only by the assets financed by such purchase money lenders; and (c) indebtedness that is subordinated to the Company's obligations to the Holder, bears a legend evidencing such subordination, by its terms, does not permit any payments to be made before all obligations of the Company to the Holder shall have been paid and satisfied in full, is not secured by any assets that do not secure the Company's obligations hereunder, and is evidenced by an agreement in writing among the Holder, the Company, and the person or entity to whom such subordinated indebtedness is owed, which written agreement shall be in form and substance satisfactory to the Holder.

2. **Maturity/Principal and Interest Payments.** The outstanding principal balance of this Note together with all accrued but unpaid interest hereunder (the "*Outstanding Balance*") shall be due and payable on July 2, 2015 (the "*Maturity Date*"). The Note shall accrue interest equal to ten percent (10%) per annum and shall compound monthly. Interest on the outstanding principal balance of the Note shall be computed on the basis of the actual number of days elapsed and a year of three hundred and sixty-five (365) days and shall be payable in cash. Prepayment of the principal and accrued interest under this Note shall be permitted at any time and from time to time, without penalty. Upon the occurrence of an Event of Default (as defined below) hereunder, interest on this Note shall accrue at a rate of eighteen percent (18%) per annum (the "*Default Rate*"); **provided, however** that if such rate exceeds the maximum allowed by law, the Default Rate shall be the maximum rate allowed by law.

3. **Non-Business Days.** Whenever any payment to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment may be due on the next succeeding business day and such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

4. **A. Mandatory Conversion.** At the election of the Holder, upon the closing by the Company of an equity, equity based or debt financing or a series of financings following the date of this Note resulting in gross proceeds to the Company totaling at least \$3,000,000, exclusive of any additional investment by the Holder of this Note (a "*Qualified Financing*"), the outstanding principal amount of this Note together with all accrued and unpaid interest hereunder (the "*Outstanding Balance*") shall automatically convert into such securities, including warrants of the Company as are issued in the Qualified Financing, if any ("*QF Securities*"), at the lowest price per share, unit, or other component of QF Securities, as applicable, paid by any investor in any round of the Qualified Financing; **provided, however**, that if more than one type or form of securities is issued in any round of the Qualified Financing, and such type or form of securities are not offered in a unit, then the Holder shall have the right to elect the type or form of securities that the Holder shall receive upon conversion of this Note. Upon such conversion, the Holder shall be deemed to be a Holder in the Qualified Financing and shall be granted all rights afforded to an investor in the Qualified Financing, and this Note shall be considered terminated and of no further force and effect. The Holder(s) shall have no other right to convert the Outstanding Balance into securities of the Company, other than as expressly set forth above in this Section 4A.

B. Notwithstanding anything to the contrary set forth in this Note, at no time may all or a portion of this Note be converted if the number of QF Securities to be issued pursuant to such conversion, when aggregated with all other shares of common stock in the Company owned by the Holder at such time, would result in the Holder beneficially owning (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934 and the rules thereunder) in excess of 9.99% of the then issued and outstanding shares of common stock of the Company outstanding at such time; **provided, however**, that upon the Holder providing the Company with sixty-one (61) days' advance notice (the "*9.99% Waiver Notice*") that the Holder would like to waive this Section 4B with regard to any or all QF Securities issuable upon conversion of this Note, this Section 4B will be of no force or effect with regard to all or a portion of the Note referenced in the 9.99% Waiver Notice.

5. **Security Interest.** The Company's obligations under this Note are secured by all assets of the Company pursuant to that certain Security Agreement, dated as of July 2, 2012, as amended as of the date hereof, by the Company in favor of the Holder(s) of the Note

(the "Security Agreement").

6. Events of Default. The occurrence of any of the following events shall be an "Event of Default" under this Note:

(a) the Company shall fail to make the payment of any amount of any principal outstanding for a period of ten (10) business days after the date such payment shall become due and payable hereunder; or

(b) the Company shall fail to make the payment of any amount of any interest for a period of ten (10) business days after the date such interest shall become due and payable hereunder; or

(c) the Company shall default in the payment of any indebtedness equal to or in excess of \$500,000 (the "Indebtedness") (other than the Indebtedness hereunder) at its stated maturity or payment date, whether such Indebtedness now exists or shall hereinafter be created, and such default is evidenced by a notice of default delivered to the Company by the holder of such Indebtedness, and such Indebtedness has not been discharged in full or such payment has not been stayed, rescinded, annulled or cured within thirty (30) days following the delivery of such notice of default; or

(d) A judgment or order for the payment of money shall be rendered against the Company or any of its subsidiaries in excess of \$500,000 in the aggregate (net of any applicable insurance coverage) for all such judgments or orders against all such persons (treating any deductibles, self insurance or retention as not so covered) that shall not be discharged, and all such judgments and orders remain outstanding, and there shall be any period of sixty (60) consecutive days following entry of the judgment or order in excess of \$500,000 or the judgment or order which causes the aggregate amount described above to exceed \$500,000 during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(e) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or assets, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic), (iv) file a petition seeking to take advantage of any bankruptcy, insolvency, moratorium, reorganization or other similar law affecting the enforcement of creditors' rights generally, (v) acquiesce in writing to any petition filed against it in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic), or (vi) take any action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing; or

(f) a proceeding or case shall be commenced in respect of the Company or any of its subsidiaries without its application or consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, moratorium, dissolution, winding up, or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or any substantial part of its assets or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described in clause (i), (ii) or (iii) shall continue undismissed, or unstayed and in effect, for a period of thirty (30) consecutive days or any order for relief shall be entered in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or any of its subsidiaries or action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing shall be taken with respect to the Company or any of its subsidiaries and shall continue undismissed, or unstayed and in effect for a period of thirty (30) consecutive days.

(g) an Event of Default shall have occurred under any other promissory note issued by the Company to the Holder, including the July Note, and/or under the Security Agreement.

7. Remedies Upon An Event of Default. If an Event of Default shall have occurred and shall be continuing, the Holder of this Note may at any time at its option, (a) declare the entire unpaid principal balance of this Note, together with all interest accrued hereon, due and payable, and thereupon, the same shall be accelerated and so due and payable; **provided, however**, that upon the occurrence of an Event of Default described in (i) Sections 6(e) and (f), without presentment, demand, protest, or notice, all of which are hereby expressly unconditionally and irrevocably waived by the Company, the outstanding principal balance and accrued interest hereunder shall be automatically due and payable, and (ii) Sections 6(a) through (d), the Holder may exercise or otherwise enforce any one or more of the Holder's rights, powers, privileges, remedies and interests under this Note or applicable law. No course of delay on the part of the Holder shall operate as a waiver thereof or otherwise prejudice the right of the Holder. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

8. Replacement. Upon receipt by the Company of (i) evidence of the loss, theft, destruction or mutilation of any Note and (ii) (y) in the case of loss, theft or destruction, of indemnity (without any bond or other security) reasonably satisfactory to the Company, or (z) in the case of mutilation of the Note (surrendered for cancellation), the Company shall execute and deliver a new Note of like tenor and date. However, the Company shall not be obligated to reissue such lost, stolen, destroyed or mutilated Note if the Holder contemporaneously requests the Company to convert such Note.

9. Parties in Interest, Transferability. This Note shall be binding upon the Company and its successors and assigns and the terms hereof shall inure to the benefit of the Holder and its successors and permitted assigns. This Note may only be transferred or sold subject to the provisions of Section 17 of this Note, or pledged, hypothecated or otherwise granted as security by the Holder in the Holder's discretion,

10. Amendments. This Note may not be modified or amended in any manner except in writing executed by the Company and the Holder.

11. Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The Company will give written notice to the Holder at least thirty (30) days prior to the date on which the

Company closes its books or takes a record (x) with respect to any dividend or distribution upon the common stock of the Company, (y) with respect to any pro rata subscription offer to holders of common stock of the Company or (z) for determining rights to vote with respect to a major transaction for which shareholder approval is required under California law, dissolution, liquidation or winding-up and in no event shall such notice be provided to such holder prior to such information being made known to the public. The Company will also give written notice to the Holder at least twenty (20) days prior to the date on which dissolution, liquidation or winding-up will take place and in no event shall such notice be provided to the Holder prior to such information being made known to the public.

Address of the Holder:

Platinum Long Term Growth VII, LLC
152 West 57th Street, 4th Floor
New York, NY 10019
Attention: Michael Goldberg, M.D.
Tel. No.: (212) 271-7895
Fax No.: (212) 582-2424

with a copy to:

Burak Anderson & Melloni, PLC
30 Main Street, Suite 210
Burlington, Vermont 05401
Tel No.: (802) 862-0500
Fax No.: (802) 862-8176

Address of the Company:

VistaGen Therapeutics, Inc.
384 Oyster Point Blvd., Suite No. 8
South San Francisco, California 94080
Attention: Chief Executive Officer
Tel. No.: (650) 244-9990 ext. 224
Fax No.: (888) 482-2602

with a copy to:

Disclosure Law Group
501 West Broadway, Suite 800
San Diego, California 92101
Attention: Daniel W. Rumsey
Tel No.: (619) 795-1134
Fax No.: (619) 330-2101

12. Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to the choice of law provisions. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

13. Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

14. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. Amounts set forth or provided for herein with respect to payments and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Holder and that the remedy at law for any such breach may be inadequate. Therefore the Company agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available rights and remedies, at law or in equity, to seek and obtain such equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

15. Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

16. Enforcement Expenses. The Company agrees to pay all costs and expenses of Holder's enforcement of Holder's rights under this Note, including, without limitation, reasonable attorneys' fees and expenses.

17. Binding Effect. The obligations of the Company and the Holder set forth herein shall be binding upon the successors and assigns of each such party. The Company may not assign its obligations under this Note to any person or entity.

18. Compliance with Securities Laws. The Holder of this Note acknowledges that this Note is being acquired solely for the Holder's own account and not as a nominee for any other party, and for investment, and that the Holder shall not offer, sell or otherwise dispose of this Note other than in compliance with the laws of the United States of America and as guided by the rules of the Securities and Exchange Commission. This Note and any Note issued in substitution or replacement therefore shall be stamped or imprinted with a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD,

TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR BOND LABORATORIES, INC. SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED."

19. Severability. The provisions of this Note are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall not in any manner affect such provision in any other jurisdiction or any other provision of this Note in any jurisdiction.

20. Consent to Jurisdiction. Each of the Company and the Holder (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York for the purposes of any suit, action or proceeding arising out of or relating to this Note and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Holder consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address set forth in Section 11 hereof and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 20 shall affect or limit any right to serve process in any other manner permitted by law.

21. Company Waivers. Except as otherwise specifically provided herein, the Company and all others that may become liable for all or any part of the obligations evidenced by this Note, hereby waive presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and do hereby consent to any number of renewals or extensions of the time or payment hereof and agree that any such renewals or extensions may be made without notice to any such persons and without affecting their liability herein and do further consent to the release of any person liable hereon, all without affecting the liability of the other persons, firms or Company liable for the payment of this Note, AND DO HEREBY WAIVE TRIAL BY JURY.

(a) No delay or omission on the part of the Holder in exercising its rights under this Note, or course of conduct relating hereto, shall operate as a waiver of such rights or any other right of the Holder, nor shall any waiver by the Holder of any such right or rights on any one occasion be deemed a waiver of the same right or rights on any future occasion.

(b) THE COMPANY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND TO THE EXTENT ALLOWED BY APPLICABLE LAW, HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE HOLDER OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has executed and delivered this Note as of the date first written above.

VISTAGEN THERAPEUTICS, INC.

By: /s/ Shawn K. Singh
Name: Shawn K. Singh
Title: Chief Executive Officer

[August \$750,000 Note]

AMENDMENT TO SECURITY AGREEMENT

This Amendment to Security Agreement is entered into as of August 30, 2012 (the "*Amendment*") by and between VistaGen Therapeutics, Inc., a Nevada Corporation (the "*Grantor*") and Platinum Long Term Growth VII, LLC, a Delaware limited liability company (together with its successors and assigns, the "*Secured Party*").

RECITALS

WHEREAS, the Grantor and Secured Party are parties to a Security Agreement, dated July 2, 2012 (the "*Security Agreement*"), which Security Agreement grants to the Secured Party a continuing security interest in all assets of the Company ("*Collateral*"), to secure the repayment of a certain Secured Convertible Promissory Note dated July 2, 2012 in the principal amount of \$500,000 (the "*July Note*"). A copy of the Security Agreement is attached hereto as Exhibit A.

WHEREAS, on August 30, 2012, the Grantor issued to Secured Party an additional Secured Convertible Promissory Note (the "*New Note*") in the aggregate principal amount of \$750,000;

WHEREAS, as a condition precedent to the purchase of the New Note, the Secured Party requires a security interest in the Collateral to secure the repayment of all amounts due under the terms of the New Note, in addition to all amounts due under the terms of the July Note; and

WHEREAS, the Secured Party and the Company desire to amend the Security Agreement to include the New Note within the meaning of "*Notes*" as defined in the Security Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees to the Amendment, as set forth below.

1. The following definition of "*Note*" as set forth in Section 1.2 of the Security Agreement is hereby amended and replaced in its entirety with the following:

"*Notes*" means that certain secured convertible promissory note in the principal amount of \$500,000 issued by Grantor to Platinum Long Term Growth VII, LLC ("*Platinum*"), dated July 2, 2012, as well as the secured convertible promissory note in the principal amount of \$750,000 issued by Grantor to Platinum, dated as of August 30, 2012, as such Notes may be amended, restated, supplemented or otherwise modified.

2. All references to "*Note*" in the Security Agreement shall be deemed to refer to both Notes.
3. All of the other terms and conditions of the Security Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amendment is executed as of the day and year first written above.

ADDRESS:

VISTAGEN THERAPEUTICS, INC.

384 Oyster Point Blvd., Suite No. 8
South San Francisco, California 94080

By: /s/ Shawn K. Singh

Name: Shawn K. Singh

Chief Executive Officer

Title:

ADDRESS:

PLATINUM LONG TERM GROWTH VII, LLC

152 West 57th Street, 4th Floor
New York, NY 10019

By: /s/ Michael M. Goldberg

Name: Michael M. Goldberg

Title: Duly Authorized Agent

UNSECURED PROMISSORY NOTE

U.S. \$1,000,000

Issuance Date: August 31, 2012

FOR VALUE RECEIVED, the undersigned VISTAGEN THERAPEUTICS, INC., a Nevada corporation (“Maker”), hereby promises to pay to MORRISON & FOERSTER LLP (“Payee”) at 755 Page Mill Road, Palo Alto, CA 94304, or at such other place or to such other party as Payee may from time to time designate, the principal sum of ONE MILLION DOLLARS (\$1,000,000.00), plus interest from the date hereof, in lawful money of the United States of America and in immediately available funds on the terms and subject to the conditions set forth below. This Note is issued by Maker to Payee in full satisfaction of certain invoices for services rendered by Payee on behalf of Maker through June 29, 2011 and in connection with the cancellation of Maker’s unsecured promissory note to Payee issued May 5, 2011.

1. Maturity Date.

Unless sooner paid in accordance with the terms hereof, the entire unpaid principal amount and all accrued interest shall become fully due and payable on the earliest of (i) March 31, 2016, (ii) the consummation of a Change of Control (as defined below) or (iii) the acceleration of the maturity of this Note by the Payee upon the occurrence and during the continuance of an Event of Default (such earlier date, the “Maturity Date”). The entire amount of unpaid principal and accrued but unpaid interest, if any, shall be due and payable on the Maturity Date. For purposes of this Note, “Change of Control” shall mean (A) the acquisition of Maker by another entity by means of any reorganization, merger or consolidation (but excluding any reorganization, merger or consolidation effected exclusively for the purpose of changing the domicile of Maker), (B) any transaction or series of related transactions in which Maker’s shareholders of record as constituted immediately prior to such transaction or series of related transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions) fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions, or (C) a sale of all or substantially all of the assets of Maker by means of a transaction or series of related transactions.

2. Interest.

Interest on the outstanding balance of this Note shall be computed from the Issuance Date at the per annum rate of seven and one-half percent (7.5%) (computed on the basis of actual calendar days elapsed and a year of 365 days) or, if less, at the highest rate of interest then permitted under applicable law, and shall continue to accrue until paid in full; provided, however, upon the occurrence of an Event of Default (as defined in Section 5 below), the outstanding balance of this Note shall accrue interest at the per annum rate of ten percent (10%) (computed on the basis of actual calendar days elapsed and a year of 365 days) or, if less, at the highest rate permitted under applicable law, and shall continue to accrue until paid in full.

3. Payment.

(a) Form of Payment. All payments of interest and principal shall be in lawful money of the United States of America to Payee by wire transfer. All payments shall be applied first to accrued interest, and thereafter to principal.

(b) Principal and Interest Payments. Beginning on September 30, 2012, and on or before the last business day of each calendar month thereafter, Maker shall pay Payee Fifteen Thousand Dollars (\$15,000) each month by wire transfer (“Monthly Payment”) until March 31, 2013. Beginning on April 30, 2013, and continuing on or before the last business day of each calendar month thereafter to the first to occur of March 31, 2016 and payment in full, the Monthly Payment shall be Twenty-Five Thousand Dollars (\$25,000). In addition to the foregoing Monthly Payments, (A) beginning on April 30, 2013, and continuing to the first to occur of payment in full of this Note and the Maturity Date, Maker shall make interim cash payments to Payee equal to a ratable portion (based on outstanding notes payable to Payee, McCarthy Tetrault and Desjardins) of ten percent (10.0%) of the net cash proceeds actually received by Maker in connection with any equity financing with gross proceeds of over \$6,000,000 (each a “Qualified Equity Financing”), and (B) Maker shall make interim cash payments to Payee equal to five percent (5%) of the net cash proceeds, if any, actually received by Maker prior to April 30, 2013 in connection with Maker’s licensing of AV-101.

Notwithstanding the foregoing, in the event that Maker is required to make interim cash payments to McCarthy Tetrault and Desjardins in connection with a Qualified Equity Financing completed prior to April 30, 2013, Maker shall make interim cash payments to Payee equal to a ratable portion (based on outstanding notes payable to Payee, McCarthy Tetrault and Desjardins) of ten percent (10.0%) of the net cash proceeds actually received by Maker in connection with any Qualified Equity Financing. All amounts paid under this Note shall be fully credited against the outstanding Note balance at the time each payment is made. If any amount remains unpaid as of March 31, 2016, such remaining amount shall be paid in full on or before the Maturity Date.

4. Prepayment.

Maker reserves the right to prepay the outstanding balance under this Note in full or in part at any time during the term of this Note without notice and without premium or penalty. If Maker prepays the entire amount of unpaid principal and accrued but unpaid interest prior to December 31, 2012, the balance of principal and interest outstanding at the time of such prepayment shall be reduced by ten percent (10%), provided, however, that such prepayment discount shall not exceed one hundred thousand dollars (\$100,000).

5. Events of Default; Remedies.

Any one of the following occurrences shall constitute an “Event of Default” under this Note:

- (a) Maker fails to make a payment of any installment of principal or interest on this Note when and as the same becomes due and payable in accordance with the terms hereof, whether upon the Maturity Date or upon any date upon which a Monthly Payment is due or by acceleration or otherwise;
- (b) Maker fails to timely pay on any invoices of Payee issued after the date hereof;
- (c) Maker fails to perform any obligation under this Note;
- (d) Maker or any of its Subsidiaries shall (i) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (ii) suspend its operations other than in the ordinary course of business or (iii) take any action to authorize any of the actions or events set forth above in this Section 5(d);
- (e) Any judgments or arbitration awards shall be entered against Maker or any of its Subsidiaries, or Maker or any of its Subsidiaries shall enter into any settlement agreements with respect to any litigation or arbitration, in the amount of One Hundred Thousand Dollars (\$100,000) or more, and such judgment, award or agreement has not been satisfied, vacated, discharged or stayed or bonded pending appeal within thirty (30) days after the entry thereof; or Maker or any of its Subsidiaries shall be enjoined, restrained or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;
- (f) Maker becomes insolvent or bankrupt, commits any act of bankruptcy, generally fails to pay its debts as they become due, becomes the subject of any proceedings or action of any regulatory agency or any court relating to insolvency, or makes an assignment for the benefit of its creditors, or enters into any agreement for the composition, extension, or readjustment of all or substantially all of his obligations;
- (g) The holder of any indebtedness of Maker accelerates any payment of any amount or amounts of principal or interest on any such indebtedness (the “Indebtedness”) (other than with respect to this Note) prior to its stated maturity or payment date, the aggregate principal amount of which Indebtedness is in excess of \$100,000, whether such Indebtedness now exists or shall hereinafter be created, and such accelerated payment entitles the holder thereof to immediate payment of such Indebtedness which is due and owing and such indebtedness has not been discharged in full or such acceleration has not been stayed, rescinded or annulled within fifteen (15) business days of such acceleration.

For purposes of this Section 5, “Subsidiaries” shall mean any (i) Person of which more than fifty percent (50%) of the voting stock or other equity interest is owned directly or indirectly by any other Person or one or more of the other Subsidiaries of such other Person or a combination thereof, or (ii) any Person included in the financial statements of another Person on a consolidated basis. “Person” shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

1. Consequences of Events of Default.

Upon the occurrence of any Event of Default hereunder, Payee shall send a written notice of such default to Maker declaring the nature of the Event of Default. Maker shall have thirty (30) business days to cure any Event of Default, if such Event of Default may be cured within such time. If the Event of Default is not so cured, then Maker shall immediately (and in no event later than two (2) business days thereafter) pay the entire outstanding balance under this Note to Payee. Failure to pay in full when this Note is due or upon the occurrence of an Event of Default shall result in a reinstatement of any of Payee’s prior invoices that were forgiven upon execution of this Note and not otherwise paid under this Note. Maker agrees to pay Payee all out-of-pocket costs and expenses incurred by Payee in an effort to collect indebtedness under this Note, including attorneys’ fees and to pay interest at the post-default interest rate as provided in Section 2 of this Note.

2. Fees for Future Services.

For services rendered by Payee on behalf of Maker after the date hereof, payment shall be made within thirty (30) days of the date Maker receives the fee statement for such services from Payee. Failure to timely pay any fee statements issued by Payee and received by Maker shall be deemed an Event of Default under this Note.

3. Independent Counsel; Terms of Transaction.

Maker acknowledges and agrees (i) that the terms of this Note are fair and reasonable to Maker, (ii) that Payee has advised Maker of all terms of the transaction in writing and Maker has been urged to, and given the opportunity to, seek the advice of an independent counsel of Maker’s choice, (iii) that Maker has had a reasonable opportunity to seek such advice from such independent counsel and (iv) that Maker consents to the terms of this Note and the actions contemplated hereby.

4. Miscellaneous.

- (a) Lost, Stolen, Destroyed or Mutilated Notes. In case any Note shall be mutilated, lost, stolen or destroyed, Maker shall have received an executed lost note affidavit attesting to the same, Maker shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to Maker of the loss, theft or destruction of such Note.

- (b) Amendment and Waiver. Except as provided in Section 7(a) hereof, any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of Maker and Payee. Any amendment or waiver effected in accordance with this Section shall be binding upon Maker and Payee.
- (c) Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

Address of Payee: Chief Financial Officer
Morrison & Foerster LLP
555 Market Street
San Francisco, CA 94105
Tel. No.: (415) 268-7000
Fax No.: (415) 268-7522

Address of Maker: VistaGen Therapeutics, Inc.
384 Oyster Point Blvd., Suite #8
South San Francisco, CA 94080
Attention: Chief Executive Officer
Tel. No.: (650) 244-9990
Fax No.: (650) 244-9991

- (d) Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.
- (e) Remedies Cumulative; Failure or Indulgence Not a Waiver. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note. No failure or delay on the part of Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.
- (f) Payments. Whenever any payment of cash is to be made by Maker to any Person pursuant to this Note, such payment shall be made in lawful money of the United States of America via wire transfer of immediately available funds to the account designated by Payee.
- (g) Waiver. Maker waives diligence, presentment, protest and demand and also notice of protest, demand, dishonor and nonpayment of this Note. No extension of time for the payment of this Note shall affect the original liability under this Note of Maker. The pleading of any statute of limitations as a defense to any demand against Maker is expressly waived by Maker to the full extent permitted by law.
- (h) Setoff. The obligation to pay Payee shall be absolute and unconditional and the rights of Payee shall not be subject to any defense, setoff, counterclaim or recoupment or by reason of any indebtedness or liability at any time owing by Payee to Maker.
- (i) Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California.
- (j) Successors and Assigns. This Note shall inure to the benefit of Payee and its successors and assigns. The obligations of Maker hereunder shall not be assignable.
- (k) Excessive Interest. Notwithstanding any other provision herein to the contrary, this Note is hereby expressly limited so that the interest rate charged hereunder shall at no time exceed the maximum rate permitted by applicable law. If, for any circumstance whatsoever, the interest rate charged exceeds the maximum rate permitted by applicable law, the interest rate shall be reduced to the maximum rate permitted, and if Payee shall have received an amount that would cause the interest rate charged to be in excess of the maximum rate permitted, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder (without charge for prepayment) and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal, such excess shall be refunded to Maker.

[Signature page to follow]



IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the date first above written.

“MAKER”

VISTAGEN THERAPEUTICS, INC.,
a Nevada corporation

/s/ Shawn K. Singh
Shawn K. Singh, JD
Chief Executive Officer

UNSECURED PROMISSORY NOTE

U.S. \$1,379,376

Issuance Date: August 31, 2012

FOR VALUE RECEIVED, the undersigned, **VISTAGEN THERAPEUTICS, INC.**, a Nevada corporation ("Maker"), hereby promises to pay to **MORRISON & FOERSTER LLP** ("Payee") at 755 Page Mill Road, Palo Alto, CA 94304, or at such other place or to such other party as Payee may from time to time designate, the principal sum of ONE MILLION THREE HUNDRED SEVENTY-NINE THOUSAND THREE HUNDRED SEVENTY-SIX DOLLARS (\$1,379,376.00), plus interest from the date hereof, subject to Section 3(b) hereof, in lawful money of the United States of America and in immediately available funds on the terms and subject to the conditions set forth below. This Note is issued by Maker to Payee in full satisfaction of certain invoices for services rendered by Payee on behalf of Maker through June 29, 2011 and in connection with the cancellation of Maker's unsecured promissory note to Payee issued May 5, 2011.

1. Maturity Date.

Subject to Section 3(b) hereof, unless sooner paid in accordance with the terms hereof, the entire unpaid principal amount and all accrued interest shall become fully due and payable on the earliest of (i) March 31, 2016, (ii) the consummation of a Change of Control (as defined below) or (iii) the acceleration of the maturity of this Note by the Payee upon the occurrence and during the continuance of an Event of Default (such earlier date, the "Maturity Date"). For purposes of this Note, "Change of Control" shall mean (A) the acquisition of Maker by another entity by means of any reorganization, merger or consolidation (but excluding any reorganization, merger or consolidation effected exclusively for the purpose of changing the domicile of Maker), (B) any transaction or series of related transactions in which Maker's shareholders of record as constituted immediately prior to such transaction or series of related transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions) fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions, or (C) a sale of all or substantially all of the assets of Maker by means of a transaction or series of related transactions.

2. Interest.

Interest on the outstanding balance of this Note shall be computed from the Issuance Date at the per annum rate of seven and one-half percent (7.5%) (computed on the basis of actual calendar days elapsed and a year of 365 days) or, if less, at the highest rate of interest then permitted under applicable law, and shall continue to accrue until paid in full; provided, however, upon the occurrence of an Event of Default (as defined in Section 5 below), the outstanding balance of this Note shall accrue interest at the per annum rate of ten percent (10%) (computed on the basis of actual calendar days elapsed and a year of 365 days) or, if less, at the highest rate permitted under applicable law, and shall continue to accrue until paid in full.

3. Payment.

(a) Form of Payment. Subject to Section 3(b), all payments of interest and principal shall be in lawful money of the United States of America to Payee by wire transfer. All payments shall be applied first to accrued interest, and thereafter to principal.

(b) Principal and Interest Payments. Payment of the principal and interest on this Note shall be made solely by surrender from time to time of all or a portion of the principal and interest balance due on this Note upon the Payee's exercise of a warrant or warrants issued by the Maker to purchase restricted common stock of the Maker, that permit exercise of such warrant by cancellation of indebtedness and surrender of a promissory note issued by the Maker. Notwithstanding the foregoing, in the event of a Change of Control, or upon occurrence of an Event of Default, and only in such circumstances, Payee shall have the option to require payment of the principal and interest of this Note in cash.

4. Prepayment.

Maker reserves the right to prepay the outstanding balance under this Note in full or in part at any time during the term of this Note without notice and without premium or penalty. If Maker prepays the entire amount of unpaid principal and accrued but unpaid interest prior to December 31, 2012, the balance of principal and interest outstanding at the time of such prepayment shall be reduced by ten percent (10%), provided, however, that such prepayment discount shall not exceed one hundred thousand dollars (\$100,000).

5. Events of Default; Remedies. Any one of the following occurrences shall constitute an "Event of Default" under this Note:

- (a) Maker fails to make a payment of any installment of principal or interest on Maker's promissory note in the principal amount of \$1,000,000 payable to Payee issued contemporaneously with the issuance of this Note, when and as the same becomes due and payable in accordance with the terms hereof, whether upon the Maturity Date or upon any date upon which a Monthly Payment is due or by acceleration or otherwise;

- (b) Maker fails to timely pay any fee statements of Payee received by Maker after the date hereof;
- (c) Maker fails to perform any obligation under this Note;
- (d) Maker or any of its Subsidiaries shall (i) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), (ii) suspend its operations other than in the ordinary course of business or (iii) take any action to authorize any of the actions or events set forth above in this Section 5(d);
- (e) Any judgments or arbitration awards shall be entered against Maker or any of its Subsidiaries, or Maker or any of its Subsidiaries shall enter into any settlement agreements with respect to any litigation or arbitration, in the amount of One Hundred Thousand Dollars (\$100,000) or more, and such judgment, award or agreement has not been satisfied, vacated, discharged or stayed or bonded pending appeal within thirty (30) days after the entry thereof; or Maker or any of its Subsidiaries shall be enjoined, restrained or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;
- (f) Maker becomes insolvent or bankrupt, commits any act of bankruptcy, generally fails to pay its debts as they become due, becomes the subject of any proceedings or action of any regulatory agency or any court relating to insolvency, or makes an assignment for the benefit of its creditors, or enters into any agreement for the composition, extension, or readjustment of all or substantially all of his obligations;
- (g) The holder of any indebtedness of Maker accelerates any payment of any amount or amounts of principal or interest on any such indebtedness (the “Indebtedness”) (other than with respect to this Note) prior to its stated maturity or payment date, the aggregate principal amount of which Indebtedness is in excess of \$100,000, whether such Indebtedness now exists or shall hereinafter be created, and such accelerated payment entitles the holder thereof to immediate payment of such Indebtedness which is due and owing and such indebtedness has not been discharged in full or such acceleration has not been stayed, rescinded or annulled within fifteen (15) business days of such acceleration.

For purposes of this Section 5, “Subsidiaries” shall mean any (i) Person of which more than fifty percent (50%) of the voting stock or other equity interest is owned directly or indirectly by any other Person or one or more of the other Subsidiaries of such other Person or a combination thereof, or (ii) any Person included in the financial statements of another Person on a consolidated basis. “Person” shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

6. Consequences of Events of Default.

Upon the occurrence of any Event of Default hereunder, Payee shall send a written notice of such default to Maker declaring the nature of the Event of Default. Maker shall have thirty (30) business days to cure any Event of Default, if such Event of Default may be cured within such time. If the Event of Default is not so cured, then Maker shall immediately (and in no event later than two (2) business days thereafter) pay the entire outstanding balance under this Note to Payee. Failure to pay in full when this Note is due or upon the occurrence of an Event of Default shall result in a reinstatement of any of Payee’s prior invoices that were forgiven upon execution of this Note and not otherwise paid under this Note. Maker agrees to pay Payee all out-of-pocket costs and expenses incurred by Payee in an effort to collect indebtedness under this Note, including attorneys’ fees and to pay interest at the post-default interest rate as provided in Section 2 of this Note.

7. Fees for Future Services.

For services rendered by Payee on behalf of Maker after the date hereof, payment shall be made within thirty (30) days of the date Maker receives the fee statement for such services from Payee. Failure to timely pay any invoices issued by Payee shall be deemed an Event of Default under this Note.

8. Independent Counsel; Terms of Transaction.

Maker acknowledges and agrees (i) that the terms of this Note are fair and reasonable to Maker, (ii) that Payee has advised Maker of all terms of the transaction in writing and Maker has been urged to, and given the opportunity to, seek the advice of an independent counsel of Maker’s choice, (iii) that Maker has had a reasonable opportunity to seek such advice from such independent counsel and (iv) that Maker consents to the terms of this Note and the actions contemplated hereby.

9. Miscellaneous.

- (a) Lost, Stolen, Destroyed or Mutilated Notes. In case any Note shall be mutilated, lost, stolen or destroyed, Maker shall have received an executed lost note affidavit attesting to the same, Maker shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of any mutilated Note, or in lieu of any Note lost, stolen or destroyed, upon receipt of evidence satisfactory to Maker of the loss, theft or destruction of such Note.
- (b) Amendment and Waiver. Except as provided in Section 7(a) hereof, any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and

either retroactively or prospectively), only with the written consent of Maker and Payee. Any amendment or waiver effected in accordance with this Section shall be binding upon Maker and Payee.

- (c) Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

Address of Payee: Chief Financial Officer
Morrison & Foerster LLP
555 Market Street
San Francisco, CA 94105
Tel. No.: (415) 268-7000
Fax No.: (415) 268-7522

Address of Maker: VistaGen Therapeutics, Inc.
384 Oyster Point Blvd., Suite #8
South San Francisco, CA 94080
Attention: Chief Executive Officer
Tel. No.: (650) 244-9990
Fax No.: (650) 244-9991

- (d) Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.
- (e) Remedies Cumulative; Failure or Indulgence Not a Waiver. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note. No failure or delay on the part of Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.
- (f) Payments. Whenever any payment of cash is to be made by Maker to any Person pursuant to this Note, such payment shall be made in lawful money of the United States of America via wire transfer of immediately available funds to the account designated by Payee.
- (g) Waiver. Maker waives diligence, presentment, protest and demand and also notice of protest, demand, dishonor and nonpayment of this Note. No extension of time for the payment of this Note shall affect the original liability under this Note of Maker. The pleading of any statute of limitations as a defense to any demand against Maker is expressly waived by Maker to the full extent permitted by law.
- (h) Setoff. The obligation to pay Payee shall be absolute and unconditional and the rights of Payee shall not be subject to any defense, setoff, counterclaim or recoupment or by reason of any indebtedness or liability at any time owing by Payee to Maker.
- (i) Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California.
- (j) Successors and Assigns. This Note shall inure to the benefit of Payee and its successors and assigns. The obligations of Maker hereunder shall not be assignable.
- (k) Excessive Interest. Notwithstanding any other provision herein to the contrary, this Note is hereby expressly limited so that the interest rate charged hereunder shall at no time exceed the maximum rate permitted by applicable law. If, for any circumstance whatsoever, the interest rate charged exceeds the maximum rate permitted by applicable law, the interest rate shall be reduced to the maximum rate permitted, and if Payee shall have received an amount that would cause the interest rate charged to be in excess of the maximum rate permitted, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder (without charge for prepayment) and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal, such excess shall be refunded to Maker.

[Signature page to follow]



IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the date first above written.

“MAKER”

VISTAGEN THERAPEUTICS, INC.,
a Nevada corporation

/s/ Shawn K. Singh
Shawn K. Singh, JD
Chief Executive Officer

THIS WARRANT (THE “WARRANT”) IS ISSUED PURSUANT TO THE TERMS OF THE PROVISIONS OF AN AGREEMENT (THE “AGREEMENT”) BETWEEN VISTAGEN THERAPEUTICS, INC. (THE “COMPANY”) AND THE INITIAL WARRANT HOLDER. A COPY OF SUCH AGREEMENT IS ON FILE AT THE OFFICE OF THE CORPORATE SECRETARY OF THE COMPANY. THIS SECURITY WAS SOLD IN A PRIVATE PLACEMENT, WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE SECURITIES ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Dated : August 31, 2012
Warrant No. CSW-510

VistaGen Therapeutics, Inc.,
a Nevada Corporation

Stock Purchase Warrant

The term “Holder” shall initially refer to Morrison & Foerster LLP which is the initial holder of this Warrant and shall further refer to any subsequent permitted holder of this Warrant from time to time.

This Warrant is issued, for good and valuable consideration, to the Holder, or its permitted successors and assigns, by the Company.

Section 1. Price and Exercise of Warrant.

1.1 Term of Warrant. This Warrant shall be exercisable until September 15, 2017 (the expiration date for this Warrant is hereinafter referred to as the “Expiration Date”).

1.2 Exercise Term. The Holder, or its permitted successors and assigns, is entitled to purchase from the Company, subject to the terms and conditions hereinafter set forth, fully paid and non-assessable shares of Common Stock (“Stock”) which represents that number of shares determined by dividing (X) the sum of (a) \$1,379,376.00 (being the principal amount of a promissory note issued by the Company to the initial Holder in the form attached as Exhibit C hereto), and (b) any interest accrued on such sum, to the extent any such obligations remain unpaid, prior to the Expiration Date (the sum of (a) and (b) being herein sometimes referred to as the “Aggregate Indebtedness”) by (Y) the Warrant Price.

1.3 Exercise Price. The price per share (the “Warrant Price”) at which the shares of Stock are issuable upon exercise of this Warrant (the “Warrant Shares”) shall be \$1.00 per share.

1.4 Exercise of Warrant.

(a) This Warrant may be exercised, in whole or in part, upon surrender to the Company at its offices at South San Francisco, California, of the certificate or certificates evidencing this Warrant to be exercised, together with the form of election to exercise attached hereto as Exhibit A duly completed and executed, and upon payment to the Company of the Warrant Price for the number of Warrant Shares in respect of which this Warrant is then being exercised.

(b) Payment of the aggregate Warrant Price shall be made either by paying cash in an amount equal to all or part of the aggregate exercise price of that portion of this Warrant that is then being exercised, and the balance by making a Cashless Exercise (as defined herein). Upon a “Cashless Exercise” the Holder shall receive shares of Stock on a net basis such that, without the payment of any funds, the Holder shall surrender all or a portion of this Warrant in exchange for the number of shares of Stock equal to the quotient obtained by dividing (X) that portion of the Aggregate Indebtedness designated in the Election to Exercise on Exhibit A as being satisfied by such Cashless Exercise, by (Y) the Warrant Price.

(c) Subject to Section hereof, upon surrender of this Warrant, and the duly completed and executed form of election to exercise, and payment of the Warrant Price, the Company shall cause to be issued and delivered to the Holder or such other person as the Holder may designate in writing a certificate or certificates for the number of full shares of Stock so purchased upon the exercise of this Warrant. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such shares of Stock as of the date of the surrender of this Warrant, and the duly completed and executed form of election to exercise, and payment of the Warrant Price; provided, that if the date of surrender of this Warrant and payment of the Warrant Price is not a business day, the certificates for the shares of Stock shall be issued as of the next business day (whether before or after the Expiration Date), and, until such date, the Company shall be under no duty to cause to be delivered any certificate for such shares of Stock or for shares of such other class of stock. If this Warrant is exercised in part, a new warrant certificate of the same tenor and for the number of Warrant Shares not exercised shall be executed by the Company.

1.5 Fractional Interests. The Company shall not be required to issue fractions of shares of Stock on the exercise of this Warrant. If any fraction of a share of Stock would be issuable upon the exercise of this Warrant (or any portion thereof), the Company shall purchase such fraction for an amount in cash equal to the same fraction of the last reported sale price of the Stock on the NASDAQ National Market System or any other national securities exchange or market on which the Stock is then listed or traded or, if not so listed or traded, at the fair market value per share of the Stock as determined by the Company.

Section 2. Exchange and Transfer of Warrant.

(a) This Warrant may be transferred, in whole or in part, without restriction (except that an allocable portion of the unpaid Aggregate Indebtedness shall also be transferred in order to permit a Cashless Exercise of the portion of the Warrant so transferred), subject to receipt of an opinion from any law firm satisfactory to the Company that such transfer is in compliance with applicable securities laws. A transfer may be registered with the Company by submission to it of this Warrant, together with the annexed Assignment Form attached hereto as Exhibit B duly completed and executed. After the Company's receipt of this Warrant and the Assignment Form so completed and executed, the Company will issue and deliver to the transferee a new warrant (representing the portion of this Warrant so transferred) at the same Exercise Price per share and otherwise having the same terms and provisions as this Warrant, which the Company will register in the new holder's name. In the event of a partial transfer of this Warrant, the Company shall concurrently issue and deliver to the transferring holder a new warrant that entitles the transferring holder to purchase the balance of this Warrant not so transferred and that otherwise is upon the same terms and conditions as this Warrant. Upon the due delivery of this Warrant for transfer, the transferee holder shall be deemed for all purposes to have become the holder of the new warrant issued the portion of this Warrant so transferred, effective immediately prior to the close of business on the date of such delivery, irrespective of the date of actual delivery of the new warrant representing the portion of this Warrant so transferred.

(b) In the event of the loss, theft or destruction of this Warrant, the Company shall execute and deliver an identical new warrant to the Holder in substitution therefor upon the Company's receipt of (i) evidence reasonably satisfactory to the Company of such event and (ii) if requested by the Company, an indemnity agreement reasonably satisfactory in form and substance to the Company. In the event of the mutilation of or other damage to this Warrant, the Company shall execute and deliver an identical new warrant to the Holder in substitution therefor upon the Company's receipt of the mutilated or damaged warrant.

(c) The Company shall pay all costs and expenses incurred in connection with the exercise, exchange, transfer or replacement of this Warrant, including, without limitation, the costs of preparation, execution and delivery of a new warrant and of stock certificates representing all Warrant Shares; provided, that the Holder shall pay all stamp and other transfer taxes payable in connection with the transfer or replacement of this Warrant and their own legal fees.

Section 3. Certain Covenants.

(a) The Company shall at all times reserve for issuance and keep available out of its authorized and unissued shares of Stock, solely for the purpose of providing for the exercise of this Warrant, such number of shares of Stock as shall from time to time be sufficient therefor.

(b) The Company will not, by amendment of its Articles of Incorporation or otherwise, avoid or seek to avoid the observance or performance of any of the terms of this Warrant. Without limiting the foregoing, the Company (i) will not increase the par value of any shares of capital stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise and (ii) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of capital stock upon the exercise of this Warrant.

Section 4. Adjustment of Warrant Price and Number of Warrant Shares.

The Warrant Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events, as hereinafter provided.

(a) In case the Company shall hereafter (i) pay a dividend or make a distribution on its Stock in shares of its Stock or any other distribution of property other than cash, (ii) subdivide its outstanding Stock, (iii) combine its outstanding Stock into a smaller number of shares, or (iv) issue any shares by reclassification of its Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), the Warrant Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Holder, upon exercise of this Warrant after such date, shall be entitled to receive the aggregate number and kind of shares of Stock which, if this Warrant had been exercised immediately prior to such record date, it would have owned upon such exercise and been entitled to receive upon such dividend, distribution, subdivision, combination or reclassification.

(b) Whenever the Warrant Price payable upon exercise of this Warrant is adjusted pursuant to paragraph (a) above, the number of Warrant Shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of Warrant Shares initially issuable upon exercise of this Warrant by the Warrant Price in effect as of the date of this Warrant and dividing the product so obtained by the Warrant Price, as adjusted.

(c) No adjustment in the Warrant Price shall be required unless such adjustment would require an increase or decrease of at least five cents (\$0.05) in such price; provided, that any adjustments not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section shall be made to the nearest cent or to the nearest one-thousandth of a share, as the case may be.

(d) Whenever the Warrant Price is adjusted, as herein provided, the Company shall promptly cause a notice setting forth the adjusted Warrant Price and adjusted number of shares issuable upon exercise of this Warrant to be mailed to the Holder. The certificate setting forth the computation shall be signed by the Chief Financial Officer of the Company.

(e) In the event that at any time, as a result of any adjustment made pursuant to paragraph (a) above, the holder of this Warrant thereafter shall become entitled to receive any shares of the Company, other than Stock, thereafter the number of

such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Stock contained in paragraph (a) above.

Section 5. Consolidation, Merger, or Sale of Assets.

(a) In case of any consolidation of the Company with, or merger of the Company with or into any other entity (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Stock), or any sale or transfer of all or substantially all of the assets of the Company or of the person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, the Holder shall have the right thereafter to exercise this Warrant for the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Stock for which this Warrant may have been exercised immediately prior to such consolidation, merger, sale or transfer.

(b) Adjustments for events subsequent to the effective date of such a consolidation, merger and sale of assets shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. In any such event, effective provisions shall be made in the certificate or articles of incorporation of the resulting or surviving corporation, in any contract of sale, conveyance, lease or transfer, or otherwise so that the provisions set forth herein for the protection of the rights of the Holder shall thereafter continue to be applicable; and any such resulting or surviving corporation shall expressly assume the obligation to deliver, upon exercise, such shares of stock, other securities, cash and property. The provisions of this Section shall similarly apply to successive consolidations, mergers, sales, leases or transfers.

Section 6. Rights and Obligations of the Warrant Holder.

This Warrant shall not entitle the Holder to any rights of a stockholder in the Company.

Section 7. Restrictive Stock Legend.

This Warrant and the Warrant Shares have not been registered under any securities laws. Accordingly, any stock certificates issued pursuant to the exercise of this Warrant shall (until receipt of an opinion from Morrison & Foerster LLP or another law firm satisfactory to the Company that such legend is no longer necessary) bear the following legend:

This security was sold in a private placement, without registration under the Securities Act of 1933, as amended (the "Securities Act"), and may be offered or sold only if registered under the Securities Act or if an exemption from registration is available.

Section 8. Notices.

(a) The Company shall give the Holder notice at least thirty (30) days prior to the occurrence of any event that requires an adjustment of the Warrant Price, or that constitutes an event subject to the provisions of Section . In the event of failure of the Company to give the required notice, such failure will not invalidate any action taken by the Company, but will entitle the Holder to an additional period of thirty (30) days following the receipt of any subsequent notice of such event to exercise this Warrant or otherwise take action that would be permitted if such notice had been timely received.

(b) Any notice or other communication required or permitted to be given here shall be in writing and shall be effective (i) upon hand delivery or delivery by e-mail or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received), or (ii) on the third business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communication shall be:

If to the Company:

VistaGen Therapeutics, Inc.
384 Oyster Point Boulevard, Suite 8
South San Francisco, CA 94086-1967
Telephone: (650) 244-9990
Telecopier: (650) 244-9991
E-Mail: ssingh@vistagen.com

If to the Holder:

Chief Financial Officer
Morrison & Foerster LLP
555 Market Street
San Francisco, CA 94105
Telephone: (415) 268-7000
Telecopier: (415) 268-7522
E-Mail: mblumensthal@mof.com

Each party hereto may from time to time change its address for notices under this 8 by giving at least 10 days' notice of such changes address to the other party hereto.

Section 9. Amendments and Waivers.

This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

Section 10. Applicable Law.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed on the day and year first above written.

VistaGen Therapeutics, Inc.

By: /s/ Shawn K. Singh
Shawn K. Singh, JD
Chief Executive Officer

To: VistaGen Therapeutics, Inc.

ELECTION TO EXERCISE

The undersigned hereby exercises its right to subscribe for and purchase from VistaGen Therapeutics, Inc., fully paid, validly issued and non-assessable shares of Stock covered by the within Warrant and tenders payment herewith in the amount of \$_____ (the "aggregate exercise price"), represented by (a) cash in the amount of \$_____, and/or (b) satisfaction of \$_____ of the Aggregate Indebtedness by means of Cashless Exercise, in accordance with the terms thereof, and requests that certificates for such shares be issued in the name of, and delivered to:

Date: [Holder]

By _____
Name:
Title:



ASSIGNMENT FORM

To: VistaGen Therapeutics, Inc.

The undersigned hereby assigns and transfers this Warrant to

(Insert assignee's social security or tax identification number)

(Print or type assignee's name, address and postal code)

and irrevocably appoints _____
to transfer this Warrant on the books of the Company.

Date: _____

[Holder]

By

Name:

Title:

(Sign exactly as your name appears on the face of this Warrant)

Signature guarantee:

-

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Dated: August 31, 2012

Warrant Number: CSW-512

**WARRANT TO PURCHASE
COMMON STOCK OF
VISTAGEN THERAPEUTICS, INC.
A NEVADA CORPORATION**

This certifies that **Morrison & Foerster** LLP (the "Holder"), or its permitted assigns, for value received, is entitled to purchase, at an exercise price per share equal to \$2.00 (the "Exercise Price"), from VistaGen Therapeutics, Inc., a Nevada corporation (the "Company"), up to a total of Four Hundred Twenty-Five Thousand (425,000) restricted shares of the Company's Common Stock, ("Common Stock"). The Exercise Price represents a premium over the fair market value of shares of the Company's Common Stock.

This Warrant shall be exercisable at any time from time to time after the date hereof (such date being referred to herein as the "Initial Exercise Date") up to and including 5:00 p.m. (Pacific Time) on the September 15, 2017 (the "Expiration Date"), upon surrender to the Company at its principal office (or at such other location as the Company may advise the Holder in writing) of this Warrant properly endorsed with (a) the Form of Subscription attached hereto duly completed and executed, and (b) payment pursuant to Section 2 or Section 3(a) or 3(b) of the aggregate Exercise Price for the number of shares for which this Warrant is being exercised determined in accordance with the provisions hereof. The Exercise Price and the number of shares purchasable hereunder are subject to adjustment as provided in Section 5 of this Warrant.

1. Exercise: Issuance of Certificates; Acknowledgement. This Warrant is exercisable at the option of the holder of record hereof, at any time from or after the Initial Exercise Date up to the Expiration Date for all or any part of the Warrant Shares (but not for a fraction of a share) which may be purchased hereunder. The Company agrees that the shares of Common Stock purchased under this Warrant shall be and are deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered, properly endorsed, the completed, executed Form of Subscription delivered and payment made for such shares. Certificates for the shares of the Common Stock so purchased, together with any other securities or property to which the Holder hereof is entitled upon such exercise, shall be delivered to the Holder hereof by the Company at the Company's expense within a reasonable time after the rights represented by this Warrant have been so exercised. Each certificate so delivered shall be in such denominations of the Warrant Shares as may be requested by the Holder hereof and shall be registered in the name of such Holder. In case of a purchase of less than all the Warrant Shares, the Company shall execute and deliver to Holder within a reasonable time an acknowledgement in the form attached hereto indicating the number of Warrant Shares which remain subject to this Warrant, if any.

2. Payment for Shares. The aggregate purchase price for Warrant Shares being purchased hereunder may be paid either by check or wire transfer of immediately available funds or pursuant to Section 3(a) or 3(b).

3.(a) Net Exercise. In lieu of exercising this Warrant for the consideration described in Section 2 above, the Holder of this Warrant may elect to receive shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where:

- X = The number of Warrant Shares to be issued to the holder of this Warrant.
- Y = The number of Warrant Shares purchasable under this Warrant.
- A = The fair market value of one Warrant Share.
- B = The Exercise Price (as adjusted to the date of such calculations).

For purposes of this Section 3, the fair market value of a Warrant Share shall mean the average of the closing bid and asked prices of Warrant Shares quoted in the over-the-counter market in which the Warrant Shares are traded or the closing price quoted on any exchange on which the Warrant Shares are listed, whichever is applicable, as published in the Western Edition of The Wall Street Journal for the ten (10) trading days prior to the date of determination of fair market value (or such shorter period of time during which such stock was traded over-the-counter or on such exchange). If the Warrant Shares are not traded on the over-the-counter market or on an exchange, the fair market value shall be the price per share that the Company could obtain from a willing buyer for Warrant Shares sold by the Company from authorized but unissued Warrant Shares, as such prices shall be determined in good faith by the Company's Board of Directors.

(b) Payment of the aggregate Warrant Price may also be made either by paying cash in an amount equal to all or part of the aggregate exercise price of that portion of this Warrant that is then being exercised, and the balance by making a Cashless Exercise (as defined herein). Upon a "Cashless Exercise" the Holder shall receive shares of Common Stock on a net basis such that, without the payment of any funds, the Holder shall surrender all or a portion of this Warrant in exchange for the number

of shares of Common Stock equal to the quotient obtained by dividing (X) that portion of the aggregate principal and interest due on any promissory note issued by the Company to the Holder or acquired by the Holder from a previous payee of such note.

4. Shares to be Fully Paid; Reservation of Shares. The Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any shareholder and free of all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued shares of Common Stock.

5. Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 5. Upon each adjustment of the Exercise Price, the Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

5.1 Subdivision or Combination of Stock. In case the Company shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of the Common Stock of the Company shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased.

5.2 Reclassification. If any reclassification of the capital stock of the Company shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property, then, as a condition of such reclassification, lawful and adequate provisions shall be made whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby. In any reclassification described above, appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof.

5.3 Notice of Adjustment. Upon any adjustment of the Exercise Price or any increase or decrease in the number of shares purchasable upon the exercise of this Warrant, the Company shall give written notice thereof, by first class mail postage prepaid, addressed to the registered Holder of this Warrant at the address of such Holder as shown on the books of the Company. The notice shall be signed by the Company's chief financial officer and shall state the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

5.4 Other Notices. If at any time:

- (1) the Company shall declare any cash dividend upon its Common Stock;
- (2) there shall be (a) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the Company) or (b) a sale of all or substantially all of the assets of the Company by means of a transaction or series of related transactions; unless the Company's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity (any such transaction, a "Change of Control");
- (3) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; or
- (4) there shall be an initial public offering of the Company's equity securities;

then, in any one or more of said cases, the Company shall give, by first class mail, postage prepaid, addressed to the Holder of this Warrant at the address of such Holder as shown on the books of the Company, (a) at least twenty (20) days prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend or for determining rights to vote in respect of any such Change of Control or dissolution, liquidation or winding-up, and (b) in the case of any such Change of Control or dissolution, liquidation, winding-up or initial public offering, at least twenty (20) days prior written notice of the date when the same shall take place; provided, however, that the Holder shall make a best efforts attempt to respond to such notice as early as possible after the receipt thereof. Any notice given in accordance with the foregoing clause (a) shall also specify, in the case of any such dividend, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with the foregoing clause (b) shall also specify the date on which the holders of Common Stock shall be entitled to

exchange their Common Stock for securities or other property deliverable upon such Change of Control, dissolution, liquidation, winding-up, conversion or initial public offering, as the case may be.

6. Representations and Covenants of Holder. This Warrant has been entered into by the Company in reliance upon the representations and covenants of the Holder below. The Holder hereby represents and warrants to the Company the following:

6.1 The Holder is acquiring this Warrant for investment for Holder's own account only, not as a nominee or agent, and not with a view to, or for resale in connection with, any "distribution" of any part thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Holder has no present intention of selling, granting any participation in, or otherwise distributing this Warrant or the Warrant Shares. The Holder hereby represents and warrants to the Company that the entire legal and beneficial interest of this Warrant will be held for Holder's account only, and neither in whole or in part for any other person. The Holder further hereby represents and warrants to the Company that the Holder has no present contract, undertaking, agreement or arrangement with any person to sell, transfer, or grant participation to such person or to any third person, with respect to this Warrant or the Warrant Shares to be issued following exercise of this Warrant.

6.2 The Holder is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire this Warrant and the Warrant Shares.

6.3 The Holder understands and hereby acknowledges that the issuance of the Warrant and Warrant Shares is being effected by the Company without registration under the Securities Act on the basis of the fact that the issuance of the Warrant is exempt from the registration and prospectus delivery requirements of the Securities Act pursuant to an exemption therefrom under Section 4(2) of the Securities Act and in reliance upon Regulation D promulgated thereunder, and that Company's reliance upon such exemption is predicated upon, among other things, the representations and warranties of the Holder to the Company set forth herein.

6.4 The Holder hereby represents and warrants to the Company that the Holder either has a preexisting personal or business relationship with the Company or any of its partners, officers, directors or controlling persons, or by reason of the Holder's business or financial experience or the business or financial experience of the Holder's professional advisers who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly, has the capacity to protect the Holder's own interests in connection with the Holder's investment in the Warrants and the Warrant Shares to be issued upon exercise of the Warrant.

6.5 The Holder hereby further represents and warrants to the Company that (i) the Holder has such knowledge and experience in financial and business matters (either directly or by reason of an adviser as described above in Section 6.4) so as to be capable of evaluating the merits and risks of Holder's prospective investment in the Warrant and the Warrant Shares to be issued upon exercise of the Warrant, (ii) the Holder has received all of the information Holder has requested from the Company that Holder considers necessary or appropriate for determining whether to accept the Warrant, (iii) the Holder has the ability to bear the economic risks of Holder's prospective investment in the Warrant Shares, and (iv) the Holder is able, without materially impairing its financial condition, to hold the Warrant and the Warrant Shares for an indefinite period of time and to suffer complete loss on its investment in the Warrant Shares.

6.6 The Holder understands that the Warrant and the Warrant Shares it is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, the Holder represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act. THE HOLDER UNDERSTANDS AND ACKNOWLEDGES HEREIN THAT AN INVESTMENT IN THE COMPANY'S SECURITIES INVOLVES AN EXTREMELY HIGH DEGREE OF RISK AND MAY RESULT IN A COMPLETE LOSS OF HIS, HER OR ITS INVESTMENT. The Holder understands that the Warrants and the Warrant Shares have not been and will not be registered under the Securities Act and have not been and will not be registered or qualified in any state in which they are offered, and thus the Holder will not be able to resell or otherwise transfer his, her or its Warrants or Warrant Shares unless they are registered under the Securities Act and registered or qualified under applicable state securities laws, or an exemption from such registration or qualification is available. The Holder has no immediate need for liquidity in connection with this investment, does not anticipate that the Investor will be required to sell his, her or its Securities in the foreseeable future.

7. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, the Holder shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to this Warrant or Common Stock issued upon exercise of this Warrant without the prior written consent of the Company or its underwriters, for such period of time after the effective date of such registration statement as may be requested by the Company or such underwriters (not to exceed one hundred eighty (180) days); provided, however, that all executive officers, directors and 1% shareholders of the Company then holding Common Stock enter into similar agreements. This Section 7 shall only remain in effect until May 11, 2013. In the event of any stock dividend, stock split, recapitalization, or other change affecting the Company's outstanding Common Stock effected without receipt of consideration, then any new, substituted, or additional securities distributed with respect to this Warrant or securities issued upon conversion of this Warrant shall be immediately subject to the provisions of this Section 7.

No Voting or Dividend Rights. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof the right to vote or to consent to receive notice as a shareholder of the Company or any other matters or any rights whatsoever as a shareholder of the Company. No dividends or interest shall be payable or accrued in respect of this Warrant or the interest represented hereby or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised.

9. Warrants Transferable. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder may be transferred, in whole or in part, without charge to the holder hereof (except for transfer taxes), upon the prior written consent of the Company and, thereafter, upon surrender of this Warrant properly endorsed and compliance with the provisions of the Agreement. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that this Warrant, when endorsed in blank, shall be deemed negotiable, and that the holder hereof, when this Warrant shall have been so endorsed, may be treated by the Company, at the Company's option, and all other persons dealing with this Warrant as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Warrant, or to the transfer hereof on the books of the Company and notice to the contrary notwithstanding; but until such transfer on such books, the Company may treat the registered owner hereof as the owner for all purposes.

10. Independent Counsel; Terms of Transaction. Maker acknowledges and agrees (i) that the terms of this Note are fair and reasonable to Maker, (ii) that Holder has advised Maker of all terms of the transaction in writing and Maker has been urged to, and given the opportunity to, seek the advice of independent counsel of Maker's choice, (iii) that Maker has had a reasonable opportunity to seek such advice from such independent counsel and (iv) that Maker consents to the terms of this Note and the actions contemplated hereby.

11. Lost Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant, the Company, at its expense, will make and deliver a new Warrant, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant.

12. Modification and Waiver. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder hereof. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the Company and the Holder.

13. Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such holder from time to time.

14. Titles and Subtitles; Governing Law; Venue. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Agreement. This Warrant is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the Company and the Holder. All disputes and controversies arising out of or in connection with this Warrant shall be resolved exclusively by the state and federal courts located in San Mateo County in the State of California, and each of the Company and the Holder hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.

15. Definition of Warrant Shares. For purposes of this Agreement, "Warrant Shares" shall mean the number of shares of the Company's Common Stock issuable upon exercise of this Warrant.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its officers, thereunto duly authorized as of the date first above written.

THE COMPANY:
VistaGen Therapeutics, Inc.

By: /s/ Shawn K. Singh
Shawn K. Singh
Chief Executive Officer

THE HOLDER:
Morrison & Foerster LLP

By: /s/ Mark Blumenthal
Name: Mark Blumenthal
Title: Chief Financial Officer
Address: Morrison & Foerster, LLP
555 Market Street
San Francisco, CA 94015
Telephone: (415) 268-7000
Facsimile: (415) 268-7522
Email: mblumensthal@mofocom

[Signature Page to Morrison & Foerster LLP February 2010 Warrant]

FORM OF SUBSCRIPTION

(To be signed only upon exercise of Warrant)

To: VISTAGEN THERAPEUTICS, INC.

The undersigned, the holder of a right to purchase shares of Common Stock of VistaGen Therapeutics, Inc. (the "Company") pursuant to that certain Warrant to Purchase Common Stock of VistaGen Therapeutics, Inc. Number _____ (the "Warrant"), dated as of [August/September] __, 2012 hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _____ (_____) shares of Common Stock of the Company and herewith makes payment of _____ Dollars (\$_____) therefor in cash.

(a) The undersigned represents that it is acquiring such securities for its own account for investment and not with a view to or for sale in connection with any distribution thereof and in order to induce the issuance of such securities, makes to the Company, as of the date hereof, the representations and warranties set forth in Section 6 of the Warrant. The undersigned further represents that it is an "accredited investor" within the meaning of Securities and Exchange Commission Rule 501 of Regulation D, as presently in effect and that the shares of Common stock it is receiving pursuant to this exercise of the Warrant are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended, only in certain limited circumstances.

DATED: _____

Morrison & Foerster LLP

By:

Its:



ACKNOWLEDGMENT

To: **Morrison & Foerster LLP**

The undersigned hereby acknowledges that as of the date hereof, 425,000 shares of Common Stock remain subject to the right of purchase in favor of Morrison & Foerster, LLP pursuant to that certain Warrant to Purchase Common Stock of VistaGen Therapeutics, Inc., number CSW- 512 dated as of August 31, 2012.

DATED: August 31, 2012

VistaGen Therapeutics, Inc.

By: /s/ Shawn K. Singh

Name: Shawn K. Singh

Title: Chief Executive Officer

WARRANT RECEIPT

The undersigned hereby acknowledges receipt of original Warrant to Purchase Common stock No. CSW-512 issued by VistaGen Therapeutics, Inc., a Nevada corporation in the name of Morrison & Foerster LLP dated August 31, 2012.

Dated: August 31, 2012

Morrison & Foerster LLP

By: /s/ Mark Blumenthal

Name: Mark Blumenthal

Title: Chief Financial Officer