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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2001

Commission File Number 0-9314

ACCESS PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	83-0221517
(State of Incorporation)	(I.R.S. Employer I.D. No.)

2600 Stemmons Frwy, Suite 176, Dallas, TX 75207

(Address of principal executive offices)

Telephone Number (214) 905-5100

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

Yes X No
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The number of shares outstanding of each of the issuer's classes of common stock, as of May 11, 2001 was 12,850,478 shares of common stock, $0.01 par value per share.

Total No. of Pages 9

PART I -- FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

The response to this Item is submitted as a separate section of this report.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Access Pharmaceuticals, Inc. is a Delaware corporation in the development stage. We are an emerging pharmaceutical company

focused on developing both novel low development risk product candidates and technologies with longer-term major product opportunities. Together with our subsidiaries, we have proprietary patents or rights to five technology platforms: synthetic polymers, bioerodible hydrogels, Residerm TM, carbohydrate targeting technology and agents for the prevention and treatment of viral disease, including HIV. In addition, our partner, GlaxoSmithKline, formally Block Drug Company, is marketing in the United States, a product named Aphthasol R, a drug jointly developed, the first U.S. Food and Drug Administration, or FDA, approved product for the treatment of canker sores. We are developing new formulations and delivery forms to evaluate this product in additional clinical indications. We have licensed certain of the rights for amlexanox from GlaxoSmithKline for certain countries excluding the U. S. and the worldwide rights for certain additional indications including mucositis and oral diseases in other territories.

Except for the historical information contained herein, the following discussions and certain statements in this Form 10-Q are forward-looking statements that involve risks and uncertainties. In addition to the risks and uncertainties set forth in this Form 10-Q, other factors could cause actual results to differ materially, including but not limited to our research and development focus, uncertainties associated with research and development activities, clinical trials, uncertainty associated with preclinical and clinical testing, the timing of regulatory approvals, future cash flow, timing and receipt of licensing revenues, collaborations, dependence on others, and other risks detailed in our reports filed under the Securities Exchange Act of 1934, as amended, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2000.

Since our inception, we have devoted our resources primarily to fund our research and development programs. We have been unprofitable since inception and to date have received limited revenues from the sale of products. We cannot assure you that we will be able to generate sufficient product revenues to attain profitability on a sustained basis or at all. We expect to incur losses for the next several years as we continue to invest in product research and development, preclinical studies, clinical trials and regulatory compliance. As of March 31, 2001, our accumulated deficit was $33,052,000 of which $8,894,000 was the result of the write-off of excess purchase price of mergers.

LIQUIDITY AND CAPITAL RESOURCES

Working capital as of March 31, 2001 was $23,424,000 representing a decrease in working capital of $973,000 as compared to the working capital as of December 31, 2000 of $24,397,000.

The decrease in working capital was due to the loss from operations for the first quarter of 2001.

Since inception, our expenses have significantly exceeded revenues, resulting in an accumulated deficit as of March 31, 2001 of $33,052,000. We have funded our operations primarily through private sales of common stock and convertible notes. Contract research payments from corporate alliances and mergers have also provided funding for operations.

We have incurred negative cash flows from operations since inception, and have expended, and expect to continue to expend in the future, substantial funds to complete our planned product development efforts. We expect that our existing capital resources will be adequate to fund our current level of operations through the year 2002.

We will require substantial funds to conduct research and development programs, preclinical studies and clinical trials of potential products. Our future capital requirements and adequacy of available funds will depend on many factors, including:

* the successful commercialization of amlexanox;

* the ability to establish and maintain collaborative arrangements with corporate partners for the research, development and commercialization of products;

* continued scientific progress in our research and development programs;

* the magnitude, scope and results of preclinical testing and clinical trials;

* the costs involved in filing, prosecuting and enforcing patent claims;

* competing technological developments;

* the cost of manufacturing and scale-up;

* the ability to establish and maintain effective commercialization arrangements and activities; and

* successful regulatory filings.

FIRST QUARTER 2001 COMPARED TO FIRST QUARTER 2000

Revenue in the first quarter of 2001 was $211,000, as compared to no revenue in the same period of 2000. Revenue recognized in the first quarter is from several licensing agreements, including various amlexanox projects and ResiDerm TM.

Total research spending for the first quarter of 2001 was $1,003,000, as compared to $603,000 for the same period in 2000, an increase of $400,000. The increase in expenses was the result of:

* higher clinical development costs ($225,000) for amlexanox product development projects for OraRinse TM and OraDisc TM and the polymer platinate clinical development project. The OraRinse TM Phase II trial is ongoing and we anticipate that this study will be completed and the results published in the second quarter. The first Phase III study evaluating OraDisc TM was completed and another Phase III study has started. The Phase I polymer platinate study is ongoing;

* higher scientific consulting costs ($112,000);

* higher scientific salary costs ($63,000) due to additional employees; and,

* higher scientific consulting costs ($41,000) as the results of warrants granted to consultants in 2001.

The increase in expenses was partially offset by:

* lower moving expenses for scientific personal ($34,000); and

* other net decreases ($7,000).

We expect research spending to increase in future quarters and remain higher than in prior quarters as we intend to hire additional scientific and clinical staff, commence additional clinical trials and accelerate preclinical development activities as we continue to develop our product candidates.

Total general and administrative expenses were $436,000 for the first quarter of 2001, an increase of $7,000 as compared to the same period in 2000. The increase in spending was due primarily to the following:

* higher shareholder expenses ($35,000);

* higher patent costs ($20,000); and

* higher salary expenses ($17,000).

These general and administrative expenses increases were partially offset by:

* lower professional fees ($28,000);

* lower license fees ($16,000);

* lower travel and entertainments costs ($12,000); and

* other net decreases ($9,000).

Depreciation and amortization was $102,000 for the first quarter of 2001 as compared to $111,000 for the same period in 2000 reflecting a decrease of $9,000. The decrease in amortization is due to lower depreciation reflecting that some major assets have been fully depreciated.

Total operating expenses in the first quarter of 2001 was $1,541,000 as compared to total operating expenses of $1,143,000 for the same period in 2000.

Loss from operations in the first quarter of 2001 was $1,330,000 as compared to a loss of $1,143,000 for the same period in 2000.

Interest and miscellaneous income was $442,000 for the first quarter of 2001 as compared to $65,000 for the same period in 2000, an increase $377,000. The increase in interest income was due to higher cash balances in 2001 resulting from our private placements of common stock and convertible note offering in 2000.

Interest expense was $283,000 for the first quarter of 2001 as compared to $2,000 for the same period in 2000, an increase of $281,000. The increase is interest expense is due to interest accrued on the $13.5 million convertible notes interest in September 2000 and amortization of debt issuance costs.

Net loss in the first quarter of 2001 was $1,171,000, or a $0.09 basic and diluted loss per common share, compared with a loss of $1,080,000, or a $0.14 basic and diluted loss per common share for the same period in 2000.

PART II -- OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings.

ITEM 2 CHANGES IN SECURITIES

None

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 OTHER INFORMATION

None

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

Exhibits:
3.8 Certificate of Amendment of Certificate of Incorporation filed July 31, 2000.

Reports on Form 8-K:

None

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, thereunto duly authorized.

ACCESS PHARMACEUTICALS, INC.

Date: May 14, 2001 By:/s/ Kerry P. Gray

Kerry P. Gray
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2001 By:/s/ Stephen B. Thompson

Stephen B. Thompson
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Access Pharmaceuticals, Inc. and Subsidiaries
(a development stage company)

Condensed Consolidated Balance Sheets

<TABLE>
<CAPTION>

Assets	March 31, 2001 (unaudited)	December 31, 2000
<S>	<C>	<C>
Current assets		
Cash and cash equivalents	$ 4,869,000	$ 8,415,000
Short term investments, at cost	20,155,000	17,394,000
Accounts receivable	7,000	251,000
Accrued interest receivable	135,000	196,000
Prepaid expenses and other current assets	114,000	133,000
Total current assets	25,280,000	26,389,000
Property and equipment, net	109,000	116,000
Debt issuance costs	816,000	861,000
Licenses, net	859,000	887,000
Goodwill, net	2,053,000	2,115,000
Other assets	158,000	158,000
Total assets	$ 29,275,000	$ 30,526,000

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses	$ 796,000	1,158,000
Accrued interest payable	520,000	283,000
Deferred revenues	540,000	551,000
Total current liabilities	1,856,000	1,992,000
Convertible notes	13,530,000	13,530,000
Total liabilities	15,386,000	15,522,000
Commitments and contingencies	-	-
Stockholders' equity		
Preferred stock - $.01 par value; authorized 2,000,000 shares; none issued or outstanding	-	-
Common stock - $.01 par value; authorized 50,000,000 shares; issued, 12,850,478 at March 31, 2001 and 12,844,699 at December 31, 2000	133,000	132,000
Additional paid-in capital	47,857,000	47,802,000
Notes receivable from stockholders	(1,045,000)	(1,045,000)
Treasury stock, at cost - 819 shares	(4,000)	(4,000)
Deficit accumulated during the development stage	(33,052,000)	(31,881,000)
Total stockholders' equity	13,889,000	15,004,000
Total liabilities and stockholders' equity	$ 29,275,000	$ 30,526,000

</TABLE>

The accompanying notes are an integral part of these statements.

Access Pharmaceuticals, Inc. and Subsidiaries
(a development stage company)

Condensed Consolidated Statements of Operations
(unaudited)

<TABLE>
<CAPTION>

	Three Months ended March 31,		February 24, 1988 (inception) to
	2001	2000	March 31, 2001
<S>	<C>	<C>	<C>
Revenues			
Research and development	$ -	$ -	$ 2,711,000
Option income	-	-	2,164,000
Licensing revenues	211,000	-	643,000
Total revenues	211,000	-	5,518,000
Expenses			
Research and development	1,003,000	603,000	16,983,000
General and administrative	436,000	429,000	12,097,000
Depreciation and amortization	102,000	111,000	2,078,000
Write-off of excess purchase price	-	-	8,894,000
Total expenses	1,541,000	1,143,000	40,052,000
Loss from operations	(1,330,000)	(1,143,000)	(34,534,000)
Other income (expense)			
Interest and miscellaneous income	442,000	65,000	2,299,000

Interest expense	(283,000)	(52,000)	(817,000)
	159,000	63,000	1,482,000
Net loss	$(1,171,000)	$(1,080,000)	$(33,052,000)
Basic and diluted loss per common share	$(0.09)	$(0.14)	
Weighted average basic and diluted common shares outstanding	12,848,344	7,753,514	

</TABLE>

The accompanying notes are an integral part of these statements.

Access Pharmaceuticals, Inc. and Subsidiaries
(a development stage company)

Condensed Consolidated Statements of Cash Flows
(unaudited)

<TABLE>
<CAPTION>

	Three Months ended March 31,		February 24, 1988 (inception) to
	2001	2000	March 31, 2001
<S>	<C>	<C>	<C>
Cash flows form operating activities:			
Net loss	$(1,171,000)	$(1,080,000)	$(33,052,000)
Adjustments to reconcile net loss to cash used in operating activities:			
Write-off of excess purchase price	-	-	8,894,000
Warrants issued in payment of consulting expenses	41,000	-	970,000
Research expenses related to common stock granted	-	-	100,000
Depreciation and amortization	102,000	111,000	2,078,000
Amortization of debt costs	45,000	-	99,000
Deferred revenue	(11,000)	428,000	430,000
Change in operating assets and liabilities:			
Accounts receivable	244,000	(124,000)	(8,000)
Accrued interest receivable	61,000	-	(135,000)
Prepaid expenses and other current assets	19,000	32,000	(115,000)
Licenses	-	(100,000)	(525,000)
Other assets	-	-	(6,000)
Accounts payable and accrued expenses	(362,000)	48,000	34,000
Accrued interest payable	237,000	-	520,000
Net cash used in operating activities	(795,000)	(685,000)	(20,716,000)
Cash flows from investing activities:			
Capital expenditures	(5,000)	(38,000)	(1,250,000)
Sales of capital equipment	-	-	15,000
Purchase of short term investments and certificates of deposit	(2,761,000)	(10,960,000)	(20,155,000)
Purchase of business, net of cash acquired	-	-	(226,000)
Other investing activities	-	-	(150,000)
Net cash used in investing activities	(2,766,000)	(10,998,000)	(21,766,000)
Cash flows from financing activities:			

Proceeds from notes payable	-	-	721,000
Payments of principal on obligations under capital leases	-	(20,000)	(750,000)
Purchase of treasury stock	-	(750,000)	(754,000)
Cash acquired in merger with Chemex	-	-	1,587,000
Notes receivable from shareholders	-	-	(1,045,000)
Deposits received for private placement	-	2,967,000	-
Proceeds from convertible note, net	-	-	12,615,000
Proceeds from stock issuances, net	15,000	12,036,000	34,977,000
Net cash provided by financing activities	15,000	14,233,000	47,351,000
Net increase (decrease) in cash and cash equivalents	(3,546,000)	2,550,000	4,869,000
Cash and cash equivalents at beginning of period	8,415,000	869,000	-
Cash and cash equivalents at end of period	$ 4,869,000	$ 3,419,000	$ 4,869,000
Cash paid for interest	$ -	$ 2,000	$ 239,000
Cash paid for income taxes	-	-	-
Supplemental disclosure of noncash transactions			
Payable accrued for fixed asset purchase	$ -	$ -	$ 47,000
Elimination of note payable to Chemex Pharmaceuticals due to merger	-	-	100,000
Stock issued for license on patents	-	-	500,000
Equipment purchases financed through capital leases	-	-	82,000
Net liabilities assumed in acquisition of Tacora Corporation	-	-	455,000
Acquisition of Virologix Corporation			
Assets acquired including goodwill	-	-	2,571,000
Liability assumed	-	-	(469,000)
Stock issued	-	-	(2,000,000)

</TABLE>

The accompanying notes are an integral part of these statements.

Access Pharmaceuticals, Inc. and Subsidiaries
(a development stage company)

Notes to Condensed Consolidated Financial Statements
Three Months Ended March 31, 2001 and 2000
(unaudited)

(1) Interim Financial Statements

The consolidated balance sheet as of March 31, 2001 and the consolidated statements of operations and cash flows for the three months ended March 31, 2001 and 2000 were prepared by management without audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, except as otherwise disclosed, necessary for the fair presentation of the financial position, results of operations, and changes in financial position for such periods, have been made.

Certain amounts have been reclassified to conform with current period classification.

Certain information and footnote disclosures normally included in financial

statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2000. The results of operations for the period ended March 31, 2001 are not necessarily indicative of the operating results which may be expected for a full year. The consolidated balance sheet as of December 31, 2000 contains financial information taken from the audited financial statements as of that date.

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION
OF
ACCESS PHARMACEUTICALS, INC.

Access Pharmaceuticals, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That at a meeting of the directors of the Corporation, a resolution was duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation, as previously amended, and declaring such amendment to be advisable and calling a meeting of the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED: That it is advisable that Article V of the Corporation's Certificate of Incorporation, as amended, relating to the authorized shares of stock of the Corporation be amended to read as follows:

A. The aggregate number of shares of Common Stock which the Corporation shall have authority to issue is Fifty Million (50,000,000) shares with a par value of one cent ($0.01) per share.

B. The aggregate number of shares of preferred stock which the Corporation shall have authority to issue is Two Million (2,000,000) shares with a par value of one cent ($0.01) per share in one or more series. Each series of preferred stock shall be designated by the board of directors so as to distinguish the shares thereof and the shares of all other series and classes. The board of directors may, by resolution, from time to time divide shares of the preferred stock into series and fix and determine the number of shares and the relative rights and preferences of any series so established, which relative rights and preferences of any series so established may be greater or lesser than those granted to the common stock as provided herein. Notwithstanding the foregoing, all shares of preferred stock shall be identical, except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series, namely the rate of dividends (including the date from which dividends shall be cumulative), the price at, and the terms and conditions on which, shares may be redeemed, the amounts payable on shares in the event of voluntary or involuntary

liquidation or dissolution, sinking fund provisions for the redemption or purchase of shares in the event shares of any series or issue with sinking fund provisions, and the terms and conditions on which shares of any series may be converted in the event shares of any series are issued a privilege of conversion. Each share of any series of preferred stock shall be identical with all the shares of such series. The consideration for the issuance of shares may be paid in whole or in part in money and other property, tangible or intangible, or in labor or in services actually performed for the Corporation. When payment of the consideration for which shares are to be issued has been received or, when payment of the capital consideration has been received and the Corporation has received a binding obligation from the purchaser to pay the balance of the purchase price; such shares shall be deemed to be fully paid and not liable for any further call or assessment thereon.

C. Each stockholder of record of the common stock shall have one vote for each share of stock standing in his name on the books of the Corporation and entitled to vote. In the election of directors, cumulative voting shall be allowed. The voting rights, if any, of the shareholders of any series, if any, of preferred stock, shall be designated, by resolution, of the board of directors.

D. Stockholders of the common or preferred stock, regardless of the series of the preferred stock shall not have the preemptive right to acquire unissued or treasury shares or securities convertible into such shares or carrying a right to subscribe to or acquire shares. Such provision shall apply to both shares outstanding and to newly issued shares.

SECOND: That thereafter, pursuant to resolution of the board of directors

of the Corporation, a meeting of the stockholders of the Corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by the General Corporation Law of the State of Delaware voted in favor of the amendment.

THIRD: That such amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the effective date of this amendment shall be July 31, 2000.

IN WITNESS WHEREOF, Access Pharmaceuticals, Inc. has caused this certificate to be signed by John J. Concannon III, its Secretary, this 31st day of July, 2000.

ACCESS PHARMACEUTICALS, INC.

BY: /s/ John J. Concannon III

John J. Concannon III
Secretary