

ProtoKinetix, Inc.  
Form 10-Q  
April 26, 2018  
UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2018

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number:

PROTOKINETIX, INCORPORATED  
(Exact name of registrant as specified in its charter)

Nevada 94-3355026  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

412 Mulberry St.  
Marietta, Ohio 45750  
(Address of principal executive offices)

304-299-5070  
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company	

Edgar Filing: ProtoKinetix, Inc. - Form 10-Q

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of April 26, 2018, there were 254,711,673 shares of ProtoKinetix, Incorporated that were issued and outstanding.

---

PROTOKINETIX, INCORPORATED  
TABLE OF CONTENTS

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements	3
Unaudited Condensed Balance Sheets	3
Unaudited Condensed Statements of Operations	4
Unaudited Condensed Statement of Stockholders' Equity	5
Unaudited Condensed Statements of Cash Flows	6
Notes to Unaudited Condensed Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	22
Item 4. Controls and Procedures	23

PART II

OTHER INFORMATION

Item 1. Legal Proceedings	24
Item 1A. Risk Factors	24
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 3. Defaults Upon Senior Securities	24
Item 4. Mine Safety Disclosure	24
Item 5. Other Information	24
Item 6. Exhibits	25
Signatures	26

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)  
BALANCE SHEETS  
(Unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets		
Cash	\$192,147	\$302,942
Prepaid expenses and deposits (Notes 3 and 11)	58,675	62,127
Total current assets	250,822	365,069
Intangible assets (Note 4)	155,181	153,028
Total assets	\$406,003	\$518,097
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	\$7,731	\$26,906
Promissory notes payable (Note 10)	-	117,656
Total current liabilities	7,731	144,562
Stockholders' Equity		
Common stock, \$0.0000053 par value; 400,000,000 common shares authorized; 254,711,673 and 251,352,433 shares issued and outstanding as at March 31, 2018 and December 31, 2017 respectively (Note 9)	1,362	1,344
Additional paid-in capital	30,837,384	30,506,094
Accumulated deficit	(30,440,474)	(30,133,903)
Total stockholders' equity	398,272	373,595
Total liabilities and stockholders' equity	\$406,003	\$518,097

Basis of Presentation – Going Concern Uncertainties (Note 1)

Commitments and Contingency (Note 11)

See Notes to Financial Statements

3

---

## PROTOKINETIX, INCORPORATED

(A Development Stage Company)

## STATEMENTS OF OPERATIONS

(Unaudited)

For the Three Months Ended March 31, 2018 and 2017

	Three months ended March 31, 2018	Three months ended March 31, 2017
<b>EXPENSES</b>		
Amortization – intangible assets (Note 4)	\$750	\$750
General and administrative	17,437	32,133
Professional fees (Note 10)	39,139	42,952
Research and development	84,616	69,038
Share-based compensation (Note 7 and 10)	163,346	230,516
	(305,288 )	(375,389 )
<b>OTHER ITEM</b>		
Foreign exchange gain or (loss)	(1,283 )	25
Loss for the period	\$(306,571 )	\$(375,364 )
Loss per common share (basic and diluted)	\$(0.00 )	\$(0.01 )
Weighted average number of common shares outstanding (basic and diluted)	254,263,774	226,457,836

See Notes to Financial Statements

4

PROTOKINETIX, INCORPORATED  
STATEMENT OF STOCKHOLDERS' EQUITY

(Unaudited)

For the Period from December 31, 2017 to March 31, 2018

	Common Stock		Additional Paid-in capital	Accumulated deficit	Total
	Shares	Amount			
Balance, December 31, 2017	251,352,433	\$ 1,344	\$ 30,506,094	\$(30,133,903)	\$ 373,535
Issuance of common stock pursuant to private placement offering	1,000,000	5	49,995	-	50,000
Issuance of common stock pursuant to settlement of promissory notes	2,359,240	13	117,949	-	117,962
Fair value of compensatory options issued	-	-	163,346	-	163,346
Net loss for the period	-	-	-	(306,571 )	(306,571)
Balance, March 31, 2018	254,711,673	\$ 1,362	\$ 30,837,384	\$(30,440,474)	\$ 398,272

See Notes to Financial Statements

5

---

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)  
STATEMENTS OF CASH FLOWS  
(Unaudited)

For the Three Months Ended March 31, 2018 and 2017

	Three Months ended March 31, 2018	Three Months ended March 31, 2017
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss for the period	\$(306,571)	\$(375,364)
Adjustments to reconcile net loss to cash used in operating activities:		
Amortization – intangible assets	750	750
Fair value of compensatory options granted	163,346	230,516
Interest accrued	306	-
Changes in operating assets and liabilities:		
Prepaid expenses and deposits	3,452	28,862
Accounts payable and accrued liabilities	(19,175 )	4,648
Net cash used in operating activities	(157,892)	(110,588)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of intangible assets	(2,903 )	(31,255 )
Net cash used in investing activities	(2,903 )	(31,255 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of common stock for cash	50,000	320,000
Net cash from financing activities	50,000	320,000
Net change in cash	(110,795)	178,157
Cash, beginning of period	302,942	371,029
Cash, end of period	\$192,147	\$549,186
Cash paid for interest	\$-	\$-
Cash paid for income taxes	\$-	\$-
Supplementary information – non-cash transactions:		
Common stock issued to settle promissory notes	\$117,962	\$-
Intangible asset costs previously included in accounts payable and accrued liabilities	-	3,631
Intangible asset costs previously included in prepaid expenses and deposits	-	15,614

See Notes to Financial Statements

6

---



PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 1. Basis of Presentation – Going Concern Uncertainties

ProtoKinetix, Incorporated (the “Company”), a development stage company, was incorporated under the laws of the State of Nevada on December 23, 1999. The Company is a medical research company whose mission is the advancement of human health care.

The Company is currently researching the benefits and feasibility of synthesized Antifreeze Glycoproteins (“AFGP”) or anti-aging glycoproteins, trademarked AAGP. During the year ended December 31, 2015, the Company acquired certain patents and rights for cash consideration of \$30,000 (25,000 Euros), as well as additional patent applications for cash consideration of \$10,000 and 6,000,000 share purchase warrants with a fair value of \$25,000 (Note 4).

During the year ended December 31, 2016, the Company filed Form 51-105F1 – Notice – OTC Issuer Ceases to be an OTC Reporting Issuer with the British Columbia Securities Commission (“BCSC”).

The Company’s financial statements are prepared consistent with accounting principles generally accepted in the United States applicable to a going concern.

The Company has not developed a commercially viable product, has not generated any significant revenue to date, and has incurred losses since inception, resulting in a net accumulated deficit at March 31, 2018. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company needs additional working capital to continue its medical research or to be successful in any future business activities and continue to pay its liabilities. Therefore, continuation of the Company as a going concern is dependent upon obtaining the additional working capital necessary to accomplish its objective. Management is presently engaged in seeking additional working capital through equity financing or related party loans.

The accompanying financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company fail in any of the above objectives and is unable to operate for the coming year.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited financial statements have been prepared by the Company in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) applicable to interim financial information and with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed, or omitted, pursuant to such rules and regulations. In the opinion of management, the unaudited interim financial statements include all adjustments necessary for the fair presentation of the results of the interim periods presented. All adjustments are of a normal recurring nature, except as otherwise noted below. These financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ended December 31, 2017, included in the Company’s Annual Report on Form 10-K, filed March 9, 2018, with the Securities and Exchange Commission. The results of operations for the interim periods are not necessarily indicative of the results of operations for any other interim period or for a full fiscal

year.

7

---

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 2. Summary of Significant Accounting Policies (cont'd)

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The more significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to valuation of equity related instruments issued and deferred income taxes.

Cash

Cash consists of funds held in checking accounts. Cash balances may exceed federally insured limits from time to time.

Fair Value of Financial Instruments

Financial instruments, which includes cash and accounts payable and accrued liabilities, are carried at cost, which management believes approximates fair value due to the short-term nature of these instruments.

The Company measures the fair value of financial assets and liabilities pursuant to ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The policy describes three levels of inputs that may be used to measure fair value:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable
- Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Level 1 inputs are used to measure cash. At March 31, 2018 there were no other assets or liabilities subject to additional disclosure.

Income Taxes

The Company accounts for income taxed following the assets and liability method in accordance with the ASC 740 "Income Taxes." Under such method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company applies the accounting guidance issued to address the accounting for uncertain tax positions. This guidance clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements as well as provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income

in the years that the asset is expected to be recovered or the liability settled.

8

---

PROTOKINETIX, INCORPORATED

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

Note 2. Summary of Significant Accounting Policies (cont'd)

Intangible assets – patent and patent application costs

The Company owns intangible assets consisting of certain patents and patent applications. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

As at March 31, 2018, the Company does not hold any intangible assets with indefinite lives.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the Company's patents, whereas no amortization has been recognized on the patent application costs as at March 31, 2018.

Research and Development Costs

Research and development costs are expensed as incurred.

Loss per Share and Potentially Dilutive Securities

Basic loss per share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding in the period. Diluted loss per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive securities. The effect of 43,900,000 stock options (March 31, 2017 – 45,100,000), 6,500,000 warrants (March 31, 2017 – 6,500,000) were not included in the computation of diluted earnings per share for all periods presented because it was anti-dilutive due to the Company's losses.

Share-Based Compensation

The Company has granted warrants and options to purchase shares of the Company's common stock to various parties for consulting services. The fair values of the warrants and options issued have been estimated using the Black-Scholes Option Pricing Model.

The Company accounts for stock compensation with persons classified as employees for accounting purposes in accordance with ASC 718 “Compensation – Stock Compensation”, which recognizes awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The fair value of stock options is determined using the Black-Scholes Option Pricing Model. The fair value of common shares issued for services is determined based on the Company’s stock price on the date of issuance.

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 2. Summary of Significant Accounting Policies (cont'd)

Share-Based Compensation (cont'd)

The Company accounts for stock compensation arrangements with persons classified as non-employees for accounting purposes in accordance with ASC 505-50 "Stock-Based Transactions with Nonemployees", which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of share-based compensation is subject to periodic adjustment as the underlying instruments vest. The fair value of stock options is estimated using the Black-Scholes Option Pricing Model and the compensation charges are amortized over the vesting period.

Common stock

Common stock issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issuance of common stock, units and stock options are recognized as a deduction from equity, net of any tax effects.

Related Party Transactions

A related party is generally defined as (i) any person that holds 10% or more of the Company's securities and their immediate families, (ii) the Company's management, (iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Recent Accounting Pronouncements

Accounting Standards Update 2016-01 – Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. This accounting pronouncement, which went into effect December 12, 2017, is far reaching and covers several presentation areas dealing with measurement, impairment, assumptions used in estimating fair value and several other areas. The adoption of this guidance did not have a material impact on the Company's financial statements.

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 2. Summary of Significant Accounting Policies (cont'd)

Recent Accounting Pronouncements (cont'd)

Accounting Standards Update 2016-02-Leases (Topic 842). This accounting pronouncement allows lessees to make an accounting policy election to not recognize a lease asset and liability for leases with a term of 12 months or less and do not have a purchase option that is expected to be exercised. This standard is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The adoption of this guidance is not expected to have a material impact on the Company's financial statements.

Note 3. Prepaid Expenses and Deposits

The following summarizes the Company's prepaid expenses and deposits outstanding as at March 31, 2018 and December 31, 2017:

	March 31, 2018	December 31, 2017
Deposit on research agreements (Note 11(c))	\$54,535	\$ 61,077
Other prepaid expenses	4,140	1,050
	\$58,675	\$ 62,127



PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 4. Intangible Assets

Intangible asset transactions are summarized as follows:

	Patent Rights	Patent Application Rights	Total
Cost			
Balance, December 31, 2016	\$ 30,000	\$ 75,181	\$ 105,181
Additions	-	55,347	55,347
Balance, December 31, 2017	\$ 30,000	\$ 130,528	\$ 160,528
Additions	-	2,903	2,903
Balance, March 31, 2018	\$ 30,000	\$ 133,431	\$ 163,431
Accumulated amortization			
Balance, December 31, 2016	\$ 4,500	\$ -	\$ 4,500
Amortization	3,000	-	3,000
Balance, December 31, 2017	\$ 7,500	\$ -	\$ 7,500
Amortization	750	-	750
Balance, March 31, 2018	\$ 8,250	\$ -	\$ 8,250
Net carrying amounts			
December 31, 2017	\$ 22,500	\$ 130,528	\$ 153,028
March 31, 2018	\$ 21,750	\$ 133,431	\$ 155,181

During the year ended December 31, 2015, the Company entered into an Assignment of Patents and Patent Application (effective January 1, 2015) (the "Patent Assignment") with the Institut National des Sciences Appliquees de Rouen ("INSA") for the assignment of certain patents and all rights associated therewith (the "Patents"). The Company and INSA had previously entered into a licensing agreement for the Patents in August 2004. The Patent Assignment transfers all of the Patents and rights associated therewith to the Company upon payment to INSA in the sum of \$30,000 (25,000 Euros) (paid). During the three month period ended March 31, 2018, the Company recorded \$750 (2017 - \$750) in amortization expense associated with the Patents.

During the year ended December 31, 2015, the Company entered into a Technology Transfer Agreement with Grant Young for the assignment of his 50% ownership of certain patents and all rights associated therewith (the "Patent Application Rights"). In exchange for the Patent Application Rights, the Company agreed to pay \$10,000 (paid) and to issue 6,000,000 warrants (issued) to purchase shares of the Company's common stock at an exercise price of \$0.10 per share for a period of five years. The Patent Application Rights had a total fair value of \$35,000, which was allocated as \$10,000 to the cash consideration paid, with the remaining \$25,000 being allocated to the warrant component of the overall consideration. The Company has incurred \$98,431 in direct costs relating to the Patent Application Rights, \$2,903 of which were incurred during the three month period ended March 31, 2018.

The remaining 50% ownership of the Patent Application Rights was acquired from the Governors of the University of Alberta in exchange for a future gross revenue royalty.

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 4. Intangible Assets (cont'd)

During the year ended December 31, 2016, the Company entered into a Universal Assignment with Grant Young for the assignment of his ownership of certain new and useful improvements in an invention entitled "Use of Anti-Aging Glycoprotein for Enhancing Survival of Neurosensory Precursor Cells" (the "New Patent Application Rights"). In exchange for the New Patent Application Rights, the Company agreed to pay \$1 (paid). The Company incurred \$2,415 in direct costs relating to the New Patent Application Rights during the year ended December 31, 2016.

No amortization was recorded on the Patent Application Rights to March 31, 2018.

Note 5. Credit Facility

On June 16, 2016, the Company executed a line of credit arrangement for an amount of up to \$250,000 with Pleasants County Bank, West Virginia. Pursuant to the terms of the line of credit, interest will accrue on the amount of credit outstanding at a rate of 1.5% above the prime rate adjusted monthly. The Company's President and CEO pledged personal assets to secure the line of credit and the Company pledged its patent rights in the provisional patent application numbered 62287857, dated January 21, 2016, "Use of Anti-Aging Glycoprotein for Enhancing Survival of Neurosensory Precursor Cells". During the year ended December 31, 2017, the line of credit was canceled, and the pledged assets were released. As at March 31, 2018 and December 31, 2017, the balance outstanding was \$nil.

Note 6. Common Shares Issued for Services

During the three month periods ended March 31, 2018 and 2017, the Company issued shares of common stock for services and other value rendered as follows:

2018	Number of Shares	Value per Share	Total
January - March 2018	-	\$-	\$-
	-		\$-

  

2017	Number of Shares	Value per Share	Total
January - March 2017	-	\$ -	\$ -
	-		\$ -

Note 7. Stock Options

On December 30, 2016, the Board of Directors of the Company adopted the 2017 Stock Option and Stock Bonus Plan (the "2017 Plan"). The Board of Directors adopted the 2017 Plan as it anticipates utilizing equity compensation as part

of its ongoing standard corporate operations and in connection with its contemplated activities going forward.

The aggregate number of shares that may be issued under the 2017 Plan is 30,000,000 shares subject to adjustment as provided therein. The 2017 Plan includes two types of options. Options intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended are referred to as incentive options. Options which are not intended to qualify as incentive options are referred to as non-qualified options.

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 7. Stock Options (cont'd)

As of March 31, 2018, 25,000,000 options and no shares of common stock have been granted and are outstanding under the 2017 Plan.

The 2017 Plan is administered by the Board of Directors, or a committee appointed by the Board of Directors. In addition to determining who will be granted options or stock bonuses, the committee has the authority and discretion to determine when options and bonuses will be granted and the number of options and bonuses to be granted. The committee also may determine a vesting and/or forfeiture schedule for bonuses and/or options granted, the time or times when each option becomes exercisable, the duration of the exercise period for options and the form or forms of the agreements, certificates or other instruments evidencing grants made under the 2017 Plan. The committee may determine the purchase price of the shares of common stock covered by each option. The committee also may impose additional conditions or restrictions not inconsistent with the provisions of the 2017 Plan. The committee may adopt, amend and rescind such rules and regulations as in its opinion may be advisable for the administration of the 2017 Plan.

In the event that a change, such as a stock split, is made in the Company's capitalization which results in an exchange or other adjustment of each share of common stock for or into a greater or lesser number of shares, appropriate adjustments will be made to unvested bonuses and in the exercise price and in the number of shares subject to each outstanding option. The committee also may make provisions for adjusting the number of bonuses or underlying outstanding options in the event the Company effects one or more reorganizations, recapitalizations, rights offerings, or other increases or reductions of shares of its outstanding common stock. Options and bonuses may provide that in the event of the dissolution or liquidation of the Company, a corporate separation or division or the merger or consolidation of the Company, the holder may exercise the option on such terms as it may have been exercised immediately prior to such dissolution, corporate separation or division or merger or consolidation; or in the alternative, the committee may provide that each option granted under the 2017 Plan shall terminate as of a date fixed by the committee.

The exercise price of any option granted under the 2017 Plan must be no less than 100% of the "fair market value" of the Company's common stock on the date of grant. The exercise period of any option shall not exceed ten years from the date of grant of the option. Any incentive stock option granted under the 2017 Plan to a person owning more than 10% of the total combined voting power of the common stock must be at a price of no less than 110% of the fair market value per share on the date of grant and the term shall be for no more than five years.

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price \$	Weighted Average Fair Value \$	Weighted Average Remaining Life (Years)
Outstanding, December 31, 2017	44,100,000	0.06	0.05	
Options expired	(1,000,000 )	0.05	0.05	
Options granted	800,000	0.06	0.06	

Edgar Filing: ProtoKinetix, Inc. - Form 10-Q

Outstanding, March 31, 2018	43,900,000	0.06	0.05	2.46
-----------------------------	------------	------	------	------

PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 7. Stock Options (cont'd)

The fair values of the stock options granted during the three month periods ended March 31, 2018 and 2017 were estimated using the Black-Scholes Option Pricing Model. The weighted average assumptions used in the pricing model for these options are as follows:

	March 31, 2018		March 31, 2017	
Risk-free interest rate	1.38	%	1.05	%
Dividend yield	0.00	%	0.00	%
Expected stock price volatility	125.00	%	125.00	%
Expected forfeiture rate	0.00	%	0.00	%
Expected life	3.60		3.44	
	years		years	

The following non-qualified stock options were outstanding and exercisable at March 31, 2018:

Expiry date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable \$
February 25, 2020	0.04	2,000,000	-
February 28, 2020	0.04	5,000,000	5,000,000
June 30, 2018	0.10	600,000	600,000
December 31, 2019	0.08	11,000,000	11,000,000
October 05, 2018	0.08	300,000	300,000
December 31, 2020	0.05	12,200,000	12,200,000
August 31, 2021	0.06	11,000,000	5,000,000
November 14, 2021	0.07	1,000,000	250,000
December 31, 2022	0.06	800,000	200,000
		43,900,000	34,550,000

As at March 31, 2018, the aggregate intrinsic value of the Company's stock options is \$223,000 (December 31, 2017 – \$272,000). The weighted average fair value of stock options granted during the three month period ended March 31, 2017 is \$0.05 (2017 - \$0.06).

Note 8. Warrants

Warrant transactions for the three month period ended March 31, 2018 are summarized as follows:

Number of Warrants	Weighted
-----------------------	----------

Edgar Filing: ProtoKinetix, Inc. - Form 10-Q

		Average Exercise Price
Balance, December 31, 2017 and March 31, 2018	6,500,000	\$ 0.11



PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 8. Warrants (cont'd)

The following warrants were outstanding and exercisable as at March 31, 2018:

Number of Warrants	Exercise Price (\$)	Expiry Date
500,000	0.25	November 8, 2018
6,000,000	0.10	April 22, 2020
6,500,000		

Note 9. Stockholders' Equity

The Company is authorized to issue 400,000,000 (December 31, 2017 – 400,000,000) shares of \$0.0000053 par value common stock. Each holder of common stock has the right to one vote but does not have cumulative voting rights. Shares of common stock are not subject to any redemption or sinking fund provisions, nor do they have any preemptive, subscription or conversion rights. Holders of common stock are entitled to receive dividends whenever funds are legally available and when declared by the board of directors, subject to the prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared or paid as of March 31, 2018 (December 31, 2017 - \$nil).

During the three month period ended March 31, 2018, the Company:

- a) Issued 1,000,000 shares of common stock to investors at \$0.05 for gross proceeds of \$50,000.
- b) Issued 2,359,240 shares common stock to the Company's President and CEO to settle two promissory notes (plus accrued interest) totaling \$117,962.

Note 10. Related Party Transactions and Balances

During the three months ended March 31, 2017, the Company:

- a) Entered into a consulting agreement with an effective date of January 1, 2017 with the Company's President and CEO whereby he will be compensated at a nominal amount of \$1 for services through to December 31, 2017. The agreement also stipulates a termination fee that would pay the Company's President and CEO \$100,000 per year of service if terminated without cause or in the case of termination upon a change of control event, the termination fee would be equal to \$100,000 per year of service plus 2.5% of the aggregate transaction value of the change of control. In addition, the agreement stipulates that he would be entitled to a bonus payment equal to 2.5% of the aggregate transaction value of a sale or license of any Patent Rights, Patent Application Rights or products effected during the term of his agreement. Pursuant to the agreement, he was also granted 5,000,000 stock options exercisable into common shares of the Company until December 31, 2020 at a price of \$0.05 per share (Note7). The options vest in equal instalments on a quarterly basis beginning March 31, 2017. This agreement was amended

during the year ended December 31, 2017 to extend the term to December 31, 2018.

PROTOKINETIX, INCORPORATED

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

Note 10. Related Party Transactions and Balances (cont'd)

Entered into a consulting agreement with an effective date of January 1, 2017 with the Company's CFO whereby she will be compensated at a monthly fee of \$6,000 for services through to December 31, 2017. The agreement also stipulates a termination fee that would pay the Company's CFO \$72,000 per year of service (including the pro-rata amount for partial years of service) if terminated without cause or upon termination due to a change of control event. Pursuant to the agreement, she was also granted 4,000,000 stock options exercisable into common shares of the Company until December 31, 2020 at a price of \$0.05 per share (Note 7). The options vest in equal instalments on a quarterly basis beginning March 31, 2017. A total of \$18,000 was paid to the Company's CFO during the period ended March 31, 2017.

Entered into a directorship agreement with an effective date of January 1, 2017 with a director of the Company. Pursuant to the agreement, the director was issued 1,000,000 stock options exercisable into common shares of the Company until December 31, 2020 at a price of \$0.05 per share (Note 7). The options vest in equal instalments on a quarterly basis beginning March 31, 2017. This agreement was amended during the year ended December 31, 2017 to extend the term to December 31, 2018.

Recognized \$99,137 in share-based compensation associated with stock options granted to key management personnel.

During the three months ended March 31, 2018, the Company:

On November 14, 2017, the Company entered into a consulting agreement with the newly appointed CFO whereby he will be compensated at a monthly fee of \$5,000. A total of \$15,000 was paid or accrued to the Company's CFO during the period ended March 31, 2018.

Issued a total of 2,359,240 shares of common stock to its President and CEO as settlement of principal and interest owing on two promissory notes (Note 9).

Recognized \$99,014 in share-based compensation associated with stock options granted to key management personnel.

As at March 31, 2018 and December 31, 2017, the following amounts are due to related parties:

	March 31, 2018	December 31, 2017
Clarence Smith (CEO) Promissory notes payable (and interest)	\$ -	\$ 117,656



PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS  
March 31, 2018

Note 11. Commitments and Contingency

As at March 31, 2018, the Company has the following commitments:

Entered into a consulting agreement with an effective date of January 1, 2017 whereby the Company would pay the consultant \$7,000 per month for providing research and development services. Pursuant to the agreement, the consultant was also granted 5,000,000 stock options exercisable into common shares of the Company until December 31, 2020 at a price of \$0.05 per share (Note 7). The options vest in equal instalments on a quarterly basis a) beginning March 31, 2017. On September 1, 2017 the consulting agreement was amended to continue the term of the agreement until December 31, 2018 and thereafter to automatically renew. The consulting agreement was also amended to grant an additional 5,000,000 stock options exercisable into common shares of the Company until August 31, 2021 at a price of \$0.06 per share (Note 7). The options vest quarterly in equal installments beginning December 31, 2017.

Entered into a consulting agreement for business development services effective January 1, 2017. The consultant b) was granted 1,200,000 stock options exercisable into common shares of the Company at a price of \$0.05 per share until December 31, 2020 (Note 7). The options vest in equal instalments on a quarterly basis beginning March 31, 2017.

Entered into a Collaborative Research Agreement (the “CREA”) effective May 31, 2016 with The University of British Columbia (“UBC”) for a term of 2 years. Pursuant to the CREA, the Company paid a total of CAD \$169,000 (\$131,448) in advance for services to be provided by UBC in the first year, and will be required to pay an additional CAD \$201,500 within 12 months from the effective date of the CREA in advance of services to be provided by c) UBC in the second year. The CREA can be terminated by either party with 30 days’ written notice. As at March 31, 2018, a total of \$24,430 is included in prepaid expenses and deposits (December 31, 2017 - \$61,077). On January 4, 2018, the Company entered into an additional agreement with UBC. Pursuant to this additional agreement, the Company paid CAD \$50,001 for research services to be provided over a term of 1 year. As at March 31, 2018, a total of \$30,105 is included in prepaid expenses and deposits (December 31, 2017 - \$61,077).

Entered into a consulting agreement effective January 1, 2018, whereby the Company would pay the consultant d) \$1,000 per month for a term of 1 year, unless otherwise terminated by either party with at least 30 days’ notice, for providing public relations services. The consultant was also entitled to 400,000 shares of common stock, which were issued at a rate of 25% (100,000 shares) every 3 months over the initial term of the agreement.

Entered into a royalty agreement with the Governors of the University of Alberta (the “University”) whereby the University had developed certain intellectual property (the “Additional Patent Rights”) in conjunction with and by permission of the Company employing patented intellectual property of the Company. The agreement assigns the e) Additional Patent Rights to the Company in return for 5% of any future gross revenues (the “Royalty”) derived from products arising from the Patent Rights. The Company had the right to buy out all of the University’s Royalty for consideration of the aggregate sum of CAD \$5,000,000, however, the option expired during the year ended December 31, 2017.

The Company was delinquent in filing certain income tax returns with the U.S. Internal Revenue Service and reports disclosing its interest in foreign bank accounts on form TDF 90-22.1, "Report of Foreign Bank and Financial Accounts" ("FBARs"). In September 2015, the Company filed the delinquent income tax returns and has sought waivers of any penalties under the IRS Offshore Voluntary Disclosure Program for late filing of the returns and FBARs. Under the program, the IRS has indicated that it will not impose a penalty for the failure to file delinquent income tax returns if there are no underreported tax liabilities. On November 30, 2017, the Company received a letter from the IRS concluding their review of the Company's tax returns under the program and accepting the returns as filed. No penalties have been assessed by the IRS to date, and management does not believe that the Company will incur any penalties relating to the tax years submitted under the program.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context requires otherwise, references in this document to "ProtoKinetix", "we", "our", "us" or the "Company" are ProtoKinetix, Incorporated.

The following discussion provides information regarding the results of operations for the three month period ended March 31, 2018 and 2017, and our financial condition, liquidity and capital resources as of March 31, 2018, and December 31, 2017. The financial statements and the notes thereto contain detailed information that should be referred to in conjunction with this discussion.

### Cautionary Note Regarding Forward-Looking Statements

The information discussed in this Quarterly Report on Form 10-Q include "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). All statements, other than statements of historical facts, included herein and therein concerning, among other things, planned capital expenditures, future cash flows and borrowings, pursuit of potential acquisition opportunities, our financial position, business strategy and other plans and objectives for future operations, are forward looking statements. These forward looking statements are identified by their use of terms and phrases such as "may," "expect," "estimate," "project," "plan," "believe," "intend," "achievable," "anticipate," "will," "continue," "potentially," "could," and similar terms and phrases. Although we believe that the expectations reflected in these forward looking statements are reasonable, they do involve certain assumptions, risks and uncertainties and are not (and should not be considered to be) guarantees of future performance. Our results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including, among others:

- Our capital requirements and the uncertainty of being able to obtain additional funding on terms acceptable to us;
  - Our plans to develop and commercialize products from the AAGP® molecule;
- Ongoing testing of the AAGP® molecule;
- Our intellectual property position;
- Our commercialization, marketing and manufacturing capabilities and strategy;
- Our ability to retain key members of our senior management and key scientific consultants;
- The effects of competition;
- Our potential tax liabilities resulting from conducting business in the United States and Canada;
- The effect of further sales or issuances of our common stock and the price and volume volatility of our common stock; and
- Our common stock's limited trading history.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our filings with the SEC under the Exchange Act and the Securities Act, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. All forward looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this Quarterly Report. Other than as required under securities laws, we do not assume a duty to update these forward looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

### Business Overview

ProtoKinetix, Incorporated is a research and development stage bio-technology company focused on scientific medical research of AFGPs (Anti-Freeze Glycoproteins) or anti-aging glycoproteins, trademarked as AAGP®. The Company has recently been in the process of directing major efforts to the practical side of commercial validation. The commercial applications for AAGP® in large markets such as targeted health care solutions are numerous, and ProtoKinetix is currently working with researchers, business leaders and advisors and commercial entities to bring AAGP® to market.

19

---



## Results of Operations

The following table shows selected financial data and operating results for the periods noted. Following the table, please see management's discussion of significant changes.

	For the Three Months Ended March 31,	
	2018	2017
Revenues	\$-	\$-
Cost of Sales	-	-
Gross (Loss) Profit	-	-
Operating Expenses		
Amortization	\$750	\$750
General and Administrative	17,437	32,133
Professional Fees	39,139	42,952
Research and Development	84,616	69,038
Share-Based Compensation	163,346	230,516
Total Operating Expenses	305,288	375,389
Loss from Operations	(305,288)	(375,389)
Other Income		
Foreign Exchange Gain	(1,283 )	25
Total Other Income	(1,283 )	25
Net Loss	\$(306,571)	(375,364)

## Revenues

We had no revenues for the three month periods ended March 31, 2018 and 2017.

## Gross Profit and Expenses

The Company's net loss was \$306,571 for the three month period ended March 31, 2018 compared to \$375,364 for the three month period ended March 31, 2017. These expenses were primarily incurred for professional fees, consulting services related to the operations of the Company's business, research and development and other general and administrative expenses. Significant changes from the prior three month period ended March 31, 2017 include:

Professional fees decreased by \$3,813 from \$42,952 to \$39,139 primarily as a result of a decrease in accounting fees associated with Company operations.

Research and development increased by \$15,578 from \$69,038 to \$84,616 primarily as a result of additional spending for expanded testing of effects of glycopeptides on bone marrow stem cell engraftment and antibody production with the University of British Columbia.

Share-based compensation decreased by \$67,170 from \$230,516 to \$163,346 primarily as a result of a decrease in stock option valuation for the current year.

## Liquidity and Capital Resources

The following summarizes our statements of cash flows at March 31, 2018 and December 31, 2017:

	March 31, 2018	December 31, 2017
Cash	\$192,147	\$302,942
Working Capital	\$243,091	\$220,507

At March 31, 2018, we had \$192,147 in cash and \$250,822 in total current assets. As of March 31, 2018, we had a working capital equity position of \$243,091. Based upon our working capital equity as of March 31, 2018, we require additional equity and/or debt financing in order to meet cash flow projections and carry forward our business objectives. There can be no assurance that in the future we will be able to raise capital from outside sources in sufficient amounts to fund our new business.

The failure to secure adequate outside funding would have an adverse effect on our plan of operation and results therefrom and a corresponding negative impact on stockholder liquidity.

## Sources and Uses of Cash

### Net Cash Used in Operating Activities

Net cash used in operating activities increased by \$47,304 from \$110,588 to \$157,892 for the three months ended March 31, 2017 and 2018, respectively. This increase was predominantly due to an increase in payments made to the Company's vendors along with an increased spending for research and development.

### Net Cash Used in Investing Activities

Net cash used in investing activities was \$2,903 for the three month period ended March 31, 2018 while the Company had net cash used in investing activities of \$31,255 for the comparative period. The difference is attributable to a decrease in the purchase of intangible assets.

### Net Cash Provided by Financing Activities

Net cash provided by financing activities decreased by \$270,000 from \$320,000 to \$50,000 for the three months ended March 31, 2017 and 2018, respectively due to a decrease in funding from private placements.

## Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"), which contemplate continuation of the Company as a going concern. The history of losses and the inability for the Company to make a profit from selling a good or service has raised substantial doubt about our ability to continue as a going concern. In spite of the fact that the current cash obligations of the Company are relatively minimal, given the cash position of the Company, we have very little cash to operate. We intend to fund the Company and attempt to meet corporate obligations by selling common stock. However, the Company's common stock is at a low price and is not actively traded.

## Off-Balance Sheet Arrangements

None.

## Contractual Obligations

As a smaller reporting company, we are not required to provide the information required by paragraph (a)(5) of this Item.

## Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make a variety of estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and (ii) the reported amounts of revenues and expenses during the reporting periods covered by the financial statements.

Our management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increase, these judgments become even more subjective and complex. Although we believe that our estimates and assumptions are reasonable, actual results may differ significantly from these estimates. Changes in estimates and assumptions based upon actual results may have a material impact on our results of operation and/or financial condition. Our significant accounting policies are disclosed in Note 2 to the Financial Statements included in this Form 10-Q.

While all of the significant accounting policies are important to the Company's financial statements, the following accounting policies and the estimates derived there from have been identified as being critical.

#### Share-Based Compensation

On July 1, 2015, the Board of Directors of the Company adopted the 2015 Stock Option and Stock Bonus Plan (the "Plan"). The Company has granted warrants and options to purchase shares of the Company's common stock to various parties for consulting services outside of the Plan, and beginning July 1, 2015 and ending December 31, 2016 pursuant to the Plan. On December 30, 2016, the Board of Directors of the Company adopted the 2017 Stock Option and Stock Bonus Plan (the "2017 Plan"). During the three month period ended March 31, 2018, the Company granted options to purchase a total of 800,000 shares of common stock to two consultants pursuant to the 2017 Plan. The fair values of the warrants and options issued have been estimated using the Black-Scholes Option Pricing Model.

The Company accounts for stock compensation with persons classified as employees for accounting purposes in accordance with ASC 718 "Compensation – Stock Compensation", which recognizes awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The fair value of stock options is determined using the Black-Scholes Option Pricing Model. The fair value of common shares issued for services is determined based on the Company's stock price on the date of issuance.

The Company accounts for stock compensation arrangements with persons classified as non-employees for accounting purposes in accordance with ASC 505-50 "Stock-Based Transactions with Nonemployees", which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of share-based compensation is subject to periodic adjustment as the underlying instruments vest. The fair value of stock options is estimated using the Black-Scholes Option Pricing Model and the compensation charges are amortized over the vesting period.

#### Sales and Marketing

The Company is currently not selling or marketing any products.

#### Inflation

Although management expects that our operations will be influenced by general economic conditions, we do not believe that inflation had a material effect on our results of operations during the three months ended March 31, 2018.

#### Item 3. Quantitative and Qualitative Disclosure About Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item.



Item 4: Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 (the “1934 Act”) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the 1934 Act is accumulated and communicated to management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, under the direction of our Chief Executive Officer (who is our principal executive officer), and Chief Financial Officer (who is our principal accounting officer) has evaluated the effectiveness of our disclosure controls and procedures as required by 1934 Act Rule 13a-15(b) as of March 31, 2018 (the end of the period covered by this report). Based on that evaluation, our principal executive officer and our principal accounting officer concluded that these disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms.

The Company, including its Chief Executive Officer and Chief Financial Officer, does not expect that its internal controls and procedures will prevent or detect all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated by the SEC under the 1934 Act) during the three months ended March 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Other than previously reported, the Company and its management are not aware of any regulatory or legal proceedings or investigations pending involving the Company, any of its subsidiaries or affiliates, or any of their respective officers, directors or employees.

### Item 1A. Risk Factors

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item. However, our current risk factors are set forth in our Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC on March 9, 2018, and such risk factors are incorporated herein by this reference.

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

On January 1, 2018, the Company issued options to purchase a total of 800,000 shares of common stock at \$0.06 per share to two consultants pursuant to the 2017 Plan. For these grants of options, no solicitation was used and the Company relied on the exemption from registration available under Section 4(a)(2) of the Securities Act of 1933, as amended (the “1933 Act”) and/or Rule 506(b) of Regulation D promulgated under the 1933 Act with respect to transactions by an issuer not involving any public offering. No commissions were paid in connection with these issuances of securities.

On January 12, 2018, the Company issued 1,000,000 shares of common stock at a price of \$0.05 per share to an accredited investor for a total of \$50,000 in gross proceeds pursuant to a private placement.

As previously reported on the Current Report on Form 8-K filed on November 9, 2017, Clarence E. Smith, the Company’s President and Chief Executive Officer, entered into an unsecured promissory note with the Company in the amount of \$86,000 on October 23, 2017, and a second unsecured promissory note in the amount of \$30,000 on November 3, 2017.

On January 12, 2018, the Company cancelled both promissory notes for a total of \$117,962 of principal and interest in exchange for the issuance of 2,359,240 shares of common stock of the Company to Mr. Smith, at a price of \$0.05.

For both sales of common stock of the Company on January 12, 2018, no solicitation was used in the offerings. The Company relied on the exemption from registration available under Section 4(a)(2) of the Securities Act of 1933, as amended (the “1933 Act”) and Rule 506(b) of Regulation D promulgated under the 1933 Act with respect to transactions by an issuer not involving any public offering. No commissions were paid in connection with these issuances of securities. A Form D was filed previously on September 21, 2017.

Other than previously reported, there have been no unregistered sales of equity securities during the three month period ended March 31, 2018.

### Item 3. Defaults upon Senior Securities

None.

### Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

24

---



Item 6. Exhibits

The following is a complete list of exhibits filed as part of this Form 10-Q. Exhibit numbers correspond to the numbers in the Exhibit Table of Item 601 of Regulation S-K.

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this Quarterly Report on Form 10-Q.

Exhibit	Description
<u>3.1</u>	<u>Certificate of Incorporation<sup>1</sup></u>
<u>3.2</u>	<u>Bylaws<sup>1</sup></u>
<u>4.1</u>	<u>2015 Stock Option and Stock Bonus Plan<sup>2</sup></u>
<u>4.2</u>	<u>2017 Stock Option and Stock Bonus Plan<sup>3</sup></u>
<u>10.1</u>	<u>Royalty Agreement between the Company and The Governors of the University of Alberta, dated April 8, 2015<sup>4</sup></u>
<u>10.2</u>	<u>Collaborative Research Agreement between the Company and the University of British Columbia, dated May 31, 2016<sup>5</sup></u>
<u>10.3</u>	<u>Consulting Agreement between the Company and Clarence E. Smith, dated December 30, 2016<sup>3</sup></u>
<u>10.4</u>	<u>Director Consulting Agreement between the Company and Edward P. McDonough, dated December 30, 2016<sup>3</sup></u>
<u>10.5</u>	<u>Consulting Agreement between the Company and Grant Young, dated December 30, 2016<sup>10</sup></u>
<u>10.6</u>	<u>First Amendment to Consulting Agreement between Clarence E. Smith and the Company dated September 1, 2017<sup>9</sup></u>
<u>10.7</u>	<u>First Amendment to Consulting Agreement between Edward P. McDonough and the Company dated September 1, 2017<sup>9</sup></u>
<u>10.8</u>	<u>First Amendment to Consulting Agreement between Grant Young and the Company dated September 1, 2017<sup>9</sup></u>
<u>10.9</u>	<u>Consulting Agreement between ProtoKinetix Incorporated and Michael Guzzetta, dated November 14, 2017.<sup>8</sup></u>
<u>10.10</u>	<u>Unsecured Promissory Note issued by ProtoKinetix, Incorporated to Clarence E. Smith dated October 23, 2017.<sup>7</sup></u>
<u>10.11</u>	<u>Unsecured Promissory Note issued by ProtoKinetix, Incorporated to Clarence E. Smith dated November 3, 2017.<sup>7</sup></u>
<u>14.1</u>	<u>Code of Ethics<sup>6</sup></u>
<u>31.1</u>	<u>Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
<u>31.2</u>	<u>Certification of the Principal Financial Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
<u>32.1</u>	<u>Certification of the Principal Executive Officer and the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

1. Incorporated by reference from the Company's registration statement on Form 10-SB filed on June 22, 2001 with the SEC.
2. Incorporated by reference from the Company's Quarterly Report on Form 10-Q filed on August 14, 2015 with the SEC.
- 3.

Edgar Filing: ProtoKinetix, Inc. - Form 10-Q

- Incorporated by reference from the Company's Annual Report on Form 10-K filed on February 21, 2017 with the SEC.
4. Incorporated by reference from the Company's Annual Report on Form 10-K filed on April 14, 2015 with the SEC.
  5. Incorporated by reference from the Company's Quarterly Report on Form 10-Q filed on August 15, 2016 with the SEC.
  6. Incorporated by reference from the Company's Annual Report on Form 10-K filed on April 13, 2006 with the SEC.
  7. Incorporated by reference from the Company's Current Report on Form 8-K filed on November 9, 2017 with the SEC.
  8. Incorporated by reference from the Company's Quarterly Report on Form 8-K filed on November 15, 2017 with the SEC.
  9. Incorporated by reference from the Company's amended Current Report on Form 8-K filed on September 12, 2017 with the SEC.
  10. Incorporated by reference from the Company's Quarterly Report on Form 10-Q filed on November 13, 2017 with the SEC.
- \*. Filed herewith.  
\*\*. Furnished, not filed herewith.

SIGNATURES

Pursuant to the requirements of Section 12 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.

Date: April 26, 2018 PROTOKINETIX, INCORPORATED

By: /s/ Clarence E. Smith  
Clarence E. Smith  
Chief Executive Officer

By: /s/ Michael Guzzetta  
Michael Guzzetta  
Chief Financial Officer