

ProtoKinetix, Inc.  
Form 10-Q  
May 14, 2010

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U. S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2010

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

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

Commission File Number: 0-32917

PROTOKINETIX, INC.

Nevada  
(State or other jurisdiction of incorporation or  
organization)

94-3355026  
(I.R.S. Employer Identification No.)

2225 Folkestone Way  
West Vancouver, British Columbia Canada V7S 2Y6

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (604) 926-6627  
Securities registered pursuant to Section 12(b) of the Act: None  
Securities registered pursuant to Section 12(g) of the Act: \$.0000053 par value common stock

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes " No "

APPLICABLE ONLY TO CORPORATE ISSUERS

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

71,757,433 common shares outstanding, \$0.0000053 par value, at May 13, 2010, 2010.

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PART I

ITEM 1.

FINANCIAL STATEMENTS

PROTOKINETIX, INC.

Balance Sheets at March 31, 2010 and December 31, 2009

Statements of Operations for the three months ended March 31, 2010 and 2009  
and for the period from December 23, 1999 (Date of Inception) to March 31,  
2010

Statements of Stockholder's Equity for the Period from December 23, 1999 (Date  
of Inception) to March 31, 2010

Statements of Cash Flows for the three months ended March 31, 2010 and 2009  
and for the Period from December 23, 1999 (Date of Inception) to March 31,  
2010

Notes to Financial Statements

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PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

BALANCE SHEETS

	March 31, 2010	December 31, 2009
<b>ASSETS</b>		
Current Assets		
Cash	\$9,915	\$ 22,788
Prepaid expenses	294,107	240,622
Total current assets and total assets	\$304,022	\$ 263,410
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current Liabilities		
Accounts payable	\$ 148,503	\$ 115,070
Short-term loan (Note 3.)	57,250	97,250
Convertible note payable (Note 4.)	300,000	300,000
Total current liabilities	505,753	512,320
Stockholders' Deficit		
Common stock, \$0.0000053 par value; 100,000,000 common shares authorized; 71,757,433 and 68,812,433 shares issued and outstanding for March 31,2010 and December 31,2009 respectively	390	372
Share subscription received in advance	-	71,250
Shares issuable (Note 8 and 9)	1	-
Additional paid-in capital	22,376,958	22,085,427
Deficit accumulated during the development stage	(22,579,080)	(22,405,959)
Total stockholders' deficit	(201,731 )	(248,910 )
Total liabilities and stockholders' deficit	\$304,022	\$ 263,410

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PROTOKINETIX, INCORPORATED  
(A Development Stage Company)

STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2010 and 2009, and for the  
Period from December 23, 1999 (Date of Inception) to March 31, 2010

	2010	2009	Cumulative During the Development Stage
Revenues	\$-	\$-	\$2,000
<b>Expenses</b>			
Licenses	-	-	3,379,756
Professional fees	4,676	760	3,426,147
Consulting fees	123,065	58,597	12,006,446
Research and development	1,425	18,539	2,380,093
General and administrative	37,955	44,990	1,231,010
Interest	6,000	6,000	114,162
	173,121	128,886	22,537,614
Loss from continuing operations	(173,121 )	(128,886 )	(22,535,614)
<b>Discontinued Operations</b>			
Loss from operations of the discontinued segment	-	-	(43,466 )
Net loss for the period	\$(173,121 )	\$(128,886 )	\$(22,579,080)
Net Loss per Common Share (basic and diluted)	\$(0.00 )	\$(0.00 )	
Weighted average number of common shares outstanding (basic and diluted)	61,264,015	53,004,810	

See Notes to Financial Statements

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**PROTOKINETIX, INCORPORATED**  
**STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**  
 For the Period from December 23, 1999 (Date of Inception) to March 31, 2010

	Common Stock		Common Stock		Additional Paid-in Capital	Stock	Deficit	Total
	Shares	Amount	Issuable Shares	Amount		Subscriptions Received in advance (Receivable)	Accumulated During the Development Stage	
Issuance of common stock, December 1999	9,375,000	\$ 50	-	\$ -	\$ 4,950	\$ -	\$ -	\$ 5,000
Net loss for the period	-	-	-	-	-	-	(35 )	(35 )
Balance, December 31, 2000	9,375,000	50	-	-	4,950	-	(35 )	4,965
Issuance of common stock, April 2001	5,718,750	30	-	-	15,220	-	-	15,250
Net loss for the year	-	-	-	-	-	-	(16,902 )	(16,902 )
Balance, December 31, 2001	15,093,750	80	-	-	20,170	-	(16,937 )	3,313
Net loss for the year	-	-	-	-	-	-	(14,878 )	(14,878 )
Balance, December 31, 2002	15,093,750	80	-	-	20,170	-	(31,815 )	(11,565 )
Issuance of common stock for services:								
July 2003	2,125,000	11	-	-	424,989	-	-	425,000
August 2003	300,000	2	-	-	14,998	-	-	15,000
September 2003	1,000,000	5	-	-	49,995	-	-	50,000
October 2003	1,550,000	8	-	-	619,992	-	-	620,000
Issuance of common stock for licensing rights	14,000,000	74	-	-	2,099,926	-	-	2,100,000
Common stock issuable for licensing rights	-	-	2,000,000	11	299,989	-	-	300,000
	(9,325,000 )	(49 )	-	-	49	-	-	-

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Shares  
cancelled on  
September 30,  
2003

Net loss for the year	-	-	-	-	-	-	(3,662,745 )	(3,662,745 )
Balance, December 31, 2003	24,743,750	131	2,000,000	11	3,530,108		(3,694,560 )	(164,310 )
Issuance of common stock for services:								
March 2004	1,652,300	9	-	-	991,371	-	-	991,380
May 2004	500,000	3	-	-	514,997	-	-	515,000
July 2004	159,756	1	-	-	119,694	-	-	119,695
August 2004	100,000	1	-	-	70,999	-	-	71,000
October 2004	732,400	4	-	-	479,996	-	-	480,000
November 2004	650,000	4	-	-	454,996	-	-	455,000
December 2004	255,000	1	-	-	164,425	-	-	164,426
Common stock issuable for AFGP license	-	-	1,000,000	5	709,995	-	-	710,000
Common stock issuable for Recaf License	-	-	400,000	2	223,998	-	-	224,000
Warrants granted (for 3,450,000 shares) for services, October 2004	-	-	-	-	1,716,253	-	-	1,716,253
Options granted for services, October 2004	-	-	-	-	212,734	-	-	212,734
Stock subscriptions receivable	-	-	1,800,000	10	329,990	(330,000)		-
Warrants exercised:								
August 2004	-	-	50,000	-	15,000	-	-	15,000
October 2004	-	-	600,000	3	134,997	-	-	135,000
December 2004	-	-	1,000,000	5	224,995	-	-	225,000
Options exercised, December 2004	-	-	100,000	1	29,999	-	-	30,000
	-	-	-	-	-	-	(6,368,030 )	(6,368,030 )

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Net loss for the  
year

Balance,

December 31,

2004                    28,793,206    \$ 154    6,950,000    \$ 37    \$ 9,924,547    \$ (330,000)    \$ (10,062,590)    \$ (467,852 )

See Notes to Financial Statements

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PROTOKINETIX, INCORPORATED  
 STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)  
 (Continued)

For the Period from December 23, 1999 (Date of Inception) to March 31, 2010

	Common Stock		Common Stock Received in advance		Additional Paid-in Capital	Stock Subscriptions Received in advance	Deficit Accumulated During the Development Stage	Total
	Shares	Amount	Shares	(Receivable)		(Receivable)		
Issuance of stock subscriptions receivable	-	\$-	-	\$ -	\$-	\$ 240,000	\$-	\$240,000
Issuance of common stock for licensing rights	2,000,000	11	(2,000,000)	(11 )	-	-	-	-
Issuance of stock for warrants exercised	2,050,000	10	(2,050,000)	(10 )	-	-	-	-
Options exercised:								
February 2005	-	-	35,000	1	10,499	-	-	10,500
May 2005	200,000	1	-	-	59,999	-	-	60,000
Note payable conversion, February 2005	-	-	285,832	1	85,749	-	-	85,750
Issuance of common stock for Note payable conversion:								
April 2005	285,832	1	(285,832 )	(1 )	-	-	-	-
May 2005	353,090	2	-	-	105,925	-	-	105,927
Issuance of common stock for AFGP license	1,000,000	5	(1,000,000)	(5 )	-	-	-	-
Issuance of common stock for stock subscriptions received	1,400,000	6	(1,400,000)	(6 )	-	90,000	-	90,000
	135,000	2	(135,000 )	(2 )	-	-	-	-

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Issuance of stock for options exercised								
Issuance of common stock for services:								
April 2005	30,000	1	-	-	14,999	-	-	15,000
May 2005	3,075,000	15	-	-	3,320,985	-	-	3,321,000
June 2005	50,000	1	-	-	50,499	-	-	50,500
August 2005	(250,000 )	(1 )	-	-	(257,499 )	-	-	(257,500 )
August 2005	111,111	1	(92,593 )	(1 )	15,000	-	-	15,000
October 2005	36,233	1	(36,233 )	(1 )	-	-	-	-
November 2005	311,725	2	(245,000 )	(1 )	36,249	-	-	36,250
December 2005	1,220,000	8	-	-	756,392	-	-	756,400
Common stock issuable for services rendered:								
June 2005	-	-	200,000	1	149,999	-	-	150,000
August 2005	-	-	36,233	1	21,739	-	-	21,740
September 2005	-	-	125,000	1	74,999	-	-	75,000
September 2005	-	-	100,000	1	57,999	-	-	58,000
December 2005	-	-	120,968	1	74,999	-	-	75,000
Net loss for the year	-	-	-	-	-	-	(4,826,540 )	(4,826,540)
Balance, December 31, 2005	40,801,197	\$ 220	608,375	\$ 6	\$ 14,503,079	\$ -	\$(14,889,130)	\$(385,825 )

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PROTOKINETIX, INCORPORATED  
 STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)  
 (Continued)

For the Period from December 23, 1999 (Date of Inception) to March 31, 2010

	Common Stock		Common Stock Received in advance		Additional Paid-in Capital	Stock Subscription Received in advance	Deficit Accumulated During the Development Stage	Total
	Shares	Amount	Shares	(Receivable)		(Receivable)		
February 2006 private placement (issued June 2006)	900,000	\$5	-	\$ -	\$352,142	\$ -	\$ -	\$352,147
Warrants granted from private placement (450,000)	-	-	-	-	97,853	-	-	97,853
Issuance of common stock for Note payable conversion	529,279	3	-	-	158,780	-	-	158,783
Issuance of common stock for services:								
February/March 2006 services	-	-	20,000	1	10,499	-	-	10,500
March 2006	166,359	1	(108,375 )	(1 )	36,750	-	-	36,750
April 2006	(1,200,000 )	(6 )	-	-	6	-	-	-
May 2006	1,266,278	7	(70,000 )	(1 )	792,750	-	-	792,756
June 2006	27,056	-	1,200,000	6	718,244	-	-	718,250
July 2006	1,200,000	6	(1,200,000)	(6 )	-	-	-	-
August 2006	100,000	1	-	-	64,999	-	-	65,000
September 2006	369,984	2	(50,000 )	-	209,998	-	-	210,000
November 2006	100,000	1	-	-	48,999	-	-	49,000
December 2006	7,000	-	-	-	3,010	-	-	3,010
Warrants issued (for 700,000 shares) for services	-	-	-	-	58,658	-	-	58,658
Net loss for the year	-	-	-	-	-	-	(1,967,633 )	(1,967,633)
Balance, December 31, 2006	44,267,153	240	400,000	5	17,055,767	-	(16,856,763)	199,249

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Issuance of  
common stock for  
services:

January 2007	218,834	1	-	-	119,999	-	-	120,000
March 2007	104,652	1	-	-	44,999	-	-	