

Actinium Pharmaceuticals, Inc.
Form 10-Q
November 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2018**

or

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

For the transition period from _____ to _____

Commission File Number: **000-52446**

ACTINIUM PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware **74-2963609**
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

275 Madison Ave, 7th Floor
10016
New York, NY
(Address of Principal Executive Offices) (Zip Code)

(646) 677-3870
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

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

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.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 9, 2018:
115,698,044.

Actinium Pharmaceuticals, Inc.

FORM 10-Q

For the Nine months ended September 30, 2018

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by the Company and are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position at September 30, 2018 and December 31, 2017, and the results of operations and cash flows for the three months and nine months ended September 30, 2018 and 2017, respectively, have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America 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 the Company's audited financial statements for the year ended December 31, 2017 in the Company's Annual Report on Form 10-K. The results of operations for the nine months ended September 30, 2018 are not necessarily indicative of the operating results for the full year.

Actinium Pharmaceuticals, Inc.**Consolidated Balance Sheets****(Unaudited)**

	September 30, 2018	December 31, 2017
Assets		
Current Assets:		
Cash and cash equivalents	\$ 14,805,472	\$ 17,399,636
Restricted cash – current	40,055	-
Prepaid expenses and other current assets	311,182	439,322
Total Current Assets	15,156,709	17,838,958
Property and equipment, net of accumulated depreciation of \$253,724 and \$215,660, respectively	104,808	57,350
Security deposit	49,859	49,859
Restricted cash	390,940	390,940
Total Assets	\$ 15,702,316	\$ 18,337,107
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 4,122,224	\$ 4,650,088
Derivative liabilities	-	15,916
Total Current Liabilities	4,122,224	4,666,004
Total Liabilities	4,122,224	4,666,004
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$0.001 par value; 50,000,000 shares authorized, 0 shares issued and outstanding	-	-
Common stock, \$0.001 par value; 400,000,000 shares authorized; 110,468,953 and 80,072,334 shares issued and outstanding, respectively	110,469	80,072
Additional paid-in capital	192,007,114	176,744,068
Accumulated deficit	(180,537,491)	(163,153,037)
Total Stockholders' Equity	11,580,092	13,671,103
Total Liabilities and Stockholders' Equity	\$ 15,702,316	\$ 18,337,107

See accompanying notes to the consolidated financial statements.

Actinium Pharmaceuticals, Inc.**Consolidated Statements of Operations****(Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue	\$-	\$-	\$-	\$-
Operating expenses:				
Research and development, net of reimbursements	4,221,320	5,026,615	12,009,517	14,048,315
General and administrative	1,962,662	1,657,376	5,416,184	7,609,309
Depreciation expense	13,284	11,048	38,064	46,303
Total operating expenses	6,197,266	6,695,039	17,463,765	21,703,927
Loss from operations	(6,197,266)	(6,695,039)	(17,463,765)	(21,703,927)
Other income:				
Interest income	49,177	49	129,549	49
Gain on change in fair value of derivative liabilities	-	372,117	-	265,714
Total other income	49,177	372,166	129,549	265,763
Net loss	\$(6,148,089)	\$(6,322,873)	\$(17,334,216)	\$(21,438,164)
Net loss per common share – basic and diluted	\$(0.06)	\$(0.09)	\$(0.17)	\$(0.34)
Weighted average common shares outstanding – basic and diluted	110,463,891	72,543,003	103,168,015	62,267,794

See accompanying notes to the consolidated financial statements.

Actinium Pharmaceuticals, Inc.**Consolidated Statements of Cash Flows****(Unaudited)**

	For the Nine Months Ended September 30,	
	2018	2017
Cash Flows From Operating Activities:		
Net loss	\$(17,334,216)	\$(21,438,164)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,411,703	2,854,100
Depreciation expense	38,064	46,303
Gain on change in fair value of derivative liabilities	-	(265,714)
Changes in operating assets and liabilities:		
Decrease in:		
Prepaid expenses and other current assets	128,140	1,163,499
Decrease in:		
Accounts payable and accrued expenses	(527,864)	(744,847)
Net Cash Used In Operating Activities	(16,284,173)	(18,384,823)
Cash Flows Use In Investing Activities:		
Purchase of property and equipment	(85,522)	(23,480)
Net Cash Used In Investing Activities	(85,522)	(23,480)
Cash Flows From Financing Activities:		
Sales of shares of common stock and warrants, net of offering costs	13,810,737	18,787,105
Proceeds from exercise of warrants	4,849	-
Net Cash Provided By Financing Activities	13,815,586	18,787,105
Net change in cash, cash equivalents, and restricted cash	(2,554,109)	378,802
Cash, cash equivalents, and restricted cash at beginning of period	17,790,576	20,554,027
Cash, cash equivalents, and restricted cash at end of period	\$15,236,467	\$20,932,829

See accompanying notes to the consolidated financial statements.

Actinium Pharmaceuticals, Inc.

Notes to Consolidated Financial Statements

(Unaudited)

Note 1 - Description of Business and Summary of Significant Accounting Policies

Nature of Business - Actinium Pharmaceuticals, Inc. (the “Company”, “Actinium”, or “We”) is focused on improving patient access and outcomes to cellular therapies such as bone marrow transplant (BMT) and CAR-T with its proprietary, chemotherapy free or sparing, targeted conditioning technology. Actinium is the only company with a multi-disease, multi-target, drug development pipeline focused on targeted conditioning. Its targeted conditioning technology is enabled by ARC’s or Antibody Radio-Conjugates that combine the targeting ability of monoclonal antibodies with the