ProtoKinetix, Inc.
Form 10-Q
November 13, 2008

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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

£ 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	94-3355026
(State or other jurisdiction of incorporation or organization)	(I.R.S. EmployerIdentification No.)

Suite 1500-885 West Georgia Street

Vancouver, British Columbia Canada V6C3E

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:	(604) 687-9887
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 T 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
£	£	£	T

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

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:

55,893,558 common shares outstanding, $0.0000053 par value, at November 5, 2008.

PART I

ITEM 1. FINANCIAL STATEMENTS

PROTOKINETIX, INC.

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PROTOKINETIX, INCORPORATED
(A Development Stage Company)
BALANCE SHEETS

(Unaudited)

	September 30, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash	$ 37,534	$ 37,350
Prepaid expenses	213,750	110,000
Total current assets	251,284	147,350
Computer equipment, net of accumulated depreciation of $3,388 and $2,963 at September 30, 2008 and December 31, 2007 respectively	-	426
	$ 251,284	$ 147,776
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	$ 50,440	$ 108,825
Convertible note payable	300,000	300,000
Total current liabilities	350,440	408,825
Stockholders' Equity (Deficit)		
Common stock, $.0000053 par value; 100,000,000 common shares authorized; 55,543,558 and 48,444,442 shares issued and outstanding at September 30, 2008 at December 31, 2007, respectively	298	262
Common stock issuable; 600,000 and 1,190,000 shares at September 30, 2008 and December 31, 2007, respectively	3	6
Additional paid-in capital	20,869,182	19,323,715
Deficit accumulated during the development stage	(20,968,639)	(19,585,032)
	(99,156)	(261,049)
	$ 251,284	$ 147,776

See Notes to Financial Statements

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PROTOKINETIX, INCORPORATED
(A Development Stage Company)
STATEMENTS OF OPERATIONS
For the Three and Nine Months Ended September 30, 2008 and 2007, and for the Period from December 23, 1999 (Date of Inception) to September 30, 2008
(Unaudited)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Cumulative During the Development Stage
Revenues	$ -	$ -	$ -	$ -	$ 2,000
General and administrative expenses					
Licenses					3,379,756
Professional fees	42,156	117,419	139,167	284,551	3,370,679
Consulting fees	223,750	809,000	616,343	974,000	10,984,422
Research and development	87,275	30,000	389,501	171,503	2,186,930
General and Administrative	70,332	45,413	220,596	118,363	927,224
Interest	6,000	6,000	18,000	6,000	78,162
	429,513	1,007,832	1,383,607	1,554,417	20,927,173
Loss from continuing operations	(429,513)	(1,007,832)	(1,383,607)	(1,554,417)	(20,925,173)
Discontinued Operations					
Loss from operations of the discontinued segment		-		-	(43,466)
Net loss	$ (429,513)	$ (1,007,832)	$ (1,383,607)	$ (1,554,417)	$ (20,968,639)
Net Loss per Share (basic and fully diluted)	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.03)	
Weighted average shares outstanding	55,821,969	46,157,646	52,914,536	45,405,671	

See Notes to Financial Statements

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PROTOKINETIX, INCORPORATED
(A Development Stage Company)
STATEMENTS OF STOCKHOLDERS' EQUITY
For the Period from December 23, 1999 (Date of Inception) to September 30, 2008
(Unaudited)

	Common Stock		Common Stock Issuable		Additional		Deficit Accumulated During the	
	Shares	Amount	Shares	Amount	Paid-in Capital	Subscription Receivable	Development Stage	Total
Issuance of common stock, December 1999	9,375,000	$ 50	-	$ -	$ 4,950	$ -	$ -	$ 5,000
Net loss for 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 year							(16,902)	(16,902)
Balance, December 31, 2001	15,093,750	80	-	-	20,170		(16,937)	3,313
Net loss for 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	14,000,000	74			2,099,926			2,100,000

for licensing rights							
Common stock issuable for licensing rights			2,000,000	11	299,989		300,000
Shares cancelled on September 30, 2003	(9,325,000)	(49)			49		-
Net loss for year						(3,662,745)	(3,662,745)

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	Common Stock Shares	Amount	Common Stock Issuable Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Deficit Accumulated During the Development Stage	Total
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
Net loss for period							(6,368,030)	(6,368,030))
Balance, December 31, 2004	28,793,206	$ 154	6,950,000	$ 37	$ 9,924,547	$ (330,000)	(10,062,590)	$ (467,852)

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	Common Stock Shares	Amount	Common Stock Issuable Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Deficit Accumulated During the Development Stage	Total
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
Issuance of stock for options exercised	135,000	2	(135,000)	(2)				-
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						
November 2005	311,725	2	(245,000)	(1)	36,249	36,250
December 2005	1,220,000	8			756,392	756,400

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	Common Stock Shares	Amount	Common Stock Issuable Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Deficit Accumulated During the Development Stage	Total
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(Proteocell)			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)
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

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	Common Stock Shares	Amount	Common Stock Issuable Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Deficit Accumulated During the Development Stage	Total
December 2006	7,000				3,010			3,010
Warrants issued (for 700,000 shares) for services					58,658			58,658
Net loss for the period							(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
Issuance of common stock for services:								
January 2007	218,834	1			119,999			120,000
March 2007	104,652	1			44,999			45,000
April 2007	187,500	1			74,999			75,000
June 2007	112,500	1			44,999			45,000
July 2007	291,812	2			112,998			113,000
August 2007	860,000	5			257,995			258,000
Sept 2007	1,516,275	8			457,492			457,500
Oct 2007	250,000	1			37,499			37,500
Dec 2007	535,716	1			74,999			75,000
Warrants issued for services					825,476			825,476
Cancellation of issuable Stock for Recaf license			(400,000)	(5)				
Warrants exercised-Dec 2007	100,000	1			43,999			44,000

Issuable common stock from Private Placement			1,190,000	6	172,494		172,500
Net loss for the year						(2,728,269)	(2,728,269)
Balance, Dec. 2007	48,444,442	262	1,190,000	6	19,323,715	(19,585,032)	(261,049)

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	Common Stock Shares	Amount	Common Stock Issuable Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Deficit Accumulated During the Development Stage	Total
Issuance of common stock for services:								
Feb 2008	278,846	1			39,999			40,000
March 2008	90,500	1			74,999			75,000
May 2008	568,170	2			112,498			112,500
July 2008	155,170	1			49,999			50,000
September 2008	186,430	1			49,999			50,000
Issuable common stock from Private Placement and warrants			1,700,000	9	254,991			255,000
Issuance of common stock from Private Placement	1,700,000	9	(1,190,000)	(6)	82,497			82,500
Issuance of common stock issuable from Private Placement	1,700,000	9	(1,700,000)	(9)				
Issuable common stock pursuant to consulting agreements			2,250,000	11	674,989			675,000
Issuance of issuable common stock	2,250,000	11	(2,250,000)	(11)				
Issuable common stock to Directors			600,000	3	179,997			180,000
Warrants exercised	170,000	1			25,499			25,500

Net loss for period						(1,383,607)	(1,383,607)
Balance, September 30, 2008	55,543,558	298	600,000	3	$ 20,869,182	(20,968,639)	$ (99,156)

See Notes to Financial Statements

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PROTOKINETIX, INCORPORATED
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2008 and 2007, and for the Period from
December 23, 1999 (Date of Inception) to September 30, 2008
(Unaudited)

	2008	2007	Cumulative During the Development Stage
Cash Flows from Operating Activities			
Net loss for period	$ (1,383,607)	$ (1,554,417)	$ (20,968,639)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation expense	426	763	3,388
Issuance of common stock for services and expenses	1,182,500	1,113,500	15,850,636
Warrants issued for consulting services	-	-	2,600,387
Stock options issued for consulting services			212,734
Changes in operating assets and liabilities			
Prepaid expenses	(103,750)	213,700	(213,750)
Amounts due to outside management consultants	-	(300,000)	
Accounts payable	(58,385)	130,586	49,622
Accrued interest payable		-	36,294
Net cash used in operating activities	(362,816)	(395,868)	(2,429,328)
Cash Flows from Investing Activities			
Purchase of computer equipment	-	-	(3,388)
Net cash used in investing activities	-	-	(3,388)
Cash Flows from Financing Activities			
Warrants exercised	25,500		774,500
Stock options exercised			100,500
Issuance of common stock for cash	337,500		980,250
Loan proceeds	-	300,000	615,000
Net cash provided by financing activities	363,000	300,000	2,470,250
Net change in cash	184	(95,868)	37,534
Cash, beginning of period	37,350	166,115	
Cash, end of period	$ 37,534	$ 70,247	$ 37,534
Cash paid for interest	$ 18,000	$ 6,000	$ 30,703
Cash paid for income taxes	$ -	$ -	$ -
Supplementary information - Non-cash Transactions:			
Stock subscriptions received		$ -	$ 330,000
Note payable converted to common stock	$ -	$ 191,677	350,457

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization

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.

In 2003, the Company entered into an assignment of license agreement (the "Agreement") with BioKinetix, Inc., an Alberta, Canada, corporation. The Agreement provided the Company with an exclusive assignment of all of the rights (the "Rights") that BioKinetix possessed relating to two proprietary technologies that are being developed for the creation and commercialization of "superantibodies," an enhancement of antibody technology that makes ordinary antibodies much more lethal. In consideration, the Company's Board of Directors authorized the Company to issue 16,000,000 shares of its common stock to the shareholders of BioKinetix.

The Company is also currently researching the benefits and feasibility of proprietary synthesized Antifreeze Glycoproteins ("AFGP"). In preliminary studies, AFGP has demonstrated an ability to protect and preserve human cells at temperatures below freezing.

Interim Period Financial Statements

The unaudited financial statements included in this Form 10-Q have been prepared in accordance with generally accepted accounting principles for the interim financial information and with the instructions to Form 10-Q. Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such SEC rules and regulations. The interim period financial statements should be read together with the audited financial statements and accompanying notes included in the Company's audited financial statements for the years ended December 31, 2007 and 2006. In the opinion of the Company, the unaudited financial statements contained herein contain all adjustments (consisting of a normal recurring nature) necessary to present a fair statement of the results of the interim periods presented.

Going Concern

As shown in the financial statements, the Company has not developed a commercially viable product, has not generated any revenues to date and has incurred losses since inception, resulting in a net accumulated deficit at September 30, 2008. 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.

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.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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.

Earnings per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding in the period. The Company's stock split 1:75 on August 24, 2001. In April 2002, the Board of Directors approved a 2.5 for 1 split of the Company's stock. The accompanying financial statements are presented on a post-split basis. The loss per share for the periods ended September 30, 2008 and 2007, have been adjusted accordingly. Diluted earnings per share takes into consideration common shares of outstanding (computed under basic earnings per share) and potentially dilutive securities. The 3effect of debt convertible into common shares was 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. Common stock issuable is considered outstanding as of the original approval date for purposes of earnings per share computations.

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Stock Based Compensation

The Company accounts for stock based compensation in accordance with SFAS No. 123(R) which requires measurement of compensation cost for all stock-based 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 valuation model. Since the Company did not issue stock options to employees during the periods ended September 30, 2008 or 2007 or the cumulative period then ended, there is no effect on net loss or earnings per share had the Company applied the fair value recognition provisions of SFAS No. 123(R) to stock-based employee compensation. When the Company issues shares of common stock to employees and others, the shares of common stock are valued based on the market price at the date the shares of common stock are approved for issuance.

New Accounting Pronouncements

In May 2008, the FASB issued FASB FSP Accounting Principles Board ("APB") ("FSP APB 14-1"), "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)." FSP APB 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement of the conversion option. FSP APB 14-1 requires bifurcation of the instrument into a debt component that is initially recorded at fair value and an equity component. The difference between the fair value of the debt component and the initial proceeds from issuance of the instrument is recorded as a component of equity. The liability component of the debt instrument is accreted to par using the effective yield method; accretion is reported as a component of interest expense. The equity component is not subsequently re-valued as long as it continues to qualify for equity treatment. FSP APB 14-1 must be applied retrospectively to previously issued cash-settleable convertible instruments as well as prospectively to newly issued instruments. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Though the Company does not believe FSP APB 14-1 will have an effect on its current financial position, the Company is currently evaluating the requirements of FSP APB 14-1 with respect to its convertible debt and has not yet determined the impact on the Company's financial statements.

Note 2. Convertible Note Payable

On July 1, 2007, the Company executed a loan agreement under which the Company issued to a corporation an 8% convertible promissory note in exchange for $300,000. The noteholder has the right to demand payment of outstanding principal and interest at any time with a 30-day grace period. The note is due and payable no later than June 30, 2012, and is convertible into shares of the Company's common stock at $0.25 per share. No beneficial conversion feature was applicable to this convertible note.

Note 3. Discontinued Operations

In 2003, the Company signed the licensing agreement described in Note 1. This agreement changed the Company's business plan to that of a medical research company. Accordingly, the operating results related to the Company's research prior to the licensing agreement have been presented as discontinued operations in these financial statements for all periods presented.

Note 4. Stockholders' Equity
Common Stock Issuances

In 2008, the company closed two private placements, an aggregate of 3,400,000 shares of common stock at a price of $0.15 per share for gross proceeds of $510,000, each share has a $0.15 warrant attached which expires three years after the closing date. Management has not yet determined the value of these warrants.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This discussion and analysis in this Quarterly Report on Form 10-Q should be read in conjunction with the accompanying Consolidated Financial Statements and related notes. Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. We review our estimates and assumptions on an on-going basis. Our estimates are based on our historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Our critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments, are outlined below in ''Critical Accounting Policies,'' and have not changed significantly.

In addition, certain statements made in this report may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Specifically, but not limited to, 1) our ability to obtain necessary regulatory approvals for our products; and 2) our ability to increase revenues and operating income, is dependent upon our ability to develop and sell our products, general economic conditions, and other factors. You can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues" or the negative of these terms or other comparable terminology. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance. Although we believe that the expectations reflected-in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements are only predictions. The forward-looking events discussed in this Quarterly Report, the documents to which we refer you, and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties, and assumptions about us. For these statements, we claim the protection of the "bespeaks caution" doctrine. The forward-looking statements speak only as of the date hereof, and we expressly disclaim any obligation to publicly release the results of any revisions to these forward-looking statements to reflect events or circumstances after the date of this filing.

Critical Accounting Policies

Our critical and significant accounting policies, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements. These policies have been consistently applied in all material respects and address such matters as revenue recognition and depreciation methods. The preparation of the financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The accounting treatment of a particular transaction is specifically dictated by accounting principles, generally accepted in the United States of America, with

no need for management's judgment in their application. There are also areas in which management's judgment in selecting any viable alternative would not produce a materially different result. See our audited financial statements and notes thereto which contain accounting policies and other disclosures required by accounting principles, generally accepted in the United States of America.

Important Disclosures and Disclaimers.

Please note that ProtoKinetix, Inc. (the "Company") is a research and product development stage company that has not yet sold any products. The Company had $0 in revenues for the Period ending September 30, 2008

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It is important to understand that although the Company (as is discussed below) is focused on various promising scientific and business development efforts, to date, we have not yet marketed a product. Ongoing testing of the AAGP™ molecule with three amino acids joined to a monosaccharide by a gemdifluride bond continues to show that there is significant promise in the field of medicine of preserving cells, tissue and organs from various stresses. The antiaging properties and the protective effect of AAGP™ also is of significant interest to the cosmetic and skin care industries. Tests have confirmed that the AAGP™ molecule improves the harvest of cells from cryopreservation by 30% to 120%. We believe there is a market for AAGP™ to preserve cells, particularly various stem cells, and we will continue testing with potential customers. At the same time we are taking steps to improve the manufacturing process to reduce costs and improve purity and biochemical activity.

Our progress to date has been achieved notwithstanding the inherent risks relating to the science, applications, market opportunities and commercial relationships. The progress of the business has and will continue to be dependant on having appropriate human and sufficient financial resources which have and will be uncertain.

Overview

ProtoKinetix owns the world-wide rights to a family of anti-aging glycoproteins, trademarked as AAGPs™. In scientific tests AAGPs™ have demonstrated the ability to enhance the health and extend the life of biologically sensitive cells which have been subjected to severe stress conditions under laboratory controlled test conditions. AAGPs™ are stable and non-toxic.

Since 2005, ProtoKinetix has primarily focused on scientific research, but the company has recently been in the process of directing major efforts to the practical side of commercial validation. The commercial applications for AAGPs™ in large markets such as skincare/cosmetic products and 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.

Native AFGP Compound

AFGP (Anti-Freeze Glycoprotein) is found in nature as a compound produced by some fish, insects, reptiles, bacteria and plants that enable survival in freezing temperatures.

One of the many accomplishments from pioneering research of the U.S. Antarctic Program was the discovery, in the early sixties, that fish living year-long in subzero temperature are extremely resistant to freezing. The substances that prevent these fish from freezing were isolated, characterized and designated as antifreeze glycoproteins or AFGP. Various kinds of AFGP were isolated from many species of fishes, and in some amphibians, plants and insects. All of the AFGPs share a common characteristic that prevents ice crystals from growing and connecting to each other. Research has also confirmed a cell membrane stabilizing characteristics of native AFGP.

There has been much scientific research done in an attempt to synthetically replicate AFGPs in research institutions because the protective properties of AFGPs could have commercial applications, primarily in food and crop preservation at freezing temperatures. The native antifreeze glycoproteins are very large molecules that are often made up of a repeating series of smaller molecules, glycoproteins. Glycoproteins are often very biologically active, but they are inherently quite unstable. The oxygen-glycosidic link is readily cleaved by glycosidases, resulting in a low bio-availability of these glycoconjugate based molecules.

Scientific research prior to AAGP has focused on building a stable and more efficient compound with a strong bond.

AAGP™ – The Core Technology of ProtoKinetix

AAGP™ Invention

Dr. Geraldine Castelot-Deliencourt, along with Dr. Jean-Charles Quirion at the Research Institute of Organic Chemistry in Rouen, France, developed a patented process to stabilize the oxygen-glycosidic bond in these sugar based molecules. This patented process replaces the weaker oxygen bond with a C-F2 mimetic. The resultant molecules are biologically active and stable over a pH range of 2 to 13. They are not broken down by glycosidases.

AAGP™ Toxicity Tests

Tests have shown cells that have been exposed to AAGP™ at low and high concentrations have remained viable. A common viability test used on cell cultures using trypan blue dye exclusion method has been used to show AAGP™ non-toxicity.

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AAGP™ Stability Tests

AAGP™ molecules have remained stable when subjected to three tests:

1. pH ranging from a strong acid level of 1.8 (stronger than stomach acid) to a strong alkali level of 13.8. (the pH scale is calibrated from 1, highly acidic, to 14, highly alkali);

2. Enzymatic action using protease, which targets the amino acid bonds, and glycosidase, which targets the amino acid bonds, and glycosidase, which targets the sugar molecules; and

3. Temperatures ranging from -196°C (cryopreservation) to +37°C (body temperature).

Stress Tests on 12 Different Cell Lines

Cell lines are selected for their high level of sensitivity. Cell lines are also selected for their potential role in adding value in medical applications, enhancing health and extending life. All tests are designed to explore how cells from different cell lines act biologically in the presence of AAGP™ when subjected to health and life threatening inflammatory stress conditions and agents.

Cells Lines Tested

- Stem cells (human)
- Whole blood cells
- Blood Platelet cells
- Heart tissue
- Hela (cancer) cells
- Kidney (KB and vero) cells
- Adult skin fibroblast cells
- Heart cells (cardiac myocites)
- Liver cells (hepatocites)
- Embryonic skin fibroblast cells
- Islet cells (pancreatic)
- Stem cells (mouse)

Stress Conditions and Agents

Temperature

- temperatures ranging from -80° C to +37°

UV-C Radiation

- harsh sterilizing radiation
- 254 nanometer wavelength

Oxidation

- hydrogen peroxide (H2O20
- powerful oxidant

Starvation

- serum free culture media
- food/growth/nutrients factors (fetal bovine serum) withheld

Inflammation

- Interleukin 1 Beta, a standard agent for stimulating inflammation in cell testing
- All of the above tests are also considered to cause inflammation

Bio-Screening Control Lab Testing

AAGP™ testing is conducted to international standards in outsourced research laboratories in North America and Europe. All tests are designed to explore both the safety and effectiveness of AAGP™ when challenged to enhance the health and extend the life of cells.

Test Results Summary

Cells that were tested in the presence of AAGP™ had a higher survival and viability rate than the controls. The overall effect of AAGP™ is to protect, preserve and in some cases to repair. Anti-inflammatory effects appear to be at work, although the mechanism and pathways of action are not yet determined. AAGP™ appears to enhance heath and extend cell life.

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The test results are considered preliminary. The limited number of samples and extent of the tests are designed to investigate the potential attributes of AAGP™ and should not be considered as statistically or scientifically conclusive. Notwithstanding, we feel the results are sufficient to justify further tests by commercial entities in health care.

AAGP™ Commercial Applications

The extent of the value of the ProtoKinetix family of AAGPs™ is being investigated by companies and the Company is targeting commercial entities specializing in regenerative medicine, cellular and tissue therapies, organ transplantation, trauma, blood product banking, anti- inflammation and cosmetics/skin care.

Skincare and Cosmetics

Industry sources estimate that the skincare market in the USA, including both mass and prestige, will reach $7.2 billion by 2010, driven in part by expected double-digit growth of anti-aging products, which is likely to become the second largest category behind hand & body lotions in the industry.

According to the Johnson and Johnson 2003 Annual Report, the global skin care and cosmetics market is already running easily in the tens of billions at some $43 billion dollars per year.

In the skin care business it’s about healthier, younger looking skin. The two major causes of dry, wrinkled, less elastic or even diseased skin are inflammation and oxidation. The main culprits are the sun (UV rays and free radicals) and other environmental and physiological stresses that also cause inflammation and oxidation.

When AAGP™ is combined with Coenzyme Q10 a powerful anti-oxidant effect is achieved that not only protects but also seems to help the cells repair previously existing damage. In vitro laboratory tests have shown the AAGP™ molecules can protect in vitro skin cells from damage and death that would otherwise occur from UV rays and free radicals. To the extent of the laboratory tests conducted, AAGP™ appears to protect in vitro skin cells from cold temperatures, oxidation, UV irradiation and pH variations.

Health Care

Acute medical problems are increasingly reliant on, and benefit from, solutions that can deal with the fundamental factors of inflammation and oxidation. Both are well-known causes of life-threatening conditions and diseases, and accelerated aging. In addition many acute medical problems are benefiting from cell therapies and transplantation of cells, tissues and time sensitive organs.

Health Care Applications of AAGP™ fall into two main categories: (i) harvesting, storage and transplanting cells, tissues and organs; and (ii) treatments for conditions and disease caused by stress factors, including UV radiation, oxidation and inflammation. These are all areas that expand into many sub-categories of existing and future health care solutions

Intellectual Property

Because it is difficult and costly to protect our proprietary rights, we may not be able to ensure their protection. Our commercial success will depend in part on maintaining patent protection and trade secret protection for our products, as well as successfully defending these patents against third-party challenges. We will only be able to protect our technologies from unauthorized use by third parties to the extent that valid and enforceable patents or trade secrets cover them.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in pharmaceutical or biotechnology patents has emerged to date in the United States. The patent situation outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents.

Patents

As of the date of this Report, our development agents, including the parties we have licensed AAGP™ technologies from, have applied to receive patents for technologies we have licensed and continue to primarily base our research efforts on. At present, we have engaged the patent law firm of Cabinet-Moutard of Versaille, France, and have filed a number of international patent applications. These patent applications include:

WO 2004/014928 A2 (19 February 2004)

PCT Int. Appl. (2006), 87 pp. WO2006059227 A1 20060608 AN 2006:538719
Patent application: Fr 03 May 2006, 06 03952

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Consistent with our agreements with the licensors of various technologies we license, we have no finished commercial product or products, and have received no final patents awards or FDA approvals for any product or diagnostic procedures. We are focused on the research and development of one primary compound known as AAGP™, which we have filed a trademark application for.

Subject to our available financial resources, our intellectual property strategy is: (1) to pursue licenses, trade secrets, and know-how within our primary research areas, and (2) to develop and acquire proprietary positions to reagents and new platforms for the development of products related to these technologies.

Trade Secrets and Know-How

We have developed a substantial body of trade secrets and know-how relating to the development, use and manufacture of AAGP™, including but not limited to the optimization of materials for efforts, and how to maximize sensitivity, speed-to-result, specificity, stability, purity and reproducibility.

Super Antibody and Catalytic Antibody Platform Technologies

We continue to own the rights to both the Super Antibody and the Catalytic Antibody platform technologies. We plan to, as a secondary priority and subject to available resources, search for a patentable receptor sites that exist on cancer cells.

Competition

The markets that we are focusing on are multi-billion dollar international industries. They are intensely competitive. Many of our competitors are substantially larger and have greater financial, research, manufacturing, and marketing resources.

Industry competition in general is based on the following:

- Scientific and technological capability;
- Proprietary know-how;
- The ability to develop and market products and processes;
- The ability to obtain FDA or other required regulatory approvals;
- The ability to manufacture products that meet applicable FDA requirements, (i.e. FDA's Quality System Regulations) see Governmental Regulation section;
- Access to adequate capital;
- The ability to attract and retain qualified personnel; and
- The availability of patent protection.

We believe our scientific and technological capabilities are significant.

Our ability to develop our research is in large measure dependent on having sufficient and additional resources and/or collaborative relationships.

Our access to capital is more challenging, relative to most of our competitors. This is a competitive disadvantage. We believe however that our access to capital may increase as we get closer to the development of a commercially viable product.

We believe that our research has enabled us to attract and retain qualified consultants. Because of the greater financial resources of many of our competitors, we may not be able to complete effectively for the same individuals to the extent that a competitor uses its substantial resources to attract any such individuals.

Employees

We currently have no full time employees. We operate with a skeletal management team headed by our Chief Executive Officer Ross Senior. In addition to Mr. Senior, we receive advice and counsel from our Scientific Advisory Board.

Governmental Regulation

Our AAGPs™ have commercial applications in markets and circumstances that fall under government regulations ranging from none to limited to extensive.

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Although there is no such immediate need to make any regulatory filing in the United States or other jurisdictions, we have limited or no experience with regard to obtaining FDA or other required regulatory approvals. We intend to retain the services of appropriately experiences consultants. For this reason, should our research efforts continue to show promise, we will need to hire consultants to assist the Company with such governmental regulations.

As we continue to conduct research and testing programs, in collaboration with commercial entities, to expand and confirm the potential medical applications of AAGP™ in the a number of fields, including regenerative medicine, cell therapy, blood products, transplants and skin care/cosmetics, we intend to utilize the regulatory expertise of others, whether they are consultants or commercial entities involved on collaborative development programs with the Company.

The following discussion relates to factors that may come into play when and if we have a commercially viable product in an area which requires regulatory approval. These products may be regulated by the European regulatory agencies, FDA, U.S. Department of Agriculture, certain state and local agencies, and/or comparable regulatory bodies in other countries (collectively, these agencies shall be referred to as the "Agencies"). Government regulation affects almost all aspects of development, production, and marketing, including product testing, authorizations to market, labeling, promotion, manufacturing, and record keeping. The FDA and U.S. Department of Agriculture regulated products require some form of action by that agency before they can be marketed in the United States, and, after approval or clearance, the products must continue to comply with other FDA requirements applicable to marketed products. Both before and after approval or clearance, failure to comply with the FDA's requirements can lead to significant penalties. Our proposed AAGP™ products will require government regulatory approval as a biologic agent. Such regulatory approval will be granted only after the appropriate preclinical and clinical studies are conducted to confirm efficacy and safety.

Every company that manufactures biologic products or medical devices distributed in the United States must comply with the FDA's Quality System Regulations. These regulations govern the manufacturing process, including design, manufacture, testing, release, packaging, distribution, documentation, and purchasing. Compliance with the Quality System Regulations is required before the FDA will approve an application. These requirements also apply to marketed products. Companies are also subject to other post-market and general requirements, including compliance with restrictions imposed on marketed products, compliance with promotional standards, record keeping, and reporting of certain adverse reactions or events. The FDA regularly inspects companies to determine compliance with the Quality System Regulations and other post-approval requirements. Failure to comply with statutory requirements and the FDA's regulations can lead to substantial penalties, including monetary penalties, injunctions, product recalls, seizure of products, and criminal prosecution.

The Clinical Laboratory Improvement Act of 1988 prohibits laboratories from performing in vitro tests for the purpose of providing information for the diagnosis, prevention or treatment of any disease or impairment of, or the assessment of, the health of human beings unless there is in effect for such laboratories a certificate issued by the U.S. Department of Health and Human Services applicable to the category of examination or procedure performed. Although a certificate is not required, we consider the applicability of the requirements of the Clinical Laboratory Improvement Act in the potential design and development of its products.

We are also subject to regulations in foreign countries governing products, human clinical trials and marketing, and may need to obtain approval or evaluations by international public health agencies, such as the World Health Organization, in order to sell products in certain countries. Approval processes vary from country to country, and the length of time required for approval or to obtain other clearances may in some cases be longer than that required for U.S. governmental approvals. The extent of potentially adverse governmental regulation affecting ProtoKinetix that might arise from future legislative or administrative action cannot be predicted.

Environmental Laws

To date, we have not encountered any costs relating to compliance with any environmental laws.

Plan of Operation

Our current operations are centered around our relationships with various research and development consultants who are conducting research on behalf of the company at discrete and established laboratories in various parts of the world. We intend to continue these efforts throughout 2008.

Recent Developments

On February 13, 2008, we appointed Mr. Edward D Martin, M.D. to the position of Chairman of the Business Advisory Board.

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Edward D. Martin, M.D.

Edward D. Martin, M.D., is the co-founder and Chairman of Martin, Blanck & Associates, Inc., a consulting firm to the health care industry, government, and to major health care information management and technology companies since March of 1998. From July, 2000 through December, 2004, Dr. Martin was a Senior Vice President and the Chief Medical Officer at Science Applications International Corporation (SAIC) and continues to support SAIC on a part-time basis.

Dr. Martin had a distinguished 30-year career in public service as a commissioned officer in the United States Public Health Service, Department of Health and Human Services (formerly Department of Health, Education and Welfare). His last assignments were at the Department of Defense (DoD), where he served as the Acting Assistant Secretary of Defense (Health Affairs), and, prior to this appointment, as Principal Deputy Assistant Secretary of Defense (Health Affairs).

Dr. Martin arrived at the Pentagon in 1989 after 15 years of executive leadership positions with the Public Health Service (PHS). He served as Chief of Staff for C. Everett Koop, M.D., Surgeon General; Director, Bureau of Health Care Delivery and Assistance; Acting Deputy Administrator, Health Resources and Services Administration; and Director, Bureau of Community Health Services. Dr. Martin was commissioned in the PHS in May 1975 and held the rank of Rear Admiral upon his retirement in April 1998.

On March 5, 2008, we appointed Mr. Donald J. Weber to the Business Advisory Board.

Mr. Donald J. Weber

Mr. Weber is the Chairman and founder of Logistics Health, Inc. (www.logisticshealth.com) a major service provider for the United States Department of Defense, Homeland Security and the Centers for Disease Control.

Previously, Mr. Weber was President and founder of National Health Screenings, which focused exclusively on health assessments and employee screening services. He built one of the premier providers of pre-employment drug testing services and sold this business to Pinkerton Services Group.

After a transition period, he began devoting his time to building LHI into a world-class leader in the field of military medical and dental readiness. After growing up on a farm in rural Wisconsin, he joined the Marines and became a Vietnam veteran who, among many awards, has received a purple heart and two bronze stars.

In 2004, Mr. Weber was named Wisconsin Entrepreneur of the Year by the Wisconsin Entrepreneur's Conference. This award is meant to recognize entrepreneurial leaders who are instrumental in the development of the Wisconsin economy.

On March 11, 2008, we appointed Mr. Randy Anderson as Vice President of Government Affairs.

Mr. Randy Anderson

Mr. Anderson has been a long term governmental liaison specialist based in Washington, D.C. Randy will be working very closely with our Washington, D.C. team of business advisors. In this capacity, Mr. Anderson will be directing the development of AAGP™ applications into the United States military and government health care initiatives.

On March 18, in order to accommodate our current growth and to take advantage of our current opportunities, we opened an office in Washington, D.C. Our new office will serve as a central hub to access the multiple government

and non-government health related agencies. Our Washington, D.C. office will enable our business development team to accelerate strategic relationships required to optimize the value of the many applications of AAGP™.

Sales and Marketing

We are not currently selling or marketing any products.

Expenses

Expenses for the six month period ending September 30, 2008 arose primarily from professional, consulting fees and research fees. We incurred professional fees relating to costs associated with our being a reporting company under the Securities Exchange Act of 1934, as amended. We also incurred consulting and research fees which contributed to a net loss of during the nine month period ended September 30, 2008.

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Liquidity and Capital Resources

At September 30, 2008, we had $37,534 in cash and $251,284 in total current assets. In the event that we need to raise additional capital, there can be no assurance that 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 affect on our plan of operation and results therefrom and a corresponding negative impact on shareholder liquidity.

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 for the period ending September 30, 2008.

Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, 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.

Results of Operations for the Period Ending September 30, 2008

We had $0 in net revenues for the period ending September 30, 2008.

We sustained a $429,513 loss from continuing operations for the three month period ending September 30, 2008.

Operating expenses were $432,207 for the three month period ending September 30, 2008. These expenses were primarily incurred for professional fees, consulting services related to the operations of the Company's business, specifically, research and development related expenses, and other general and administrative expenses.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None

ITEM 4T. CONTROLS AND PROCEDURES

We evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q is recorded, processed, summarized and reported within the time periods specified by the SEC. Disclosure controls are also designed to ensure that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based on the evaluation, our President and Chief Executive Officer, after evaluating the effectiveness of our “disclosure controls and procedures” has concluded that, as of September 30, 2008, our disclosure controls and

procedures were not effective due to the existence of several material weaknesses in our internal control over financial reporting, as discussed below.

Material Weaknesses Identified

In connection with the preparation of our financial statements for the period ended September 30, 2008 certain significant deficiencies in internal control became evident to management that, in the aggregate, represent material weaknesses, including,

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Insufficient segregation of duties in our finance and accounting functions due to limited personnel. During the period ended September 30, 2008, the company used outside services to perform all aspects of our financial reporting process, including, but not limited to, access to the underlying accounting records and systems, the ability to post and record journal entries and responsibility for the preparation of the financial statements. This creates a lack of review over the financial reporting process that would likely result in a failure to detect errors in spreadsheets, calculations, or assumptions used to compile the financial statements and related disclosures as filed with the SEC. These control deficiencies could result in a material misstatement to our interim or annual financial statements that would not be prevented or detected.

Insufficient corporate governance policies. Although we have a code of ethics which provides broad guidelines for corporate governance, our corporate governance activities and processes are not always formally documented. Specifically, decisions made by the board to be carried out by management should be documented and communicated on a timely basis to reduce the likelihood of any misunderstandings regarding key decisions affecting our operations and management.

Plan for Remediation of Material Weaknesses

We intend to take appropriate and reasonable steps to make the necessary improvements to remediate these deficiencies.

We intend to consider the results of our remediation efforts and related testing as part of our year-end 2008 assessment of the effectiveness of our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

We are not party to any legal proceedings and to our knowledge, no such proceedings are threatened or contemplated against us.

ITEM 1A. RISK FACTORS

Not Applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On February 8, 2008, we issued 278,846 common shares to a consultant in connection with a consulting agreement. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Section 4(2) of the Securities Act of 1933, as amended.

On March 20, 2008, we granted a total of 1,700,000 common shares and warrants to several investors in connection with a private placement for a total sales price of $255,000. These issuances were considered exempt transactions under Section 4(2) of the Securities Act of 1933, as amended. These shares were issued during the quarter ended June 30, 2008

On March 26, 2008, we issued 90,500 common shares to two consultants in connection with a consulting agreement. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Section 4(2) of the Securities Act of 1933, as amended.

On May 6, 2008, we issued 308,500 common shares to two consultants in connection with a consulting agreements. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Regulation S ..

On May 21, 2008, we issued 86,670 common shares to two consultants in connection with a consulting agreements. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Regulation S.

On May 21, 2008, we issued 173,000 common shares in connection with a settlement agreements. These issuance was considered an exempt transaction under Regulation S.

On June 30, 2008, our Board of Directors' authorized the issuance of 2,850,000 common shares to several consultants in connection to consulting agreements provide by directors, officers and consultants. Those shares are in lieu of cash payments. for services rendered.. We issued 2,250,000 of thoose common shares during the quarter ending September 30, 2008 and were considered exempt transactions under Regulation S.

On July 15, 2008, we issued 155,170 common shares to a consultant in connection with consulting agreements. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Regulation S.

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On September 15, 2008, we issued 186,430 common shares to a consultant in connection with consulting agreements. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions under Regulation S.

On September 16, 2008, we issued 170,000 common shares pursuant to the exercise is prior issued warrants. This issuance is considered an exempt transaction under Regulation S.

Pursuant to Item 3.02 of Form 8-K, because the Company is a small business issuer and all of the above issuances, in the aggregate, equal less than 5% of the number of common shares issued and outstanding (based on the number of issued and outstanding shares identified in the Company's last periodic report), these sales were not reported in a Form 8-K.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to our security holders for a vote during the quarter ended September 30, 2008.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Ex. #	Description
31.1	Rule 13a-12(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 302 the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Signatures

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Protokinetix, Inc.

/s/ Ross L. Senior

By: Ross L. Senior
Its: President, CEO and CFO

In accordance with the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/Ross L. Senior Ross L. Senior	Chief Executive Officer, President, Chief Financial Officer	November 7, 2008