

ProtoKinetix, Inc.
Form 10QSB
November 23, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**THIRD AMENDED
FORM 10-QSB**

(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, 2003 or
 Transitional Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File No. 0-32917

PROTOKINETIX, INC.

(Name of small business issuer in its charter)

(formerly known as RJV NETWORK, INC.)

Nevada
(State or other Jurisdiction
of Incorporation or Organization)

94-3355026
(IRS Employer
Identification Number)

Suite 1500-885 West Georgia Street
Vancouver, British Columbia Canada
(Address of Principal Executive Offices)

V6C 3E8
(Zip Code)

Issuer's Telephone Number (604) 687-9887

Check whether the issuer (1) 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 Company 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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No .

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of June 29, 2004, there were 26,896,050 shares of the Company's USD \$0.000053 par value common stock issued and outstanding.

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Transitional Small Business Disclosure Format: Yes [] No [X].

This Form 10-QSB consists of ___ Pages.

Introduction. *This Third Amended Form 10-QSB is being filed as a result of a calculation error in the value of shares outstanding in July 2003 that understated the value of shares issued for services. The effect of the adjustment was to increase professional fees expense and net loss for the quarter by \$318,750. Accordingly, the deficit accumulated during the development stage as of September 30, 2003, was increased by \$318,750. Additional paid in capital at September 30, 2003, was increased by \$318,750.*

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(formerly known as RJV NETWORK, INC.)

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ProtoKinetix Inc.

(formerly known as RJV NETWORK, INC.)

Financial Statements

September 30, 2003

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PROTOKINETIX, INC. (formerly known as RJV Network, Inc.)
 (A Development Stage Company)

BALANCE SHEET

September 30, 2003
 (Unaudited)

| | |
|--|-----------|
| ASSETS | |
| Current Asset | |
| Cash | \$ 659 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | |
| Current Liabilities | |
| Due to related party | \$ 86,650 |
| Accounts payable | 17,975 |
| Total current liabilities | 104,625 |
| Stockholders' Equity (Deficit), as restated | |
| Common stock, \$.0000053 par value; 25,000,000 common shares authorized; 9,193,750 shares issued and outstanding | 49 |
| Additional paid-in capital | 510,201 |
| Deficit accumulated during the development stage | (614,216) |
| | (103,966) |
| | \$ 659 |

See Notes to Financial Statements

PROTOKINETIX, INC. (formerly known as RJV Network, Inc.)

(A Development Stage Company)

STATEMENTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2003 and 2002, and the Period From
December 23, 1999 (Date of Inception) to September 30, 2003
(Unaudited)

| | Three Months Ended September 30, 2003 (Restated) | Three Months Ended September 30, 2002 | Nine Months Ended September 30, 2003 (Restated) | Nine Months Ended September 30, 2002 | Cumulative During the Development Stage (Restated) |
|--|--|--|---|---|--|
| Interest income | \$ - | \$ - | \$ - | \$ - | \$ 124 |
| Expense reimbursement from BioKinetix | | | | 2,000 | 2,000 |
| - | | | | 2,000 | 2,124 |
| General and administrative expenses | | | | | |
| Bank charges | | 30 | 60 | 241 | 329 |
| Professional fees | 26,600 | 4,460 | 37,997 | 6,660 | 50,248 |
| Consulting fees | 495,000 | | 495,000 | 370 | 508,845 |
| Organizing expenses | | | | 503 | 5,460 |
| Rent | 15,000 | | 15,000 | | 15,000 |
| Administrative fees | 16,500 | | 16,500 | | 16,500 |
| Marketing | 13,500 | | 13,500 | | 13,500 |
| Utilities | 3,750 | | 3,750 | | 3,750 |
| Other | 2,400 | | 2,594 | | 2,708 |
| | 572,750 | 4,490 | 584,401 | 7,774 | 616,340 |
| Net loss | \$ (572,750) | \$ (4,490) | \$ (582,401) | \$ (7,774) | \$ (614,216) |
| Basic and diluted loss per common share | \$ (0.03) | \$ (0.00) | \$ (0.04) | \$ (0.00) | |
| Weighted average shares outstanding | 17,222,283 | 15,093,750 | 15,811,058 | 15,093,750 | |

See Notes to Financial Statements

PROTOKINETIX, INC. (formerly known as RJV Network, Inc.)

(A Development Stage Company)

STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Nine Months Ended September 30, 2003, and the Period From
December 23, 1999 (Date of Inception) to September 30, 2003
(Unaudited)

| | Common Stock | | Additional | Deficit | |
|---|--------------|--------|------------|--------------|--------------|
| | Shares | Amount | Paid-in | Accumulated | Total |
| | | | Capital | During the | |
| | | | | Development | |
| | | | | Stage | |
| Issuance of common stock for cash, December 23, 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 for cash, April 30, 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 11, 2003, as restated | 2,125,000 | 11 | 424,989 | | 425,000 |
| August 22, 2003 | 300,000 | 2 | 14,998 | | 15,000 |
| September 18, 2003 | 1,000,000 | 5 | 49,995 | | 50,000 |
| Shares cancelled, September 30, 2003 | (9,325,000) | (49) | 49 | | |
| Net loss for period, as restated | | | | (582,401) | (582,401) |
| Balance, September 30, 2003, as restated | 9,193,750 | \$ 49 | \$ 510,201 | \$ (614,216) | \$ (103,966) |

See Notes to Financial Statements

PROTOKINETIX, INC. (formerly known as RJV Network, Inc.)

(A Development Stage Company)

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2003 and 2002, and the Period From
December 23, 1999 (Date of Inception) to September 30, 2003
(Unaudited)

| | Nine Months Ended September 30, 2003 | Nine Months Ended September 30, 2002 | Cumulative During the Development Stage |
|--|---|---|--|
| Cash Flows From Operating Activities | | | |
| Net loss for period, as restated | \$ (582,401) | \$ (7,774) | \$ (614,216) |
| Issuance of common stock for services, as restated | 490,000 | | 490,000 |
| Increase in accounts payable | 10,986 | 3,000 | 17,975 |
| Net cash flows from operating activities | (81,415) | (4,774) | (106,241) |
| Cash Flows From Financing Activities | | | |
| Issuance of common stock for cash | | | 20,250 |
| Loan from shareholder | | 2,200 | 5,155 |
| Repayment of loan from shareholder | (5,155) | | (5,155) |
| Increase in due to related party | 86,650 | | 86,650 |
| Net cash flows from financing activities | 81,495 | 2,200 | 106,900 |
| Net change in cash | 80 | (2,574) | 659 |
| Cash, beginning of period | 579 | 3,513 | - |
| Cash, end of period | \$ 659 | \$ 939 | \$ 659 |

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Plan of Operations

ProtoKinetix, Inc. (formerly known as RJV Network, Inc.) (the "Company"), a development stage company, was incorporated under the laws of the State of Nevada on December 23, 1999. The Company was formed for the purpose of developing an internet-based listing site that would provide detailed commercial real estate property listings and related data. In 2002, the Company suspended its original business plan and entered into the transaction described below.

In 2002, the Company sought approval of a proposed acquisition of BioKinetix Research, Incorporated ("BioKinetix"), an Alberta, Canada corporation. In this regard, the Company executed a proposed Acquisition Agreement which provided that the Company acquire BioKinetix as a wholly-owned subsidiary by issuing shares of its stock to the shareholders of BioKinetix resulting in the shareholders of BioKinetix having a controlling ownership of the Company. In July 2003, the Company abandoned its proposed merger with BioKinetix and requested that the SEC withdraw its Form 14(c) Information Statement.

On July 5, 2003, the Company entered into an assignment of license agreement (the "Agreement") with BioKinetix. The Agreement provided the Company with a 100% 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.

The key terms of the Agreement provided for the assignment of the Rights to the Company. In consideration, the Company agreed to: (1) the cancellation of 9,325,000 common shares owned by the Company's former President; (2) the payment of approximately \$40,000 in Company obligations to various parties; and (3) the resignation of the existing Company board members and the installation of a new board of directors. Also, in October 2003, the Company issued 14,000,000 common shares to the BioKinetix shareholders and intends to increase the number of authorized common shares so an additional 2,000,000 common shares can be issued to the BioKinetix shareholders as provided in the agreement.

The Company continues to be a development stage company as of the current date.

Note 2. Prior Period Adjustment

The value of shares outstanding was restated to correct for an error made in July 2003 that understated the value of shares issued for services. The effect of the adjustment was to increase professional fees expense and net loss for the quarter by \$318,750. Accordingly, the deficit accumulated during the development stage as of September 30, 2003, was increased by \$318,750. Additional paid in capital at September 30, 2003, was increased by \$318,750.

The total number of shares outstanding at September 30, 2003, was not changed so there was no effect on the weighted average number of shares for the three and nine months ended September 30, 2003. Reported loss per share for the three and nine months ended September 30, 2003, increased from \$(0.00) to \$(0.03) and from \$(0.00) to \$(0.04), respectively.

There was no effect on cash flows for the nine months ended September 30, 2003, as a result of this adjustment.

Note 3. Summary of Significant Accounting Policies

The interim period financial statements have been prepared by the Company pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). 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, 2002 and 2001. In the opinion of the Company, the unaudited financial statements contained herein contain all adjustments necessary to present a fair statement of the results of the interim periods presented.

Note 4. Earnings per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding in the period. The Company's stock split 75 for 1 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 earnings per share for the period ended September 30, 2003, and the period cumulative during the development stage have been adjusted accordingly. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive securities. There were no dilutive securities outstanding during the period December 23, 1999 to September 30, 2003.

Note 5. Going Concern

As shown in the financial statements, the Company has never generated revenues and has incurred losses since inception resulting in a net deficit in capital of \$103,966 at September 30, 2003. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company will need additional working capital to be successful in any future business activities and to pay its current 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.

Item 2. Management's Plan of Operation

On July 5, 2003, ProtoKinetix, Inc. entered into an assignment of license agreement (the "Agreement") with BioKinetix Research, Inc. ("BioKinetix"). The Agreement provided the Company with a 100% 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.

ProtoKinetix Inc.'s mission is to develop a new generation of medicines and diagnostics for the treatment of malignancies. The Company will be focused on the anti-cancer applications of certain monoclonal antibodies, termed "Superantibodies," that may improve medicinal and treatment potencies and increase sensitivity in use as diagnostics. ProtoKinetix hopes to use this technology to create new antibodies and diagnostic assays that will be able to be used to treat and detect certain cancers.

In particular, ProtoKinetix will attempt to create a Superantibody that will attach to RECAF molecules. The RECAF molecules with the Superantibody attached are theoretically expected to then attach to cancer cells, with minimal or no harm to non-cancerous cells, so that the Superantibody can destroy the cancer cells.

Please note that ProtoKinetix is a development stage company that has not yet begun operations. It is also important to understand that there has been no development of any product (antibodies) to date by the Company, and that such development may never begin, and there can be no certainty that any such antibodies will be developed by the Company, and, even if a product is developed, that the desired results for which it was originally intended will be achieved.

We face exposure to fluctuations in the price of our common stock due to the very limited cash resources we have. For example, the Company has very limited resources to pay legal and accounting professionals. If we are unable to pay a legal or accounting professional in order to perform various professional services for the Company, it may be difficult, if not impossible, for the Company to maintain its reporting status under the '34 Exchange Act. If the Company felt that it was likely that it would not be able to maintain its reporting status, it would make a disclosure by filing a Form 8-K with the SEC. In any case, if the Company was not able to maintain its reporting status, it would become "delisted" and this would potentially cause an investor or an existing shareholder to lose all or part of his investment.

Definitions of the terms used above are as follows:

"SuperAntibody" is an industry-adopted term used to describe genetically-engineered antibodies, isolated from a single blood cell, which have been expanded in the laboratory to attack or have a desired effect on certain targeted antigens, such as cancer cells.

"RECAF" - Receptor Alpha Fetaprotein. This is a carbohydrate molecule that is located on the surface of cancer cells.

"Receptor" - A structure exposed on the cell surface used for signaling or transport of molecules into the cell.

ProtoKinetix Inc., (the "Company," or "PROTOKIN") is a biotechnology research and development company focused on the application of SuperAntibody-based products for the treatment and diagnosis of certain cancers.

The ProtoKinetix business plan is based primarily on the furtherance of certain intellectual property rights obtained by way of "sub-licenses" of technology from other companies. At present, PROTOKIN has no product or products, and has received no patents or FDA approval for any product or diagnostic procedures.

Milestone Events for the Quarter Ending September 30, 2003.

On July 8, 2003, the state of Nevada accepted the change of the Company's name from RJV Network, Inc. to ProtoKinetix, Inc.

On August 5, 2003, the Company began trading under the new OTC Bulletin Board ticker symbol "PKTX".

On September 4, 2003, the Company announced the appointment of Dr. Maximilien Arella to its Scientific Advisory Board. Dr. Arella is a Professor at the Microbiology and Biotechnology Research Centre, INRS -- Institut, Armand -- Frappier, University du Quebec. Dr. Arella has extensive international experience in the field of molecular biology and monoclonal antibody development. Dr. Arella has introduced the RECAF receptor site and the ProtoKinetix development program to several major European institutions with the objective of fast track collaboration.

On September 22, 2003, the Company announced the appointment of Dr. Ricardo Moro-Vidal to its Scientific Advisory Board. Dr. Moro discovered the universal cancer marker RECAF and is CEO of BioCurex, Inc.

On September 30, 2003, the Company announced that it had completed the global licensing assignment agreement with BioKinetix Research, Inc. (executed in July of 2003) and had redeemed 9,325,000 common shares back to the corporate treasury. The additional result of the completion of this transaction will be the elimination of certain liabilities from the ProtoKinetix, Inc. balance sheet. As a result of the completion of the transaction, the Company issued 14,000,000 restricted shares to various parties identified in Part II, Item 2 of this Quarterly Report.

On October 23, 2003, the Company announced that it had arranged (through Dr. Jean-Marie Dupuy) an extensive independent group of validation trials on the RECAF receptor site by European Hospital Georges Pompidou of Paris, France. Upon completion, these trials will confirm the existence of a receptor site, unique to cancer cells, that binds the molecule alpha fetaprotein.

Subsequent Events.

On November 12, 2003, the Company announced that Dr. Jean-Marie Dupuy accepted a position on the Company's Scientific Advisory Board. Dr. Dupuy is a world recognized medical scientist who was the past Medical Director of Pasteur Merieux Connaught in France.

Plan of Operation Going Forward.

1. Short Term Goals

As was disclosed in a Form 8-K filed with the Commission on July 5, 2003, the Company recently entered into an assignment of various intellectual property rights. The Company intends to continue to integrate the assets it acquired into its research and development infrastructure and begin the process of utilizing these new resources.

2. Long Term Goals

Any long term objectives will be defined by Management's ability to execute on the development of the aforementioned intellectual property rights that were the subject of the Company's last Form 8-K filing. Item 3. Controls and Procedures

A. Evaluation of disclosure controls and procedure.

Under the supervision and with the participation of our management, currently consisting of Dr. John Todd, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures within 90 days of the filing date of this quarterly report, and based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Disclosure controls and procedures are the controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange 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 by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

B. Changes in Internal Controls.

Not applicable.

Part II.
Other Information

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities

During the quarter ending September 30, 2003, the Company made the following common share issuances:

On July 11, 2003, the Company issued 2,125,000 shares of its common stock to six consultants. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions made under the Securities Act of 1933, Section 4(2). The aggregate value of services was \$106,250.

On August 22, 2003, the Company issued 300,000 shares of its common stock to one consultant. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions made under the Securities Act of 1933, Section 4(2). The aggregate value of services was \$15,000.

On September 18, 2003, the Company issued 1,000,000 shares of its common stock to two consultants. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions made under the Securities Act of 1933, Section 4(2). The aggregate value of services was \$50,000.

Disclosure Related to Form S-8 Issuances.

Prior to issuing any common shares under Form S-8, the Company requests and receives an executed verification from all issuees stating that the issuee is a natural person and that: (a) the shares being issued are not being provided to create or sustain a market for the Company's securities, and (b) that the shares are not being issued as a part of a capital raising transaction. All consultants to the Company are required to provide work product as a part of and condition to their relationship with the Company. Consultant work product is delivered in accordance with the terms and conditions of each respective Consultants' agreement.

Subsequent Events.

On October 28, 2003, the Company issued 14,000,000 restricted common shares to 11 different parties. These shares were issued as a result of the July 5, 2003 assignment of license agreement with BioKinetix Research, Inc. This issuance was an exempt transaction made under the Securities Act of 1933, Section 4(2). The aggregate value of these issuances were \$2,100,000 (based on a July 2, 2003 closing common stock price of USD \$.15 per share).

Pursuant to the terms of the same July 5, 2003 assignment of license agreement with BioKinetix Research, Inc., the Company is required to issue an additional 2,000,000 common shares to various parties associated with the transaction. However, as of the date of the filing of this report, the Company does not possess the common capital stock to make such issuances. As a result, it is highly probably that the Company, through a meeting of the Board of Directors will confer and discuss increasing the number of the Company's authorized common shares.

On October 28, 2003, the Company issued 1,550,000 shares of its common stock to three consultants. These issuances were made in lieu of cash payments for services rendered and were considered exempt transactions made under the Securities Act of 1933, Section 4(2). The aggregate value of services was \$77,500.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders.

A shareholder meeting was not held during calendar year 2002.

There was not a matter submitted to our shareholders during the third calendar quarter of 2003.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports Filed on Form 8-K:

On July 5, 2003 (SEC Film Number 03769335), the Company disclosed that it had withdrawn its 14(c) Information Statement with the SEC and that it was however committed to the effect of the transaction with BioKinetix.

On July 7, 2003 (SEC Film Number 03777407), the Company disclosed that it had rescinded its merger agreement with BioKinetix, and that it had instead executed an assignment of license agreement in order to effect the principles of the previously executed BioKinetix-RJV Merger Agreement. In this disclosure, the Company additionally disclosed that its entire board of directors had resigned and that a new board had been installed for a one year term.

On August 21, 2003 (SEC Film Number 03859209), the Company filed a Form 8-K that disclosed that the articles of incorporation had been amended and that the name of the Company had changed to ProtoKinetix, Incorporated.

ProtoKinetix, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROTOKINETIX, INC.

(Registrant)

Date: November 22, 2004

By: /s/ Dr. John Todd

Dr. John Todd
Chairman of the Board of Directors, CEO and CFO
(Principal Accounting Officer)

