

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2019

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: 001-36833

**VOLITIONRX LIMITED**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**91-1949078**

(I.R.S. Employer Identification No.)

**13215 Bee Cave Parkway  
Suite 125, Galleria Oaks B  
Austin, Texas 78738**

(Address of principal executive offices)

**+1 (646) 650-1351**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of Each Exchange on which Registered
Common Stock	VNRX	NYSE American

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, a 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   
Non-accelerated filer

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.

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

As of November 6, 2019, there were 41,092,340 shares of the registrant's \$0.001 par value common stock issued and outstanding.

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**VOLITIONRX LIMITED**  
**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019**

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**Use of Terms**

Except as otherwise indicated by the context, references in this Report to "Company," "VolitionRx," "Volition," "we," "us," and "our" are references to VolitionRx Limited and its wholly-owned subsidiaries, Singapore Volition Pte. Limited, Belgian Volition SPRL, Volition Diagnostics UK Limited and Volition America, Inc., as well as its majority-owned subsidiary Volition Veterinary Diagnostics Development LLC. Additionally, unless otherwise specified, all references to "\$" refer to the legal currency of the United States of America.

Nucleosomics<sup>TM</sup> and Nu.Q<sup>TM</sup> and their respective logos are trademarks and/or service marks of VolitionRx and its subsidiaries. All other trademarks, service marks and trade names referred to in this Report are the property of their respective owners.

**PART I FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)**

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**VOLITIONRX LIMITED**  
Condensed Consolidated Balance Sheets  
(Expressed in United States Dollars, except share numbers)

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>	<u>(UNAUDITED)</u>	
<b>Current Assets</b>		
Cash and cash equivalents	19,697,169	13,427,222
Accounts receivable	16,031	-
Prepaid expenses	409,074	245,441
Other current assets	184,856	229,755
<b>Total Current Assets</b>	<u>20,307,130</u>	<u>13,902,418</u>
<b>Property and equipment, net</b>		
Property and equipment, net	2,889,554	3,119,643
Operating lease right-of-use assets	193,918	-
Intangible assets, net	386,038	466,905
<b>Total Assets</b>	<u><u>23,776,640</u></u>	<u><u>17,488,966</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	509,276	807,162
Accrued liabilities	1,868,994	923,034
Management and directors' fees payable	48,775	1,200
Current portion of long-term debt	570,921	416,553
Current portion of finance lease liabilities	116,920	145,150
Current portion of operating lease liabilities	90,270	-
Current portion of grant repayable	38,174	40,094
<b>Total Current Liabilities</b>	<u>3,243,330</u>	<u>2,333,193</u>
<b>Long-term debt, net of current portion</b>		
Long-term debt, net of current portion	1,732,354	1,984,262
Finance lease liabilities, net of current portion	603,503	720,013
Operating lease liabilities, net of current portion	106,181	-
Grant repayable, net of current portion	289,492	311,042
<b>Total Long-Term Liabilities</b>	<u>2,731,530</u>	<u>3,015,317</u>
<b>Total Liabilities</b>	<u>5,974,860</u>	<u>5,348,510</u>
<b>STOCKHOLDERS' EQUITY</b>		
<b>Common Stock</b>		
Authorized: 100,000,000 shares of common stock, at \$0.001 par value		
Issued and outstanding: 41,092,340 shares and 35,335,378 shares, respectively	41,092	35,335
Additional paid-in capital	103,374,419	85,604,271
Accumulated other comprehensive income	650,819	223,651
Accumulated deficit	<u>(86,264,550)</u>	<u>(73,722,801)</u>
<b>Total Stockholders' Equity</b>	<u>17,801,780</u>	<u>12,140,456</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>23,776,640</u></u>	<u><u>17,488,966</u></u>

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**VOLITIONRX LIMITED**  
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)  
(Expressed in United States Dollars, except share numbers)

	Three Months ended September 30,		Nine Months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Revenues</b>				
Service	16,204	-	16,204	-
Royalty	892	-	892	-
<b>Total Revenues</b>	17,096	-	17,096	-
<b>Operating Expenses</b>				
Research and development	2,642,610	2,737,856	7,596,097	7,847,531
General and administrative	1,354,992	1,450,383	4,020,893	4,949,716
Sales and marketing	195,641	259,302	718,047	845,253
<b>Total Operating Expenses</b>	4,193,243	4,447,541	12,335,037	13,642,500
<b>Operating Loss</b>	(4,176,147)	(4,447,541)	(12,317,941)	(13,642,500)
<b>Other Income (Expenses)</b>				
Interest income	27,633	-	68,656	-
Interest expense	(32,291)	(29,108)	(95,507)	(78,646)
Other expenses	-	-	(196,957)	-
<b>Total Other Expenses</b>	(4,658)	(29,108)	(223,808)	(78,646)
<b>Provision for Income Taxes</b>	-	-	-	-
<b>Net Loss</b>	(4,180,805)	(4,476,649)	(12,541,749)	(13,721,146)
Other Comprehensive Income (Loss)				
Foreign currency translation adjustments	401,309	46,350	427,168	193,454
<b>Net Comprehensive Loss</b>	(3,779,496)	(4,430,299)	(12,114,581)	(13,527,692)
<b>Net Loss Per Share – Basic and Diluted</b>	(0.10)	(0.14)	(0.33)	(0.46)
<b>Weighted Average Shares Outstanding</b>				
– Basic and Diluted	39,880,246	32,826,924	38,538,394	30,071,635

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**VOLITIONRX LIMITED**  
Condensed Consolidated Statements of Cash Flows (Unaudited)  
(Expressed in United States Dollars)

	<b>Nine Months ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
Net loss	(12,541,749)	(13,721,146)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	560,826	474,536
Loss on disposal of property and equipment	-	1,766
Stock-based compensation	1,084,312	1,875,507
Warrants issued for services	6,379	6,453
Financing costs for warrants modified	196,957	-
Changes in operating assets and liabilities:		
Prepaid expenses	(163,638)	(204,673)
Other current assets	44,904	202,290
Accounts receivable	(16,031)	-
Accounts payable and accrued liabilities	735,211	261,383
Right-of-use assets operating leases liabilities	(48,475)	-
<b>Net Cash Used In Operating Activities</b>	<b>(10,141,304)</b>	<b>(11,103,884)</b>
<b>Investing Activities</b>		
Purchases of property and equipment	(359,502)	(183,541)
<b>Net Cash Used In Investing Activities</b>	<b>(359,502)</b>	<b>(183,541)</b>
<b>Financing Activities</b>		
Net proceeds from issuances of common shares	16,488,257	16,796,000
Proceeds from grants repayable	32,652	177,079
Proceeds from long-term debt	282,513	875,418
Payments on long-term debt	(262,661)	(369,915)
Payments on grants repayable	(39,261)	(40,864)
Payments on finance lease obligations	(106,616)	(103,999)
<b>Net Cash Provided By Financing Activities</b>	<b>16,394,884</b>	<b>17,333,719</b>
Effect of foreign exchange on cash	375,869	211,871
<b>Net Change in Cash</b>	<b>6,269,947</b>	<b>6,258,165</b>
Cash and cash equivalents – Beginning of Period	13,427,222	10,116,263
Cash and cash equivalents – End of Period	<b>19,697,169</b>	<b>16,374,428</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Interest paid	95,507	78,646
<b>Non-Cash Financing Activities:</b>		
Common Stock issued on cashless exercises of stock options	2	12
Offering costs from issuance of common stock	-	604,000

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**VOLITIONRX LIMITED**

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)  
(Expressed in United States Dollars, except share numbers)

For the Nine Months ended September 30, 2019 and September 30, 2018

	Common Stock		Additional	Other	Accumulated	Total
	Shares #	Amount \$	Paid-in Capital \$	Comprehensive Income (Loss) \$	Deficit \$	
Balance, December 31, 2018	35,335,378	35,335	85,604,271	223,651	(73,722,801)	12,140,456
Common stock issued for cash	2,478,613	2,479	6,658,192	-	-	6,660,671
Employee stock options granted for services	-	-	338,331	-	-	338,331
Warrants granted for services	-	-	2,127	-	-	2,127
Modification of financing warrants	-	-	196,957	-	-	196,957
Foreign currency translation	-	-	-	(24,054)	-	(24,054)
Net loss for the period	-	-	-	-	(4,203,773)	(4,203,773)
Balance, March 31, 2019	<u>37,813,991</u>	<u>37,814</u>	<u>92,799,878</u>	<u>199,597</u>	<u>(77,926,574)</u>	<u>15,110,715</u>
Common stock issued for cash	1,666,667	1,667	4,998,334	-	-	5,000,001
Employee stock options granted for services	-	-	377,507	-	-	377,507
Warrants granted for services	-	-	2,000	-	-	2,000
Foreign currency translation	-	-	-	49,913	-	49,913
Net loss for the period	-	-	-	-	(4,157,171)	(4,157,171)
Balance, June 30, 2019	<u>39,480,658</u>	<u>39,481</u>	<u>98,177,719</u>	<u>249,510</u>	<u>(82,083,745)</u>	<u>16,382,965</u>
Common stock issued for cash	1,609,195	1,609	4,825,976	-	-	4,827,585
Common stock issued for cashless exercise of stock options	2,487	2	(2)	-	-	-
Employee stock options granted for services	-	-	368,474	-	-	368,474
Warrants granted for services	-	-	2,252	-	-	2,252
Foreign currency translation	-	-	-	401,309	-	401,309
Net loss for the period	-	-	-	-	(4,180,805)	(4,180,805)
Balance, September 30, 2019	<u>41,092,340</u>	<u>41,092</u>	<u>103,374,419</u>	<u>650,819</u>	<u>(86,264,550)</u>	<u>17,801,780</u>

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**VOLITIONRX LIMITED**

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)  
(Expressed in United States Dollars, except share numbers)

For the Nine Months ended September 30, 2019 and September 30, 2018 (continued)

	Common Stock		Additional Paid-in Capital	Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount				
	#	\$	\$	\$	\$	\$
Balance, December 31, 2017	26,519,394	26,519	65,774,870	(129,343)	(55,714,178)	9,957,868
Common stock issued for cash	3,500,000	3,500	7,792,500	-	-	7,796,000
Common stock issued for cashless exercise of warrants	11,399	12	(12)	-	-	-
Employee stock options granted for services	-	-	895,226	-	-	895,226
Warrants granted for services	-	-	2,199	-	-	2,199
Foreign currency translation	-	-	-	14,947	-	14,947
Net loss for the period	-	-	-	-	(4,652,421)	(4,652,421)
Balance, March 31, 2018	<u>30,030,793</u>	<u>30,031</u>	<u>74,464,783</u>	<u>(114,396)</u>	<u>(60,366,599)</u>	<u>14,013,819</u>
Common stock issued for cash	432	-	-	-	-	-
Employee stock options granted for services	-	-	493,070	-	-	493,070
Warrants granted for services	-	-	2,127	-	-	2,127
Foreign currency translation	-	-	-	132,157	-	132,157
Net loss for the period	-	-	-	-	(4,592,076)	(4,592,076)
Balance, June 30, 2018	<u>30,031,225</u>	<u>30,031</u>	<u>74,959,980</u>	<u>17,761</u>	<u>(64,958,675)</u>	<u>10,049,097</u>
Common stock issued for cash	5,000,000	5,000	8,995,000	-	-	9,000,000
Employee stock options granted for services	-	-	487,211	-	-	487,211
Warrants granted for services	-	-	2,127	-	-	2,127
Foreign currency translation	-	-	-	46,350	-	46,350
Net loss for the period	-	-	-	-	(4,476,649)	(4,476,649)
Balance, September 30, 2018	<u>35,031,225</u>	<u>35,031</u>	<u>84,444,318</u>	<u>64,111</u>	<u>(69,435,324)</u>	<u>15,108,136</u>

(The accompanying notes are an integral part of these condensed consolidated financial statements)



**Note 1 – Basis of Presentation and Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements of VolitionRx Limited should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the Securities and Exchange Commission (the "SEC") on March 13, 2019. The accompanying condensed consolidated financial statements have been prepared using accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q. Accordingly, since they are interim statements, the accompanying condensed consolidated financial statements do not include all of the information and notes required by U.S. GAAP for complete financial statements. The accompanying condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, that are, in the opinion of management, necessary to present a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

Except as detailed below, there have been no material changes to the Company's significant accounting policies during the nine months ended September 30, 2019, as compared to the significant accounting policies disclosed in Note 3 of the consolidated financial statements in the Company's 2018 Annual Report on Form 10-K.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also regularly evaluates estimates and assumptions related to impairment of long-lived assets and stock-based compensation.

The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

**Principles of Consolidation**

The accompanying condensed consolidated financial statements for the period ended September 30, 2019 include the accounts of the Company and its wholly owned subsidiaries Singapore Volition Pte. Limited ("Singapore Volition"), Belgian Volition SPRL ("Belgian Volition"), Volition Diagnostics UK Limited ("Volition Diagnostics"), Volition America Inc. ("Volition America"), as well as its majority-owned subsidiary Volition Veterinary Diagnostics Development, LLC ("Volition Vet"). All intercompany balances and transactions have been eliminated in consolidation. Except as otherwise indicated by the context, references to the "Company," "we" and "our" are references to VolitionRx Limited and its subsidiaries.

**Cash and Cash Equivalents**

For the purposes of the statements of cash flows, we consider interest bearing deposits with original maturity date of three months or less to be cash equivalents. The Company invests excess cash from its operating cash accounts in overnight investments and reflects these amounts in cash and cash equivalents in the condensed consolidated balance sheets at fair value using quoted prices in active markets for identical assets. At September 30, 2019, cash and cash equivalents totaled approximately \$19.7 million, of which \$13.1 million was held in an overnight money market account.

**Accounts Receivables**

Trade accounts receivable are stated at the amount the Company expects to collect. Due to the nature of the accounts receivable balance, the Company believes the risk of doubtful accounts is minimal and therefore no allowance is recorded. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. The Company may provide for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At September 30, 2019, the accounts receivable balance was \$16,031.

**VOLITIONRX LIMITED**  
**Notes to the Condensed Consolidated Financial Statements (Unaudited)**  
**(\$ expressed in United States Dollars)**

**Note 1 – Basis of Presentation and Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

Beginning in 2014, Financial Accounting Standards Board (“FASB”) issued several Accounting Standards Updates establishing Accounting Standards Codification (“ASC”) Topic 606, “*Revenue from Contracts with Customers*” (“ASC 606”). ASC 606 replaces most industry-specific revenue recognition guidance in U.S. GAAP with a new principles-based, five-step revenue recognition model. The Company adopted ASC 606 effective January 1, 2019. Under ASC 606, the Company recognizes revenues when the customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognizes revenues following the five-step model prescribed under ASC 606: (i) identify contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenues when (or as) we satisfy the performance obligation(s).

The Company generates revenue from its license agreement with Active Motif, Inc. (“Active Motif”) for the sale of Research Use Only kits from which the Company receives royalties. In addition, revenue is received from external third parties for services the Company performs for them in its laboratory.

Revenues, and their respective treatment for financial reporting purposes under ASC 606, are as follows:

*Royalty*

The Company receives royalty revenues on the net sales recognized during the period in which the revenue is earned, and the amount is determinable from the licensee. These are presented in “Royalty” in the consolidated statements of income. The Company does not have future performance obligations under this revenue stream. In accordance with ASC 606, the Company records these revenues based on estimates of the net sales that occurred during the relevant period from the licensee. The relevant period estimates of these royalties are based on preliminary gross sales data provided by Active Motif and analysis of historical gross-to-net adjustments. Differences between actual and estimated royalty revenues are adjusted for in the period in which they become known.

*Services*

The Company includes revenue recognized from laboratory services performed in the Company’s laboratory on behalf of third parties in “Service” in the consolidated statements of income.

For each development and/or commercialization agreement that results in revenue, the Company identifies all performance obligations, aside from those that are immaterial, which may include a license to intellectual property and know-how, development activities and/or transition activities. In order to determine the transaction price, in addition to any upfront payment, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. The Company constrains (reduces) the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur throughout the life of the contract. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company’s control that could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

**Leases**

In February of 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2016-02 – *Leases* (“Topic 842”), which significantly amends the way companies are required to account for leases. Under the updated leasing guidance, some leases that did not have to be reported previously are now required to be presented as an asset and liability on the balance sheet. In addition, for certain leases, what was previously classified as an operating expense must now be allocated between amortization expense and interest expense. The Company adopted Topic 842 as of January 1, 2019 using the modified retrospective transition method and prior periods have not been restated. Upon implementation, the Company recognized an initial operating lease right-of-use asset of \$110,630 and operating lease liability of \$110,630. Due to the simplistic nature of the Company’s leases, no retained earnings adjustment was required. See Note 8(b) for further details.

**Note 1 – Basis of Presentation and Summary of Significant Accounting Policies (continued)**

**Basic and Diluted Net Loss Per Share**

The Company computes net loss per share in accordance with Accounting Standards Codification (“ASC”) 260, “*Earnings Per Share*,” which requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic EPS is computed by dividing net loss available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. As of September 30, 2019, 4,407,860 potential common shares equivalents from warrants and options were excluded from the diluted EPS calculations as their effect is anti-dilutive.

**Reclassification**

Certain amounts presented in previously issued financial statements have been reclassified to be consistent with the current period presentation. In the statement of operations and comprehensive loss, the Company has reclassified the prior year comparative amounts of research and development, sales and marketing and general and administrative expenses to be consistent with the current year classification.

**Recent Accounting Pronouncements**

The Company has implemented the new applicable accounting pronouncements that are in effect listed above. The Company does not believe that there are any other new applicable accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

**Note 2 – Going Concern**

The Company's condensed consolidated financial statements are prepared using U.S. GAAP applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred losses since inception of \$86.3 million, has negative cash flows from operations, and currently has limited revenues, which creates substantial doubt about its ability to continue as a going concern for a period of one year from the date of issuance of these condensed consolidated financial statements.

The future of the Company as an operating business will depend on its ability to obtain sufficient capital contributions, financing and/or generate revenues as may be required to sustain its operations. Management plans to address the above as needed by (a) securing additional grant funds, (b) obtaining additional financing through debt or equity transactions, (c) granting licenses to third parties in exchange for specified up-front and/or back-end payments and (d) developing and commercializing its products on an accelerated timeline. Management continues to exercise tight cost controls to conserve cash.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually attain profitable operations. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 3 – Property and Equipment**

The Company’s property and equipment consist of the following amounts as of September 30, 2019 and December 31, 2018:

		Cost	Accumulated Depreciation	September 30, 2019 Net Carrying Value
	Useful Life	\$	\$	\$
Computer hardware and software	3 years	389,962	241,656	148,306
Laboratory equipment	5 years	1,867,507	1,136,923	730,584
Office furniture and equipment	5 years	208,428	100,973	107,455
Buildings	30 years	1,430,227	123,139	1,307,088
Building improvements	5-15 years	612,836	103,970	508,866
Land	Not amortized	87,255	-	87,255
		<u>4,596,215</u>	<u>1,706,661</u>	<u>2,889,554</u>

  

		Cost	Accumulated Depreciation	December 31, 2018 Net Carrying Value
	Useful Life	\$	\$	\$
Computer hardware and software	3 years	344,383	166,750	177,633
Laboratory equipment	5 years	1,673,215	928,841	744,374
Office furniture and equipment	5 years	204,129	75,137	128,992
Buildings	30 years	1,502,171	91,785	1,410,386
Building improvements	5-15 years	643,663	77,049	566,614
Land	Not amortized	91,644	-	91,644
		<u>4,459,205</u>	<u>1,339,562</u>	<u>3,119,643</u>

During the nine-month periods ended September 30, 2019 and September 30, 2018, the Company recognized \$495,062 and \$406,986, respectively, in depreciation expense.

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 4 – Intangible Assets**

The Company's intangible assets consist of patents, mainly acquired in the acquisition of Belgian Volition. The patents and intellectual property are being amortized over the assets' estimated useful lives, which range from 8 to 20 years.

	Cost \$	Accumulated Amortization \$	September 30, 2019 Net Carrying Value \$
Patents	<u>1,119,375</u>	<u>733,337</u>	<u>386,038</u>

  

	Cost \$	Accumulated Amortization \$	December 31, 2018 Net Carrying Value \$
Patents	<u>1,167,383</u>	<u>700,478</u>	<u>466,905</u>

During the nine-month periods ended September 30, 2019 and September 30, 2018, the Company recognized \$65,761 and \$69,584, respectively, in amortization expense.

The Company amortizes the long-lived assets on a straight-line basis with terms ranging from 8 to 20 years. The annual estimated amortization schedule over the next five years is as follows:

2019 - remaining	\$	17,917
2020	\$	85,384
2021	\$	85,384
2022	\$	85,384
2023	\$	85,384
Greater than 5 years	\$	<u>26,585</u>
Total Intangible Assets	\$	<u>386,038</u>

The Company periodically reviews its long-lived assets to ensure that their carrying value does not exceed their fair market value. The Company carried out such a review in accordance with ASC 360, "*Property, Plant and Equipment*" as of December 31, 2018. The result of this review confirmed that the ongoing value of the patents was not impaired as of December 31, 2018.

**Note 5 – Related Party Transactions**

See Note 6 for common stock issued to related parties and Note 7 for stock options and warrants issued to related parties. The Company has agreements with related parties for consultancy services which are accrued under management and directors' fees payable (see condensed consolidated balance sheets).

**Note 6 – Common Stock**

As of September 30, 2019, the Company was authorized to issue 100 million shares of common stock par value \$0.001 per share, of which 41,092,340 and 35,335,378 shares were issued outstanding as of September 30, 2019 and December 31, 2018, respectively.

On June 14, 2019, an amendment to the 2015 Stock Incentive Plan (the “2015 Plan”) was approved by the stockholders at the annual meeting to increase the number of shares of common stock available for issuance under the 2015 Plan by 1,000,000 shares to an aggregate maximum of 4,250,000 shares.

**Issuances Upon Warrant and Option Exercises**

From January 30, 2019 to February 26, 2019, warrants to purchase 754,475 shares of our common stock were exercised at a price of \$2.20 per share, for gross proceeds to the Company of approximately \$1.66 million.

On March 8, 2019, Cotterford Company Limited partially exercised its warrant and purchased 1,724,138 shares of our common stock at a price of \$2.90 per share, for gross proceeds to the Company of \$5.0 million.

On May 3, 2019, Cotterford Company Limited partially exercised its warrant and purchased 1,666,667 shares of our common stock at a price of \$3.00 per share, for gross proceeds to the Company of \$5.0 million.

On July 24, 2019, Cotterford Company Limited exercised the remainder of its warrant and purchased 1,609,195 shares of our common stock at a price of \$3.00 per share, for gross proceeds to the Company of \$4.8 million.

From August 20, 2019 to September 20, 2019, 6,166 stock options were exercised to purchase shares of common stock at \$2.35 per share in a cashless exercise that resulted in the issuance of 2,487 shares of our common stock.

**Equity Distribution Agreement**

On September 7, 2018, the Company entered into an equity distribution agreement with Oppenheimer & Co. Inc. (“Oppenheimer”), which agreement allows it to offer and sell shares of common stock having an aggregate offering price of up to \$10.0 million from time-to-time pursuant to a shelf registration statement on Form S-3 (declared effective by the SEC on September 28, 2018, File No. 333-227248) through Oppenheimer acting as the Company’s agent and/or principal. As of September 30, 2019, the Company had not sold any shares under the equity distribution agreement.

**VOLITIONRX LIMITED**  
Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 7 – Warrants and Options**

**a) Warrants**

The following table summarizes the changes in warrants outstanding of the Company during the nine-month period ended September 30, 2019:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price (\$)</u>
Outstanding at December 31, 2018	6,107,617	2.88
Granted	-	-
Exercised	(5,754,475)	2.87
Expired	(133,750)	2.20
Outstanding at September 30, 2019	<u>219,392</u>	<u>2.84</u>
Exercisable at September 30, 2019	<u>94,392</u>	<u>3.32</u>

Effective March 5, 2019, the Company entered into an amendment to an outstanding warrant to purchase up to an aggregate of 5.0 million shares of our common stock, originally issued to Cotterford Company Limited, a significant stockholder, in connection with an equity financing completed on or about August 10, 2018. The amendment temporarily reduced the exercise price of such warrant from \$3.00 per share to \$2.90 per share through the close of business on March 8, 2019. As a result of this amendment, \$196,957 of financing costs were recorded in other expenses.

On March 8, 2019, Cotterford Company Limited partially exercised its warrant and purchased 1,724,138 shares of our common stock at \$2.90 per share resulting in gross proceeds to the Company of \$5.0 million.

On May 3, 2019, Cotterford Company Limited partially exercised its warrant and purchased 1,666,667 shares of our common stock at \$3.00 per share resulting in gross proceeds of \$5.0 million to the Company.

On July 1, 2019, the Company modified the performance criteria for certain vesting milestones on an employee warrant agreement and as a result the Company re-measured warrants held by the employee, to purchase 125,000 shares of common stock at an exercise price of \$2.47 per share, resulting in \$11,829 of additional warrant expense to be recorded over the vesting period. These warrants vest on achievement of certain business objectives and expire 3 years from the date of vesting.

On July 24, 2019, Cotterford Company Limited exercised the remainder of its warrant and purchased 1,609,195 shares of our common stock at \$3.00 per share resulting in gross proceeds of \$4.8 million to the Company.

During the first three quarters of 2019, warrants to purchase an aggregate of 5,754,475 shares of our common stock were exercised (including the exercises by Cotterford Company Limited referenced above) for gross cash proceeds to the Company of approximately of \$16.5 million. Refer to Note 6 for the details of these exercises.

Below is a table summarizing the warrants issued and outstanding as of September 30, 2019, which have an aggregate weighted average remaining contractual life of 2.77 years.

<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price (\$)</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>	<u>Proceeds to Company if Exercised (\$)</u>
29,392	29,392	2.40	0.25	70,541
150,000	25,000	2.47	3.71	370,500
40,000	40,000	4.53	1.13	181,200
<u>219,392</u>	<u>94,392</u>			<u>622,241</u>

Warrant expense of \$6,379 and \$6,453 was recorded in the nine months ended September 30, 2019 and September 30, 2018, respectively. Total remaining unrecognized compensation cost related to non-vested warrants is approximately \$22,462 and is expected to be recognized over a period of 1.3 years. As of September 30, 2019, the total intrinsic value of outstanding warrants was \$610,742.

**VOLITIONRX LIMITED**  
Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 7 – Warrants and Options (continued)**

**b) Options**

The following table summarizes the changes in options outstanding of the Company during the nine-month period ended September 30, 2019:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Outstanding at December 31, 2018	3,498,801	4.00
Granted	730,000	3.25
Exercised	(6,166)	2.35
Expired/Cancelled	(34,167)	3.34
Outstanding at September 30, 2019	<u>4,188,468</u>	<u>3.88</u>
Exercisable at September 30, 2019	<u>3,488,468</u>	<u>4.01</u>

Effective February 11, 2019, the Company granted stock options to purchase 730,000 shares of common stock to various Company personnel (including directors, executives, members of management and employees) for services to the Company. These options vest on February 11, 2020 and expire 5 years after the vesting date, with an exercise price of \$3.25 per share. The Company has calculated the estimated fair market value of these options at \$1,569,816, using the Black-Scholes model and the following assumptions: term 6 years, stock price \$3.16, exercise price \$3.25, 77.86% volatility, 2.52% risk free rate, and no forfeiture rate. Subsequent to the February 2019 grant, stock options to purchase 30,000 shares of common stock subject to the grant were forfeited.

Below is a table summarizing the options issued and outstanding as of September 30, 2019, all of which were issued pursuant to the 2011 Equity Incentive Plan (for option issuances prior to 2016) or the 2015 Plan (for option issuances commencing in 2016) and which have an aggregate weighted average remaining contractual life of 3.22 years. As of September 30, 2019, a total of 1,099,000 shares of common stock remained available for future issuance under the 2015 Plan.

<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Proceeds to Company if Exercised (\$)</b>
11,599	11,599	2.35	0.61	27,258
322,500	322,500	2.50	0.88	806,250
322,500	322,500	3.00	0.88	967,500
700,000	-	3.25	5.37	2,275,000
17,767	17,767	3.35	1.45	59,519
20,000	20,000	3.80	1.63	76,000
1,907,000	1,907,000	4.00	3.28	7,628,000
17,768	17,768	4.35	2.45	77,291
50,000	50,000	4.80	3.26	240,000
819,334	819,334	5.00	2.23	4,096,670
<b><u>4,188,468</u></b>	<b><u>3,488,468</u></b>			<b><u>16,253,488</u></b>

Stock option expense of \$1,084,312 and \$1,875,507 was recorded in the nine months ended September 30, 2019 and September 30, 2018, respectively. Total remaining unrecognized compensation cost related to non-vested stock options is approximately \$571,344 and is expected to be recognized over a period of 0.36 years. As of September 30, 2019, the total intrinsic value of outstanding stock options was \$7,285,702.



**Note 8 – Commitments and Contingencies**

**a) Finance Lease Obligations**

In 2015, the Company entered into an equipment finance lease to purchase three Tecan machines (automated liquid handling robots) for €550,454 Euros, maturing May 2020. As of September 30, 2019, the balance payable was \$65,345.

In 2016, the Company entered into a real estate finance lease with ING Asset Finance Belgium S.A. (“ING”) to purchase a property located in Belgium for €1.12 million Euros, maturing May 2031. As of September 30, 2019, the balance payable was \$633,861.

In 2018, the Company entered into a finance lease with BNP Paribas leasing solutions to purchase a freezer for the Belgium facility for €25,000 Euros, maturing January 2022. The leased equipment is amortized on a straight-line basis over 5 years. As of September 30, 2019, the balance payable was \$21,217.

The following is a schedule showing the future minimum lease payments under finance leases by years and the present value of the minimum payments as of September 30, 2019.

2019	\$	39,442
2020	\$	111,379
2021	\$	67,952
2022	\$	60,035
2023	\$	58,665
Greater than 5 years	\$	491,296
Total	\$	828,769
Less: Amount representing interest	\$	(108,346)
<b>Present value of minimum lease payments</b>	<b>\$</b>	<b><u>720,423</u></b>

**b) Operating Lease Right-of-Use Obligations**

The Company adopted Topic 842 on January 1, 2019. The Company elected to adopt this standard using the optional modified retrospective transition method and recognized a cumulative-effect adjustment to the condensed consolidated balance sheet on the date of adoption. Prior periods have not been restated. With the adoption of Topic 842, the Company’s condensed consolidated balance sheet now contains the following line items: Operating lease right-of-use assets, Current portion of operating lease liabilities and Operating lease liabilities, net of current portion.

As all the existing leases subject to the new lease standard were previously classified as operating leases by the Company, they were similarly classified as operating leases under the new standard. The Company has determined that the identified operating leases did not contain non-lease components and require no further allocation of the total lease cost. Additionally, the agreements in place did not contain information to determine the rate implicit in the leases, so we used our incremental borrowing rate as the discount rate. Our weighted average discount rate is 4.44% and the weighted average remaining lease term is 21 months.

As of September 30, 2019, operating lease right-of-use assets and liabilities arising from operating leases were \$193,918 and \$196,451, respectively. During the nine months ended September 30, 2019, cash paid for amounts included for the measurement of lease liabilities was \$53,393 and the Company recorded operating lease expense of \$48,393.

The following is a schedule showing the future minimum lease payments under operating leases by years and the present value of the minimum payments as of September 30, 2019.

2019 - remaining	\$	24,122
2020	\$	96,796
2021	\$	64,717
2022	\$	21,180
Total Operating Lease Obligations	\$	206,815
Less: Amount representing interest	\$	(10,364)
<b>Present Value of minimum lease payments</b>	<b>\$</b>	<b><u>196,451</u></b>

**Note 8 – Commitments and Contingencies (continued)**

**b) Operating Lease Right-of-Use Obligations (continued)**

The Company's office space leases are short term and the Company has elected under the short-term recognition exemption not to recognize them on the balance sheet. During the nine months ended September 30, 2019, \$129,121 was recognized in short-term lease costs associated with office space leases. The annual payments remaining for short-term office leases were as follows:

2019	\$	43,749
2020	\$	25,326
<b>Total Operating Lease Obligations</b>	<b>\$</b>	<b><u>69,075</u></b>

**c) Grants Repayable**

In 2010, the Company entered into an agreement with the Walloon Region government in Belgium for a colorectal cancer research grant for €1.05 million Euros. Per the terms of the agreement, €314,406 Euros of the grant is to be repaid, by instalments over the period from June 30, 2014 to June 30, 2023. The Company has recorded the balance of €733,614 Euros to other income in previous years as there is no obligation to repay this amount. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 6% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €314,406 Euros and the 6% royalty on revenue, is twice the amount of funding received. As of September 30, 2019, the grant balance repayable was \$133,506.

In 2018, the Company entered into an agreement with the Walloon Region government in Belgium for a colorectal cancer research grant for €605,000 Euros. Per the terms of the agreement, €181,500 Euros of the grant is to be repaid by instalments over 12 years commencing in 2020. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 3.53% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €181,500 Euros and the 3.53% royalty on revenue, is equal to the amount of funding received. As of September 30, 2019, the grant balance repayable was \$194,160.

As of September 30, 2019, the total grant balance repayable was \$327,666 and the payments remaining were as follows:

2020	\$	51,371
2021	\$	48,542
2022	\$	45,918
2023	\$	47,054
2024 - Greater than 5 years	\$	134,781
<b>Total Grants Repayable</b>	<b>\$</b>	<b><u>327,666</u></b>

**d) Long-Term Debt**

In 2016, the Company entered into a 7-year loan agreement with Namur Invest for €440,000 Euros with a fixed interest rate of 4.85%. As of September 30, 2019, the principal balance payable was \$330,561.

In 2016, the Company entered into a 15-year loan agreement with ING for €270,000 Euros with a fixed interest rate of 2.62%. As of September 30, 2019, the principal balance payable was \$249,679.

In 2017, the Company entered into a 4-year loan agreement with Namur Invest for €350,000 Euros with a fixed interest rate of 4.00%. As of September 30, 2019, the principal balance payable was \$197,536.

In 2017, the Company entered into a 7-year loan agreement with SOFINEX for up to €1 million Euros with a fixed interest rate of 4.50%. As of September 30, 2019, €1 million Euros has been drawn down under this agreement and the principal balance payable was \$1,090,686.

In 2018, the Company entered into a 4-year loan agreement with Namur Innovation and Growth for €500,000 Euros with a fixed interest rate of 4.00%. As of September 30, 2019, the principal balance payable was \$434,813.

**VOLITIONRX LIMITED**  
Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 8 – Commitments and Contingencies (continued)**

**d) Long-Term Debt (continued)**

As of September 30, 2019, the total balance for long-term debt payable was approximately \$2.3 million and the payments remaining were as follows:

2019 - remaining	\$	165,574
2020	\$	655,862
2021	\$	587,387
2022	\$	435,423
2023	\$	341,991
Greater than 5 years	\$	<u>360,512</u>
Total	\$	2,546,749
Less: Amount representing interest	\$	<u>(243,474)</u>
<b>Total Long-Term Debt</b>	<b>\$</b>	<b><u>2,303,275</u></b>

**e) Collaborative Agreement Obligations**

In 2015, the Company entered into a research sponsorship agreement with DKFZ in Germany for a 3-year period for €338,984 Euros. As of September 30, 2019, \$81,801 is still to be paid by the Company under this agreement.

In 2016, the Company entered into a research co-operation agreement with DKFZ in Germany for a 5-year period for €400,000 Euros. As of September 30, 2019, \$218,139 is still to be paid by the Company under this agreement.

In 2016, the Company entered into a collaborative research agreement with Munich University in Germany for a 3-year period for €360,000 Euros. As of September 30, 2019, \$159,240 is still to be paid by the Company under this agreement.

In 2017, the Company entered into a clinical study research agreement with the University of Michigan for a 3-year period for up to \$3 million. As of September 30, 2019, up to \$138,000 is still to be paid by the Company under this agreement.

In 2018, the Company entered into a research collaboration agreement with the University of Taiwan for a 3-year period for a cost to the Company of up to \$2.55 million payable over such period. As of September 30, 2019, \$1.66 million is still to be paid by the Company under this agreement.

In 2019, the Company entered into a research collaboration agreement with the University of Taiwan to collect a total of 1,200 samples for a 2-year period for a cost to the Company of up to \$320,000 payable over such period. As of September 30, 2019, \$288,000 is still to be paid by the Company under this agreement.

As of September 30, 2019, the total amount to be paid for existing research and collaboration commitments was approximately \$2.54 million and the annual payments remaining were as follows:

2019 - remaining	\$	554,293
2020	\$	999,887
2021	\$	<u>988,500</u>
<b>Total Collaborative Agreement Obligations</b>	<b>\$</b>	<b><u>2,542,680</u></b>

**VOLITIONRX LIMITED**  
Notes to the Condensed Consolidated Financial Statements (Unaudited)  
(\$ expressed in United States Dollars)

**Note 8 – Commitments and Contingencies (continued)**

**f) Other Commitments**

On August 7, 2019, the Company entered into a consulting services agreement with Novis Animal Solutions LLC to provide chief executive officer services for Volition Vet in exchange for payment of consultancy fees and a potential equity interest of 5% in Volition Vet upon achievement of revenue milestones.

**g) Legal Proceedings**

There are no legal proceedings which the Company believes will have a material adverse effect on its financial position.

**Note 9 – Subsequent Events**

On October 25, 2019, the Company entered into agreements with Texas A&M University to develop veterinary diagnostic products in exchange for an approximate 12.5% equity stake in Volition Vet as well as payment by the Company of an aggregate of \$400,000 to Texas A&M University and affiliated entities towards the collaboration.

END NOTES TO FINANCIALS

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

***Cautionary Note Regarding Forward-Looking Statements***

*This Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019, or this Report, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Report or incorporated by reference into this Report are forward-looking statements. These statements include, among other things, any predictions of earnings, revenues, expenses or other financial items; plans or expectations with respect to our development activities or business strategy; statements concerning clinical studies and results; statements concerning industry trends; statements regarding anticipated demand for our products, or the products of our competitors; statements relating to manufacturing forecasts, and the potential impact of our relationship with contract manufacturers and original equipment manufacturers on our business; statements relating to the commercialization of our products, assumptions regarding the future cost and potential benefits of our research and development efforts; forecasts of our liquidity position or available cash resources; statements relating to the impact of pending litigation; and statements relating to the assumptions underlying any of the foregoing. Throughout this Report, we have attempted to identify forward-looking statements by using words such as "may," "believe," "will," "could," "project," "anticipate," "expect," "estimate," "should," "continue," "potential," "plan," "forecasts," "goal," "seek," "intend," other forms of these words or similar words or expressions or the negative thereof (although not all forward-looking statements contain these words).*

*We have based our forward-looking statements on our current expectations and projections about trends affecting our business and industry and other future events. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance, to differ materially from our historical results or those expressed or implied in any forward-looking statement contained in this Report. For instance, if we fail to develop and commercialize diagnostic products, we may be unable to execute our plan of operations. Other risks and uncertainties include our failure to obtain necessary regulatory clearances or approvals to distribute and market future products in the veterinary or clinical in-vitro diagnostics, or IVD, market; a failure by the marketplace to accept the products in our development pipeline or any other diagnostic products we might develop; we will face fierce competition and our intended products may become obsolete due to the highly competitive nature of the diagnostics market and its rapid technological change; and other risks identified elsewhere in this Report, as well as in our other filings with the Securities and Exchange Commission, or the SEC. In addition, actual results may differ as a result of additional risks and uncertainties of which we are currently unaware or which we do not currently view as material to our business. For these reasons, readers are cautioned not to place undue reliance on any forward-looking statements.*

*You should read this Report in its entirety, together with our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the SEC on March 13, 2019, or our Annual Report, the documents that we file as exhibits to this Report and the documents that we incorporate by reference into this Report, with the understanding that our future results may be materially different from what we currently expect. The forward-looking statements we make speak only as of the date on which they are made. We expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof to conform such statements to actual results or to changes in our opinions or expectations. If we do update or correct any forward-looking statements, readers should not conclude that we will make additional updates or corrections.*

## ***Company Overview***

VolitionRx is a multi-national life sciences company that applies its Nucleosomics™ platform through its subsidiaries to develop and bring to market simple, easy to use, cost-effective blood tests designed to help diagnose a range of cancers and other diseases. We hope that through earlier diagnosis we can help save and improve the quality of many people's lives throughout the world.

Our tests are based mainly on the science of Nucleosomics, which is the practice of identifying and measuring nucleosomes in the bloodstream or other bodily fluid - since changes in these parameters are an indication that disease is present. We are developing a novel suite of blood assays for epigenetically-altered circulating nucleosomes as biomarkers in cancer and other diseases. Nu.Q™ products are simple, low-cost, enzyme-linked immunosorbent assay, or ELISA, platform tests and can incorporate other biomarkers such as anti-inflammatory markers and/or off patent, low cost ELISA tests in our panels (e.g. CEA, PSA, and CA125) for higher accuracy. We have successfully used our technology platform to develop Research Use Only kits that are being sold through our licensee, Active Motif, Inc., and offer laboratory analytical services to other scientific institutions. We are at the early stages of revenue for these services.

Our diagnostic target in the blood includes the same tumor chromosome fragment as targeted by ctDNA tests, but our approach is to test for chromosome protein and nucleic acid changes in intact chromosome fragments by ELISA, rather than chemically extracting, amplifying, and sequencing the circulating tumor DNA, or ctDNA, and discarding the rest of the nucleosome. ELISA is possible because the targets of our tests occur globally across all nucleosomes within a tumor cell, whereas individual ctDNA changes must be identified within the three billion base-pair genomes. This means that the targets of our tests are exponentially more prevalent in circulating blood, and detectable using simple laboratory methods.

We are developing blood-based tests for the most prevalent cancers focusing on colorectal cancer, lung cancer, prostate cancer and pancreatic cancer, using our Nucleosomics biomarker discovery platform. Our development pipeline includes assays to be used for symptomatic patients, asymptomatic (screening) patients and high-risk populations. The platform employs a range of simple Nu.Q immunoassays on industry standard ELISA formats, which allows more rapid quantification of epigenetic changes in biofluids (whole blood, plasma, serum, sputum, urine, etc.) than afforded by other approaches such as bisulfite conversion and polymerase chain reaction. We are researching the use of our assays across multiple platforms worldwide.

We believe that given the global prevalence of cancer and the low cost, accessible routine nature of our tests, Nu.Q will eventually be used throughout the world. Our launch sequence is determined to a large extent by regulatory hurdles - consequently, we aim to launch in Europe and Asia, and subsequently in the United States. We plan to work with partners and/or distributors to commercialize Nu.Q worldwide. Additionally, we are working on complete Nucleosome analysis (Nu.Q Capture). The goal of this project is to investigate ways to specifically target ctDNA. The ability to enrich for ctDNA will allow us to use mass spectrometry to analyze histone and DNA modifications and moreover to sequence the DNA present around the nucleosomes. This extremely valuable information might enable cancer diagnosis to identify the tissue of origin of that given cancer.

In addition to human diagnostics we are also researching the use of the Nu.Q technology in veterinary applications. An initial proof of concept study demonstrated that nucleosomes can be detected in dogs and, therefore, the potential to differentiate cancer from other diseases. We will now test Nu.Q Vet in larger trials in veterinary medicine. Our extensive intellectual property portfolio includes coverage of veterinary medicine applications.

The U.S. is currently the largest veterinary market in the world and has a clearly defined regulatory pathway via the USDA, requiring fewer and smaller clinical studies than the FDA process for human diagnostics. This generally allows a much faster route to revenue for veterinary products as compared to human products.

### ***Overview of Plan of Operations***

We have identified the specific processes and resources required to achieve the near and medium-term objectives of our business plan, including personnel, facilities, equipment, research and testing materials including antibodies and clinical samples, and the protection of intellectual property. To date, operations have proceeded satisfactorily in relation to our business plan. However, it is possible that some resources will not readily become available in a suitable form or on a timely basis or at an acceptable cost. It is also possible that the results of some processes may not be as expected, and that modifications of procedures and materials may be required. Such events could result in delays to the achievement of the near and medium-term objectives of our business plan, in particular the progression of clinical validation studies and regulatory approval processes for the purpose of bringing products to the IVD and veterinary markets.

Our future as an operating business will depend on our ability to obtain sufficient capital contributions, financing and/or generate revenues as may be required to sustain our operations. Management plans to address the above as needed by: (a) securing additional grant funds; (b) obtaining additional equity or debt financing; (c) granting licenses to third parties in exchange for specified up-front and/or back-end payments; and (d) developing and commercializing our products on an accelerated timeline. Management continues to exercise tight cost controls to conserve cash.

Our ability to continue as a going concern is dependent upon our accomplishment of the plans described in the preceding paragraph and eventually to attain profitable operations. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. If we are unable to obtain adequate capital, we could be forced to cease operations.

### **Liquidity and Capital Resources**

We have financed our operations since inception primarily through private placements and public offerings of our common stock. As of September 30, 2019, we had cash and cash equivalents of approximately \$19.7 million.

Net cash used in operating activities was \$10.1 million and \$11.1 million for the nine months ended September 30, 2019 and September 30, 2018, respectively. The decrease in cash used in operating activities was primarily due to decreased expenditures on research and development and general and administrative activities.

Net cash used in investing activities was \$0.4 million and \$0.2 million for the nine months ended September 30, 2019 and September 30, 2018, respectively. The increase was primarily due to investment in software and laboratory equipment.

Net cash provided by financing activities was \$16.4 million and \$17.3 million for the nine months ended September 30, 2019 and September 30, 2018, respectively. The decrease in cash provided by financing activities for the period ended September 30, 2019 when compared to same period in 2018 was primarily due to \$16.5 million in cash received from the exercise of warrants in 2019 compared to \$16.8 million in net cash proceeds through the sale and issuance of 8.5 million shares of common stock in 2018.

The following table summarizes our approximate contractual payments due by year as of September 30, 2019.

#### **Approximate Payments (Including Interest) Due by Year**

Description	Total \$	2019	2020 - 2023	2024 +
		(Remaining) \$		
Finance Lease Obligations	828,769	39,442	298,031	491,296
Operating Lease Obligations	275,890	67,871	208,019	-
Grants Repayable	327,666	-	192,885	134,781
Long-Term Debt	2,546,749	165,574	2,020,663	360,512
Collaborative Agreements Obligations	2,542,680	554,293	1,988,387	-
Total	<u>6,521,754</u>	<u>827,180</u>	<u>4,707,985</u>	<u>986,589</u>

We intend to use our cash reserves to predominantly fund further research and development activities. We do not currently have any substantial source of revenues and expect to rely on additional future financing, through the sale of equity or debt securities, or the sale of licensing rights, to provide sufficient funding to execute our strategic plan. There is no assurance that we will be successful in raising further funds.

In the event that additional financing is delayed, we will prioritize the maintenance of our research and development personnel and facilities, primarily in Belgium, and the maintenance of our patent rights. In such instance, the completion of clinical validation studies and regulatory approval processes for the purpose of bringing products to the IVD and veterinary market would be delayed. In the event of an ongoing lack of financing, it may be necessary to discontinue operations, which will adversely affect the value of our common stock.

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive activities. For these reasons, our auditors stated in their report on our audited financial statements for the fiscal year ended December 31, 2018 an explanatory paragraph regarding factors that raise substantial doubt that we will be able to continue as a going concern.

## Results of Operations

### Comparison of the Three Months Ended September 30, 2019 and September 30, 2018

The following table sets forth our results of operations for the three months ended on September 30, 2019 and September 30, 2018, respectively:

	Three Months ended September 30,		Increase (Decrease) \$	Percentage Increase (Decrease) %
	2019 \$	2018 \$		
Service	16,204	-	16,204	-%
Royalty	892	-	892	-%
Total Revenues	17,096	-	17,096	-%
Research and development	2,642,610	2,737,856	(95,246)	(3%)
General and administrative	1,354,992	1,450,383	(95,391)	(7%)
Sales and marketing	195,641	259,302	(63,661)	(25%)
Total Operating Expenses	(4,193,243)	(4,447,541)	(254,298)	(6%)
Interest income	27,633	-	27,633	-%
Interest expense	(32,291)	(29,108)	3,183	11%
Total Other Expenses	(4,658)	(29,108)	(24,450)	(84%)
Net Loss	(4,180,805)	(4,476,649)	(295,844)	(7%)
Net Loss Per Share – Basic and Diluted	(0.10)	(0.14)	(0.04)	(29%)
Weighted Average Shares Outstanding - Basic and Diluted	39,880,246	32,826,924	7,053,322	21%

#### Revenues

Our operations are still predominantly in the research and development stage and we had limited revenues of \$17,096 and \$nil during the three months ended September 30, 2019 and September 30, 2018, respectively.

#### Operating Expenses

Total operating expenses decreased to \$4.2 million from \$4.4 million for the three months ended September 30, 2019 and September 30, 2018, respectively, as a result of the factors described below.

#### Research and Development Expenses

Research and development expenses decreased to \$2.6 million from \$2.7 million for the three months ended September 30, 2019 and September 30, 2018, respectively. This was primarily due to less work undertaken with our collaboration partners, partially offset by increased laboratory costs and personnel costs.

	Three Months ended September 30,		Change \$
	2019 \$	2018 \$	
Personnel expenses	992,868	856,508	136,360
Stock-based compensation	99,423	126,879	(27,456)
Direct research and development expenses	1,048,195	1,473,139	(424,944)
Other research and development	328,611	131,739	196,872
Depreciation and amortization	173,513	149,591	23,922
Total research and development expenses	2,642,610	2,737,856	(95,246)



### General and Administrative Expenses

General and administrative expenses decreased to \$1.4 million from \$1.5 million for the three months ended September 30, 2019 and September 30, 2018, respectively. This was primarily due to lower stock-based compensation costs and legal and professional fees, partially offset by higher foreign exchange costs.

	Three Months ended		
	September 30,		
	2019	2018	Change
	\$	\$	\$
Personnel expenses	562,964	539,778	23,186
Stock-based compensation	224,874	328,153	(103,279)
Legal and professional fees	196,020	371,700	(175,680)
Other general and administrative	349,733	201,983	147,750
Depreciation and amortization	21,401	8,769	12,632
Total general and administrative expenses	<u>1,354,992</u>	<u>1,450,383</u>	<u>(95,391)</u>

### Sales and Marketing Expenses

Sales and marketing expenses decreased to \$195,641 from \$259,302 for the three months ended September 30, 2019 and September 30, 2018, respectively. This decrease was primarily related to lower salary costs during the period.

	Three Months ended		
	September 30,		
	2019	2018	Change
	\$	\$	\$
Personnel expenses	135,680	206,527	(70,847)
Stock-based compensation	46,088	34,307	11,781
Direct marketing and professional fees	13,873	18,468	(4,595)
Total sales and marketing expenses	<u>195,641</u>	<u>259,302</u>	<u>(63,661)</u>

### Other Expenses

The Company's other expenses decreased to \$4,658 compared to \$29,108 for the three months ended September 30, 2019 and September 30, 2018, respectively. This decrease was primarily due to interest income received from cash on an overnight money market account deposit, partially offset by additional interest expense on long-term debt.

### Net Loss

For the three months ended September 30, 2019, the Company's net loss was \$4.2 million, a decrease of approximately \$0.3 million, or 7%, in comparison to a net loss of \$4.5 million for the three months ended September 30, 2018. The change was a result of the factors described above.

**Comparison of the Nine Months Ended September 30, 2019 and September 30, 2018**

The following table sets forth our results of operations for the nine months ended on September 30, 2019 and September 30, 2018, respectively:

	Nine Months Ended September 30,		Increase (Decrease) \$	Percentage Increase (Decrease) %
	2019 \$	2018 \$		
Service	16,204	-	16,204	-%
Royalty	892	-	892	-%
<b>Total Revenues</b>	<b>17,096</b>	<b>-</b>	<b>17,096</b>	<b>-%</b>
Research and development	7,596,097	7,847,531	(251,434)	(3%)
General and administrative	4,020,893	4,949,716	(928,823)	(19%)
Sales and marketing	718,047	845,253	(127,206)	(15%)
<b>Total Operating Expenses</b>	<b>(12,335,037)</b>	<b>(13,642,500)</b>	<b>(1,307,463)</b>	<b>(10%)</b>
Interest income	68,656	-	68,656	-%
Interest expense	(95,507)	(78,646)	(16,861)	21%
Other expenses	(196,957)	-	(196,957)	-%
<b>Total Other Expenses</b>	<b>(223,808)</b>	<b>(78,646)</b>	<b>145,162</b>	<b>185%</b>
<b>Net Loss</b>	<b>(12,541,749)</b>	<b>(13,721,146)</b>	<b>(1,179,397)</b>	<b>(9%)</b>
<b>Net Loss Per Share – Basic and Diluted</b>	<b>(0.33)</b>	<b>(0.46)</b>	<b>(0.13)</b>	<b>(28%)</b>
<b>Weighted Average Shares Outstanding - Basic and Diluted</b>	<b>38,538,394</b>	<b>30,071,635</b>	<b>8,466,759</b>	<b>28%</b>

**Revenues**

Our operations are still predominantly in the research and development stage and we had limited revenues of \$17,096 and \$nil during the nine months ended September 30, 2019 and September 30, 2018, respectively.

**Operating Expenses**

Total operating expenses decreased to \$12.3 million from \$13.6 million for the nine months ended September 30, 2019 and September 30, 2018, respectively as a result of the factors described below.

**Research and Development Expenses**

Research and development expenses decreased to \$7.6 million from \$7.8 million for the nine months ended September 30, 2019 and September 30, 2018, respectively. This decrease was primarily due to less work undertaken with our collaboration partners, partially offset by increased laboratory costs and sample costs.

	Nine Months Ended September 30,		
	2019 \$	2018 \$	Change \$
Personnel expenses	2,850,614	2,669,426	181,188
Stock-based compensation	298,686	466,908	(168,222)
Direct research and development expenses	3,276,582	4,047,852	(771,270)
Other research and development	651,764	213,774	437,990
Depreciation and amortization	518,451	449,571	68,880
<b>Total research and development expenses</b>	<b>7,596,097</b>	<b>7,847,531</b>	<b>(251,434)</b>

## General and Administrative Expenses

General and administrative expenses decreased to \$4.0 million from \$4.9 million for the nine months ended September 30, 2019 and September 30, 2018, respectively. This decrease was primarily due to lower stock-based compensation charges and reduced legal fees as a result of decreased external capital raising activities in 2019.

	Nine Months Ended		
	September 30,		
	2019	2018	Change
	\$	\$	\$
Personnel expenses	1,688,747	1,629,390	59,357
Stock-based compensation	655,639	1,278,634	(622,995)
Legal and professional fees	882,815	1,209,772	(326,957)
Other general and administrative	751,320	804,921	(53,601)
Depreciation and amortization	42,372	26,999	15,373
Total general and administrative expenses	<u>4,020,893</u>	<u>4,949,716</u>	<u>(928,823)</u>

## Sales and Marketing Expenses

Sales and marketing expenses decreased to \$718,047 from \$845,253 for the nine months ended September 30, 2019 and September 30, 2018, respectively. This decrease was primarily due to decreased marketing and professional fees and as well as reduced salary expenditures during the period.

	Nine Months Ended		
	September 30,		
	2019	2018	Change
	\$	\$	\$
Personnel expenses	463,466	515,704	(52,238)
Stock-based compensation	136,368	136,418	(50)
Direct marketing and professional fees	118,213	193,131	(74,918)
Total sales and marketing expenses	<u>718,047</u>	<u>845,253</u>	<u>(127,206)</u>

## Other Expenses

The Company's other expenses increased to \$223,808 from \$78,646 for the nine months ended September 30, 2019 and September 30, 2018, respectively. This increase was primarily due the exercise of warrants to purchase approximately 1.7 million shares of our common stock by Cotterford Company Limited during the 2019 period at an amended price of \$2.90 which resulted in a \$196,957 expense, partially offset by interest income received from cash deposited in an overnight money market account.

## Net Loss

For the nine months ended September 30, 2019, the Company's net loss was \$12.5 million, a decrease of approximately \$1.2 million, or 9%, in comparison to a net loss of \$13.7 million for the nine months ended September 30, 2018. The change was a result of the factors described above.

## Going Concern

We have not attained profitable operations and are dependent upon obtaining external financing to continue to pursue our operational and strategic plans. For these reasons, management has determined that there is substantial doubt that the business will be able to continue as a going concern without further financing.

## Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

### ***Future Financings***

We may seek to obtain additional capital through the sale of debt or equity securities, if we deem it desirable or necessary. However, we may be unable to obtain such additional capital when needed, or on terms favorable to us or our stockholders, if at all. If we raise additional funds by issuing equity securities, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution, or such equity securities may provide for rights, preferences or privileges senior to those of the holders of our common stock. If additional funds are raised through the issuance of debt securities, the terms of such securities may place restrictions on our ability to operate our business.

### ***Critical Accounting Policies***

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, applied on a consistent basis. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

### ***Recently Issued Accounting Pronouncements***

The Company has implemented all applicable new accounting pronouncements that are in effect. The Company does not believe that there are any other applicable new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

## **ITEM 4. CONTROLS AND PROCEDURES**

### ***Disclosure Controls and Procedures***

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our Principal Executive and Principal Financial Officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded, as they previously concluded as of December 31, 2018, that our disclosure controls and procedures continue to not be effective as of September 30, 2019, because of material weaknesses in our internal control over financial reporting, as described below and in detail in our Annual Report.

### ***Changes in Internal Control over Financial Reporting***

The Audit Committee of the Board of Directors meets regularly with our financial management, and with the independent registered public accounting firm engaged by us. Internal accounting controls and the quality of financial reporting are discussed during these meetings. The Audit Committee has discussed with the independent registered public accounting firm matters required to be discussed by the auditing standards adopted or established by the Public Company Accounting Oversight Board ("PCAOB"). In addition, the Audit Committee and the independent registered public accounting firm have discussed the independent registered public accounting firm's independence from the Company and its management, including the matters in the written disclosures required by PCAOB Rule 3526 "*Communicating with Audit Committees Concerning Independence*".

As of September 30, 2019, we did not maintain sufficient internal controls over financial reporting due to insufficient:

- ① segregation of duties in some areas of Finance;
- ② oversight in the area of Information Technology, where certain processes may affect the internal controls over financial reporting; and
- ③ monitoring of review controls with respect to accounting for complex transactions.

We have developed, and are currently implementing, a remediation plan for these material weaknesses. Specifically, we have identified and selected a system for financial reporting that will allow further automation of the reporting process, thereby strengthening the control environment over financial reporting.

As we continue to evaluate and work to enhance our internal controls over financial reporting, we may determine that additional measures should be taken to address these or other control deficiencies, and/or that we should modify our remediation plan.

There have been no changes in our internal controls over financial reporting that occurred during the fiscal quarter ended September 30, 2019, other than those described above, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

***Limitations of the Effectiveness of Disclosure Controls and Internal Controls***

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**PART II OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

In the ordinary course of business, we may be subject to claims, counter claims, suits and other litigation of the type that generally arise from the conduct of our business. We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our directors, officers or any affiliates, or any registered or beneficial shareholders, is an adverse party or has a material interest adverse to our interest.

**ITEM 1A. RISK FACTORS**

There have been no material changes in our assessment of risk factors affecting our business since those presented in Part I, Item 1A of our Annual Report.

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

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Exhibit Description</b>	<b>Incorporated by Reference</b>				<b>Filed Herewith</b>
		<b>Form</b>	<b>File No.</b>	<b>Exhibit</b>	<b>Filing Date</b>	
<a href="#">31.1</a>	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
<a href="#">31.2</a>	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
<a href="#">32.1*</a>	Certifications 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.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X

\* The certifications attached as Exhibit 32.1 accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any such filing.

**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.

**VOLITIONRX LIMITED**

Dated: November 12, 2019

By: /s/ Cameron Reynolds  
Cameron Reynolds  
President and Chief Executive Officer  
(Authorized Signatory and Principal Executive Officer)

Dated: November 12, 2019

By: /s/ David Vanston  
David Vanston  
Chief Financial Officer and Treasurer  
(Authorized Signatory and Principal Financial and Accounting Officer)



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cameron Reynolds, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VolitionRx Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2019

*/s/ Cameron Reynolds*

\_\_\_\_\_  
Cameron Reynolds

President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Vanston, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VolitionRx Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2019

/s/ David Vanston

David Vanston  
Chief Financial Officer and Treasurer

**CERTIFICATIONS 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**

The following certifications are hereby made in connection with the Quarterly Report on Form 10-Q of VolitionRx Limited (the "Company") for the quarterly period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

I, Cameron Reynolds, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: November 12, 2019

/s/ Cameron Reynolds

Cameron Reynolds  
President and Chief Executive Officer

I, David Vanston, Chief Financial Officer and Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: November 12, 2019

/s/ David Vanston

David Vanston  
Chief Financial Officer and Treasurer