

VOLITIONRX LTD  
Form 10-Q  
May 13, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended **March 31, 2016**

**. 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.)

**1 Scotts Road**

**#24-05 Shaw Centre**

**Singapore 228208**

(Address of principal executive offices)

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

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).  Yes  No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

.

Smaller Reporting Company

X .

(Do not check if smaller reporting company)

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

. Yes X . No

As of May 13, 2016, there were 23,400,488 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 MONTHS ENDED MARCH 31, 2016**

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Please note that throughout this Quarterly Report, and unless otherwise noted, the words "we," "our," "us," the "Company," or "VNRX" refers to VolitionRx Limited.

**PART I - FINANCIAL INFORMATION**

**ITEM 1.**

**FINANCIAL STATEMENTS**

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**VOLITIONRX LIMITED**

## Condensed Consolidated Balance Sheets

(Expressed in US dollars, except share numbers)

	March 31, 2016	December 31, 2015
	\$ (UNAUDITED)	\$
<b>ASSETS</b>		
Cash and cash equivalents	17,007,462	5,916,006
Prepaid expenses	257,783	152,926
Other current assets	164,310	153,723
Total Current Assets	17,429,555	6,222,655
Property and equipment, net	763,905	783,805
Intangible assets, net	706,795	705,381
Total Assets	18,900,255	7,711,841
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,011,977	712,160
Management and directors' fees payable	81,274	71,893
Current portion of capital lease liability	85,223	81,338
Deferred grant income	228,397	219,360
Current portion of grant repayable	36,337	34,899
Total Current Liabilities	1,443,208	1,119,650
Capital lease liability, net of current portion	290,709	299,863
Grant repayable, net of current portion	258,226	248,009
Total Liabilities	1,992,143	1,667,522
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock		
Authorized: 1,000,000 shares of preferred stock, at \$0.001 par value		
Issued and outstanding: Nil shares and Nil shares, respectively		

Common Stock

Authorized: 100,000,000 shares of common stock, at \$0.001 par value

Issued and outstanding: 23,397,887 shares and 18,763,272 shares, respectively	23,398	18,763
Additional paid-in capital	48,482,826	35,149,420
Accumulated other comprehensive loss	(65,791)	(84,171)
Accumulated Deficit	(31,532,321)	(29,039,693)
Total Stockholders Equity	16,908,112	6,044,319
Total Liabilities and Stockholders Equity	18,900,255	7,711,841

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



**VOLITIONRX LIMITED**

## Condensed Consolidated Statements of Operations and Comprehensive Loss

(Expressed in US dollars, except share numbers)

(Unaudited)

	For the three months ended	For the three months ended
	March 31, 2016	March 31, 2015
	\$	\$
Revenue		
Expenses		
General and administrative	228,195	247,758
Professional fees	473,268	551,799
Salaries and office administrative fees	328,345	339,537
Research and development	1,462,820	1,210,782
Total Operating Expenses	2,492,628	2,349,876
Net Operating Loss	(2,492,628)	(2,349,876)
Other Income		
Gain on derivative re-measurement		339,744
Net Other Income		339,744
Income taxes		
Net Loss	(2,492,628)	(2,010,132)
Other Comprehensive Income/( Loss)		
Foreign currency translation adjustments	18,380	(21,140)
Total Other Comprehensive Income/(Loss)	18,380	(21,140)
Net Comprehensive Loss		(2,031,272)

		(2,474,248)	
Net Loss per Share	Basic and Diluted	(0.13)	(0.12)
Weighted Average Shares Outstanding			
Basic and Diluted		19,289,484	16,461,816

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

**VOLITIONRX LIMITED**

## Condensed Consolidated Statements of Cash Flows

(Expressed in US dollars)

(Unaudited)

	For the three months ended March 31,	For the three months ended March 31,
	2016	2015
	\$	\$
<b>Operating Activities</b>		
Net loss	(2,492,628)	(2,010,132)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	72,243	40,158
Stock based compensation	152,657	296,548
(Gain)/loss on warrant re-measurement	(71,647)	261
Gain on derivative re-measurement	-	(339,744)
Changes in operating assets and liabilities:		
Prepaid expenses	(102,934)	(91,227)
Other current assets	(5,376)	(20,206)
Accounts payable and accrued liabilities	286,250	(81,476)
Net Cash Used In Operating Activities	(2,161,435)	(2,205,818)
<b>Investing Activities</b>		
Purchases of patents	-	(55,000)
Purchases of property and equipment	-	(18,302)
Net Cash Used in Investing Activities	-	(73,302)
<b>Financing Activities</b>		
Net proceeds from issuance of common shares	13,257,030	11,203,421
Capital lease funding	(20,370)	-
Net Cash Provided By Financing Activities	13,236,660	11,203,421
Effect of foreign exchange on cash	16,231	(31,888)
Increase in Cash	11,091,456	8,892,413

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Cash and cash equivalents	Beginning of Period	5,916,006	2,138,964
Cash and cash equivalents	End of Period	17,007,462	11,031,377
Supplemental Disclosures of Cash Flow Information:			
Interest paid		2,364	-
Income tax paid		-	-
Non Cash Investing and Financing Activities:			
Reduction in derivative liability		-	1,237,896

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

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 1 - Condensed Financial Statements**

The accompanying unaudited financial statements have been prepared by VolitionRx Limited (the Company) without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at March 31, 2016, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed unaudited financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2015 audited financial statements. The results of operations for the periods ended March 31, 2016 and 2015 are not necessarily indicative of the operating results for the full years.

**Note 2 - Going Concern**

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America 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 \$31,532,321 and currently has no revenues, which creates substantial doubt about its ability to continue as a going concern.

The future of the Company as an operating business will depend on its ability to obtain sufficient capital contributions and/or financing as may be required to sustain its operations. Management's plan to address this need includes, (a) continued exercise of tight cost controls to conserve cash, (b) receiving additional grant funds, and (c) obtaining additional financing through debt or equity financing.

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 secure other sources of financing and attain profitable operations. The accompanying 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.

### **Note 3 - Summary of Significant Accounting Policies**

#### Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also regularly evaluates estimates and assumptions related to deferred income tax asset valuation allowances. 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 March 31, 2016 include the accounts of the Company and its wholly-owned subsidiaries, Singapore Volition Pte. Limited, Belgian Volition S.A., Hypergenomics Pte. Limited and Volition Diagnostics UK Limited. All significant intercompany balances and transactions have been eliminated in consolidation.

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 3 - Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at March 31, 2016 and December 31, 2015, the Company had \$17,007,462 and \$5,916,006, respectively, in cash and cash equivalents. At March 31, 2016 and December 31, 2015 the Company had approximately \$13,278,751 and \$762,187 in its domestic accounts in excess of Federal Deposit Insurance Corporation insured limits, respectively. At March 31, 2016 and December 31, 2015 the Company had approximately \$31,336 and \$395,100 in its foreign accounts in excess of the Belgian Deposit Guarantee insured limits, respectively. At March 31, 2016 and December 31, 2015 the Company had approximately \$3,296,622 and \$4,338,088 in its foreign accounts in excess of the Singapore Deposit Insurance Scheme, respectively.

Basic and Diluted Net Loss Per Share

The Company computes net loss per share in accordance with 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 shareholders (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 and convertible preferred stock using the if-converted 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 March 31, 2016, 1,313,892 dilutive warrants and options and 925,432 potentially dilutive warrants and options were excluded from the Diluted EPS calculation as their effect is anti-dilutive.

Foreign Currency Translation

The Company's functional currency is the Euro and its reporting currency is the United States dollar. Management has adopted ASC 830-20, Foreign Currency Matters - Foreign Currency Transactions. All assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. For revenues and expenses, the weighted average exchange rate for the period is used. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in other comprehensive loss.

#### Recent Accounting Pronouncements

Management has considered all recent accounting pronouncements issued since the last audit of our consolidated financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's consolidated financial statements.

#### Property and Equipment

Property and equipment is stated at cost and is amortized on a straight-line basis, at the following rates:

Computer Hardware	3 years
Laboratory Equipment	5 years
Equipment held under Capital Lease	5 years
Office Furniture and Equipment	5 years



**VOLITIONRX LIMITED**

## Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 4 - Property and Equipment**

The Company's property and equipment consist of the following amounts as of March 31, 2016 and December 31, 2015:

	Cost	Accumulated Depreciation	March 31, 2016 Net Carrying Value
	\$	\$	\$
Computer hardware	75,296	50,714	24,581
Laboratory equipment	332,359	129,240	203,120
Equipment held under capital lease	625,057	104,176	520,881
Office furniture and equipment	35,563	20,240	15,323
	1,068,275	304,370	763,905
			December 31, 2015 Net Carrying Value
	Cost	Accumulated Depreciation	\$
	\$	\$	\$
Computer hardware	72,317	45,731	26,586
Laboratory equipment	319,209	108,589	210,620
Equipment held under capital lease	600,325	70,038	530,287
Office furniture and equipment	34,155	17,843	16,312
	1,026,006	242,201	783,805

On April 8, 2015 the Company entered into a five year capital lease to purchase three Tecan machines (automated liquid handling robots) for a total sum of \$625,057 (€550,454).

During the three month period ended March 31, 2016 and the three month period ended March 31, 2015, the Company recognized \$50,691 and \$18,988, respectively, in depreciation expense.

**VOLITIONRX LIMITED**

## Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 5 - Intangible Assets**

The Company's intangible assets consist of intellectual property and patents, mainly acquired in the acquisition of ValiBio SA. The patents and intellectual property are being amortized over their remaining lives, which range from 7 to 15 years.

	Cost \$	Accumulated Amortization \$	March 31, 2016 Net Carrying Value \$
Patents	1,158,617	451,822	706,795
	1,158,617	451,822	706,795
	Cost \$	Accumulated Amortization \$	December 31, 2015 Net Carrying Value \$
Patents	1,119,302	413,921	705,381
	1,119,302	413,921	705,381

During the three month period ended March 31, 2016, and the three month period ended March 31, 2015, the Company recognized \$21,552 and \$21,170 in amortization expense, respectively.

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:

2016 - remaining	\$66,302
2017	\$88,403
2018	\$88,403
2019	\$88,403
2020	\$88,403

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 as of December 31, 2015. The result of this review confirmed that the fair value of the patents exceeded their carrying value as of December 31, 2015.

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 6 - Related Party Transactions**

The Company has had agreements with a related party to rent office space, be provided with office support staff, and have consultancy services provided on behalf of the Company. See Note 9 for obligations under the agreements.

**Note 7 - Common Stock**

On January 15, 2016, 100,000 warrants were exercised at a price of \$0.50 per share for net cash proceeds to the Company of \$50,000. As a result 100,000 shares of common stock were issued.

On March 22, 2016, 100,000 warrants were exercised at a price of \$0.50 per share for net cash proceeds to the Company of \$50,000. As a result 100,000 share of common stock were issued.

On March 23, 2016, 4,334,615 shares of common stock were issued at a price of \$3.25 per share, less underwriting discounts and commissions, for net cash proceeds to the Company of approximately \$13.1 million.

On March 29, 2016, 100,000 warrants were exercised at a price of \$0.50 per share for net cash proceeds to the Company of \$50,000. As a result 100,000 shares of common stock were issued.



**VOLITIONRX LIMITED**

## Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 8 Warrants and Options****a) Warrants**

On January 15, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, for net cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued.

On March 22, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, for net cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued to a related party.

On March 29, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, for net cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued to a related party.

Below is a table summarizing the warrants issued and outstanding as of March 31, 2016, which have a weighted average exercise price of \$2.27 per share and a weighted average remaining contractual life of 4.6 years.

<b>Date Issued</b>	<b>Number Outstanding</b>	<b>Exercise Price \$</b>	<b>Contractual Life (Years)</b>	<b>Expiration Date</b>	<b>Proceeds to Company if Exercised</b>
06/21/11	100,000	0.50	5.0	6/21/2016	50,000
05/11/12	344,059	2.60	4.0	05/10/16	894,553
03/20/13	150,000	2.47	3.0	03/20/16 to 12/20/19	370,500
06/10/13	29,750	2.00	4.5	06/10/18	59,500
08/07/13	45,000	2.40	3.0	08/07/16	108,000
11/25/13	456,063	2.40	5.0	11/25/18	1,094,551

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12/31/13	64,392	2.40	5.0	12/31/18	154,541
01/28/14	2,000	2.40	3.0	01/28/17	4,800
02/26/14	1,068,475	2.20	5.0	02/26/19	2,350,645
09/05/14	10,000	2.40	3.0	09/05/17	24,000
09/26/14	24,000	3.00	3.0	09/26/17	72,000
11/17/14	19,000	3.75	3.0	11/17/17	71,250
	<b>2,312,739</b>				<b>\$5,254,340</b>



**VOLITIONRX LIMITED**

## Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 8 Warrants and Options (continued)****b) Options**

During the quarter ended March 31, 2016, 5,000 options expired unexercised.

Below is a table summarizing the options issued and outstanding as of March 31, 2016, all of which were issued pursuant to the 2011 Equity Incentive Plan and which have a weighted average exercise price of \$3.53 per share and a weighted average remaining contractual life of 4.0 years.

<b>Date Issued</b>	<b>Number Outstanding</b>	<b>Exercise Price \$</b>	<b>Contractual Life (Years)</b>	<b>Expiration Date</b>	<b>Proceeds to Company if Exercised</b>
11/25/11	630,000	3.00-5.00	4.0	05/25/16-11/25/18	2,520,000
09/01/12	25,000	4.31-6.31	3.0	03/01/16-09/01/18	137,750
03/20/13	37,000	2.35-4.35	3.0	09/20/16-03/20/19	123,950
09/02/13	16,300	2.35-4.35	3.0	03/02/17-09/02/19	54,605
05/16/14	25,000	3.00-5.00	3.0	11/16/17-05/16/20	100,000
08/18/14	670,000	2.50-3.00	4.0	02/18/19 and 02/18/20	1,842,500
05/18/15	20,000	3.80	4.0	11/18/19	76,000
07/23/15	327,000	4.00	4.0	01/23/20	1,308,000
08/17/15	75,000	3.75	5.0	08/17/20	281,250
	<b>1,825,300</b>				<b>\$6,444,055</b>

Total remaining unrecognized compensation cost related to non-vested stock options is approximately \$6,439 and is expected to be recognized over a period of 1.3 years.



**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 9 Commitments and Contingencies**

a) Walloon Region Grant

On March 16, 2010, the Company entered into an agreement with the Walloon Region government in Belgium wherein the Walloon Region would fund up to a maximum of \$1,190,058 (€1,048,020) to help fund the research endeavors of the Company in the area of colorectal cancer. The Company had received the entirety of these funds in respect of approved expenditures as of June 30, 2014. Under the terms of the agreement, the Company is due to repay \$357,017 (€314,406) of this amount by installments over the period June 30, 2014 to June 30, 2023. The Company has recorded the balance of \$833,041 (€733,614) 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 percent 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 \$357,017 (€314,406) and the 6 percent royalty on revenue, is twice the amount of funding received. As at March 31, 2016, a total of \$294,563 (€259,406) was outstanding to be repaid to the Walloon Region under this agreement.

b) Administrative Support Agreement

On August 6, 2010 (and as amended, effective from October 1, 2011 and March 1, 2015), the Company entered into agreements with a related party to rent office space, contract for office support staff, and have consulting services provided on behalf of the Company. From March 1, 2015, the agreements require the Company to pay \$7,950 (\$7,720 for January and February 2015) per month for office space and staff services as well as approximately \$8,000 (\$6,500 for January and February 2015) per month in fees for one senior executive. The rental of the office space and the provision of staff services under the terms of the Agreement were discontinued by mutual agreement on July 31, 2015. From September 1, 2015, the agreement for payment of fees for one senior executive was amended to \$21,115 per month. The Company is also required to pay for all reasonable expenses incurred. The contract is in force for 12 months with automatic extensions of 12 months with a 3 month prior notice required for termination of the contract.

c) Lease Obligations Payable

The Company leases three Tecan machines (automated liquid handling robots) under a lease classified as a capital lease. The total cost of this leased laboratory equipment is \$625,057 (€550,454). The leased equipment is amortized on a straight line basis over five years. Total accumulated amortization related to the leased equipment is \$31,252 (€27,522) for the three months ended March 31, 2016 and \$72,924 (€64,220) for the twelve months ended December 31, 2015.

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 9 Commitments and Contingencies (continued)**

The following is a schedule showing the future minimum lease payments under capital leases by years and the present value of the minimum payments as of March 31, 2016.

2016	\$ 69,325
2017	88,920
2018	85,913
2019	83,008
2020	41,364
Total minimum lease payments	368,530
Less: Amount representing interest	18,980
<b>Present value of minimum lease payments</b>	<b>\$ 349,550</b>

The Company also leases premises and facilities under operating leases with terms ranging from 12 months to 36 months. The annual non-cancelable operating lease payments on these leases are as follows:

2016	\$ 167,660
2017	9,272
Thereafter	nil
<b>Total</b>	<b>\$ 176,932</b>

d) Bonn University Agreement

On July 11, 2012, the Company entered into a collaborative research agreement with Bonn University, Germany, relating to a program of samples testing. The agreement was for a period of two years from June 1, 2012 to May 31, 2014. The total payments made by the Company in accordance with the agreement were \$442,857 (€390,000). On April 16, 2014, the Company entered into an extension of this agreement, for a period of a further two years from June 1, 2014 to May 31, 2016. The total payments to be made by the Company in accordance with the extension of the agreement are \$442,857 (€390,000).

e) Hvidovre Hospital, Denmark Agreement

On August 8, 2014, the Company entered into a collaborative research agreement with Hvidovre Hospital, University of Copenhagen in Denmark, relating to a program of samples testing associated with colorectal cancer. The agreement will expire on August 8, 2016. Total payments (inclusive of local taxes) to be made by the Company under the agreement are \$1,561,338 (DKR 10,245,000). On April 15, 2015, the Company amended the aforementioned collaborative research agreement with an additional commitment for samples costing \$50,000, to be provided over a two year period, expiring on April 15, 2017.

f) Legal Proceedings

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

**VOLITIONRX LIMITED**

Notes to the Condensed Consolidated Financial Statements

March 31, 2016 and December 31, 2015

(\$ expressed in US dollars)

(Unaudited)

**Note 10 Subsequent Events**

On April 15, 2016, the Company's wholly-owned subsidiary, Belgian Volition, entered into a Sale Agreement with Gerard Dekoninck S.A. to purchase a larger research and development facility in Les Isnes, Belgium for \$1.36 million (€1.2 million). Consummation of the transaction is subject to, among other things, the Company obtaining suitable local financing to purchase the building within four months of entering into the Agreement (using normal steps to obtain the loan) as well as certain regulatory clearances. If either party defaults on its obligations under the Agreement and such default continues after 15 days' notice from the other party, then the non-breaching party is entitled to (i) terminate the transaction and receive a sum of \$136,264 (€120,000) from the other party or (ii) pursue enforcement of the Agreement, in both cases with the defaulting party bearing all legal costs. The foregoing description of the Sale Agreement does not purport to summarize all terms and conditions thereof.

On April 15, 2016, the Company granted options to purchase 775,000 shares at an exercise price of \$4.00 per share under its 2015 Stock Incentive Plan. These options vest in full on April 15, 2017 and expire five years after their vesting date. The Company has calculated the estimated fair market value of these options using the Black-Scholes Option Pricing model and the following assumptions: term 6 years, stock price \$3.75, exercise prices \$4.00, volatility 84.4%, risk free rate 1.22%.

On April 20, 2016, 1,172 warrants were exercised at a price of \$2.60 per share, for net cash proceeds to the Company of \$3,047. As a result, a total of 1,172 shares of common stock were issued to a related party.

On April 20, 2016, 1,429 warrants were exercised at a price of \$2.60 per share, giving net cash proceeds to the Company of \$3,715. As a result, a total of 1,429 shares of common stock were issued to a related party.

Effective May 4, 2016, the Company amended the expiry period of 341,458 warrants, originally granted on May 11, 2012. The expiration period was extended from four to five years for all 341,458 warrants.

On May 11, 2016, Singapore Volition, upon the review and approval by the Compensation Committee, entered into a consultancy agreement with PB Commodities Pte Ltd, or PB Commodities, for the services of Cameron Reynolds (the 2016 Reynolds Consulting Agreement ). Under the terms of the 2016 Reynolds Consulting Agreement, PB Commodities shall receive \$25,925 per month for the services provided to Singapore Volition by Mr. Reynolds on its behalf. The foregoing description of the 2016 Reynolds Consulting Agreement does not purport to summarize all terms and conditions thereof. The 2016 Reynolds Consulting Agreement replaces the existing consultancy agreement for the provision of office space, office support staff, and consultancy services between Singapore Volition and PB Commodities dated August 6, 2010, as amended and which existing consultancy agreement is terminated by its terms and of no further force and effect, as referred to in Note 9 b.

**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 March 31, 2016 or the 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. 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 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; 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 clinical 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 filed with the SEC on March 11, 2016, 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***

We are a clinical stage life sciences company focused on developing blood based diagnostic tests that meet the need for accurate, fast, cost effective and scalable tests for detecting and diagnosing cancer and other diseases. We have developed twenty eight blood assays to date to detect specific biomarkers that can be used individually or in combination to generate a profile which forms the basis of a test for a particular cancer or disease. We intend to commercialize our products in the future through various channels within the European Union, the United States and eventually throughout the rest of the world beginning with China and India.

We do not anticipate earning significant revenues until such time as we are able to fully market our intended products on the clinical in-vitro diagnostics, or IVD, market. For this reason, our auditors stated in their report on our most recent audited financial statements that our losses and negative cash flow from operations raise substantial doubt that we will be able to continue as a going concern without further financing. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish our plan of operations, obtain financing and eventually attain profitable operations.

### *Overview of Plan of Operations*

Management has identified the specific processes and resources required to achieve the near and medium term objectives of the 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 the 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 the business plan, in particular the progression of clinical validation studies and regulatory approval processes for the purpose of bringing products to the IVD market. However, at this point, the most significant risk to the Company is that it will not succeed in obtaining additional financing in the medium term.

### *Liquidity and Capital Resources*

As of March 31, 2016, the Company had cash and cash equivalents of \$17,007,462, prepayments and other current assets of \$422,093 and current liabilities of \$1,443,208. This represents a working capital surplus of \$15,986,347.

The Company used \$2,161,435 in net cash for the three months ended March 31, 2016, compared to \$2,205,818 for the three months ended March 31, 2015. The decrease in cash used year over year was primarily due to higher legal costs associated with our up-listing onto the NYSE MKT in 2015. Please see Results of Operations, below for more detail.

Net cash used in investing activities decreased year over year by \$73,302 to \$nil in the 2016 period, mainly as a result of the purchase of the Nucleosomics® WO2005019826: Detection of Histone Modifications in Cell-Free Nucleosomes patent (i.e. the patent that underlies the NuQ®-M tests) from Chroma Therapeutics Limited for \$55,000 in 2015.

Net cash provided by financing activities amounted to \$13,236,660 for the three months ended March 31, 2016, compared to \$11,203,421 for the three months ended March 31, 2015. The Company raised approximately \$13.1 million in net proceeds in March 2016 through the sale and issuance of approximately 4.3 million shares of common stock in a public offering. The Company raised approximately \$9.7 million in net proceeds in February 2015 through the sale and issuance of approximately 2.8 million shares of common stock in a public offering at the time of our up-listing to the NYSE MKT. We also raised another \$1.5 million from further issuances in a private placement during the first quarter of 2015. This resulted in an increase of cash of \$11,091,456 for the three month period ended March 31, 2016, compared to an increase of \$8,892,413 for the three month period ended March 31, 2015.

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 additional equity securities, but there is no assurance that we will be successful in raising further funds.

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

**Results of Operations****Three Months Ended March 31, 2016 and March 31, 2015**

The following table sets forth the Company's results of operations for the three months ended on March 31, 2016 and the comparative period for the three months ended March 31, 2015.

	Three months Ended March 31, 2016 (\$)	Three months Ended March 31, 2015 (\$)	Increase/ Decrease (\$)	Percentage Increase/ Decrease (%)
Revenues	-	-	-	-
General and administrative	228,195	247,758	(19,563)	(8%)
Professional fees	473,268	551,799	(78,531)	(14%)
Salaries and office administration fees	328,345	339,537	(11,192)	(3%)
Research and development	1,462,820	1,210,782	252,038	21%
Total Operating Expenses	2,492,628	2,349,876	142,752	6%
Net Other Income	-	339,744	339,744	(100%)
Income Taxes	-	-	-	-
Net Loss	(2,492,628)	(2,010,132)	482,496	24%
Basic and Diluted Loss Per Common Share	(0.13)	(0.12)	0.01	8%
Weighted Average Basic and Diluted Common Shares Outstanding	19,289,484	16,461,816	2,827,668	17%

**Revenues**

The Company had not generated revenues from operations in either the three months ended March 31, 2016 or the three months ended March 31, 2015. The Company's operations are still predominantly in the development stage.

**Operating Expenses**

For the three months ended March 31, 2016, the Company's total operating expenses increased by \$142,752, or 6%, compared to the same period in 2015. Total expenses are comprised of general and administrative expenses, professional fees, salaries and administrative fees and research and development expenses.

### **General and administrative expenses**

General and administrative expenses decreased by \$19,563, or 8%, in the three month period ended March 31, 2016. On a comparative basis, during the three months ended March 31, 2016, the Company's insurance costs rose by \$30,469 and it incurred additional costs of \$13,954 due to the opening of a UK office, along with an increase in travel and associated costs of \$18,817. The increases in these costs were offset on a comparative basis by the absence of the fundraising services expense incurred in the March 31, 2015 quarter for the up-listing to the NYSE MKT in an amount of approximately \$94,400.

### **Professional fees**

Professional fees decreased by 14%, or \$78,531, in the three month period ended March 31, 2016. This saving was primarily due to a reduction in the cost of legal fees, as more fees were incurred in 2015 when the Company up-listed to the NYSE MKT.

### **Salaries and office administration fees**

Salaries and office administration fees decreased by \$11,192, or 3%, for the three months ended March 31, 2016 as a result of a reduction in the cost of share option amortization expense, partially offset by some remuneration increases.

## **Research and development**

Research and development expenses increased by \$252,038, or 21%, in the three month period to March 31, 2016 as compared to the prior year period, primarily as a result of an increase in antibody expenditures, required for testing, of \$226,636.

## **Net Other Income**

The Company did not incur any other income for the three months ended March 31, 2016, whilst other income of \$339,744 was generated for the three months ended March 31, 2015. The other income in 2015 related to the re-measurement of a derivative liability associated with warrants issued in February 2014. Specifically, the re-measurement occurred when 25,000 of these warrants were exercised in February 2015 and when the remaining derivative liability expired later in the same month.

## **Net Loss**

For the three months ended March 31, 2016, our net loss was \$2,492,628, an increase of \$482,496, or 24%, in comparison to a net loss of \$2,010,132 for the three months ended March 31, 2015. The change was a result of the factors described above.

## ***Going Concern***

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, 2015 that they have substantial doubt that we 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 applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 new accounting pronouncements that are in effect. The Company does not believe that there are any other 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 Securities Exchange Act of 1934 and are not required to provide the information under this item.

**ITEM 4.**

**CONTROLS AND PROCEDURES**

*Evaluation of 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 its 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, 2015, that our disclosure controls and procedures continue to not be effective as of March 31, 2016 because of material weaknesses in our internal control over financial reporting, as described below and in detail in our Annual Report for the year ended December 31, 2015 on Form 10-K as filed with the SEC on March 11, 2016.

*Changes in Internal Control over Financial Reporting*

The Audit Committee of the Board of Directors meets regularly with our financial management and counsel, 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. 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 Public Company Accounting Oversight Board Rule 3526 Communicating with Audit Committees Concerning Independence .

As at March 31, 2016, we did not maintain sufficient internal controls over financial reporting for part of the cash process, including failure to segregate some of the accounting functions, our purchase order process not being fully implemented across the Group and did not require dual signature on one of the Company's bank accounts. However, as at May 13, 2016, all of the Company's bank accounts now require dual authorization. We have developed, and are currently implementing, a remediation plan for the other weaknesses, including the uniform adoption of our purchase order authorization process. The successful remediation of these weaknesses will require review and evidence of the effectiveness of the related internal controls as part of our next annual assessment of our internal controls 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.

Except as disclosed above, there have been no changes in our internal controls over financial reporting that occurred during the fiscal quarter ended March 31, 2016 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 director, officer or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

### **ITEM 1A.**

#### **RISK FACTORS**

Except as set forth below, there have been no material changes in our assessment of risk factors affecting our business since those presented in our Annual Report on Form 10-K, Item 1A, for the fiscal year ended December 31, 2015 as filed with the Securities and Exchange Commission on March 11, 2016.

The risk factors below amend, restate and replace in their entirety each of the same titled risk factors in our Form 10-K.

*We have limited experience with direct sales and marketing and any failure to build and manage a direct sales and marketing team effectively could have a material adverse effect on our business.*

Our products will require several dynamic and evolving sales models tailored to different worldwide markets, users and products. In 2015, we decided to focus our sales strategy on the clinical IVD market with the CE Marking of our first product in Europe. Pending completion of our review of the regulatory environment in the United States, including the effect of recent pronouncements regarding Laboratory Developed Tests, by the FDA, we may decide to enter the United States market through a Clinical Laboratory Improvement Amendment certified laboratory in the United States. We intend to progressively grow to large volumes of tests sold to centralized laboratories and eventually reach the mass diagnostics testing market. The exact nature of the ideal sales strategy will evolve as we continue to develop our intended products and seek entry into the IVD markets. We have limited experience with direct sales and marketing and any failure to build and manage a direct sales and marketing team effectively could have a material adverse effect on our business.

There are significant risks involved in building and managing our sales and marketing organization, as well as identifying and negotiating deals with the right sales and distribution partners, including risks related to our ability to:

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Identify appropriate partners;

.

Negotiate beneficial partnership and distribution agreements;

.

Hire qualified individuals as needed;

.

Generate sufficient leads within our targeted market for our sales force;

.

Provide adequate training for effective sales and marketing;

.

Retain and motivate our direct sales and marketing professionals; and

.

Effectively oversee geographically dispersed sales and marketing teams.

Our failure to adequately address these risks could have a material adverse effect on our ability to increase sales and use of our future products, which would cause our revenues to be lower than expected and harm our results of operations.



***Our failure to obtain necessary regulatory clearances or approvals on a timely basis would significantly impair our ability to distribute and market our future products on the clinical IVD market.***

We are subject to regulation by the FDA in the United States, the Conformité Européenne in Europe and other regulatory bodies in other countries where we intend to sell our future products. Before we are able to place our intended products in the clinical IVD markets in the United States and Europe, we will be required to obtain clearance or approval of our future products from the FDA and receive a CE Mark, respectively. The European Union has recently proposed regulations that would impose additional requirements to obtain a CE Mark, which could result in delays and further expense, in terms of staff costs to us as compared to the current CE Mark process. The new regulations will require each product submission to be thoroughly audited by Notified Bodies, instead of the current self-certification process. The EU Medical Devices Regulation and IVD Regulation are both in the final stages of the legislative procedure and are estimated to be finished sometime in 2016, allowing them to come into effect by the end of 2016, or early 2017. Some time will be required to polish the agreed text and have it translated into the official European Union languages. Delays in obtaining approvals and clearances could have material adverse effects on us and our ability to fully carry out our plan of operations.

Additionally, even if we receive the required government clearance or approval of our intended products, we are still subject to continuing regulation and oversight. Under the FDA, diagnostics are considered medical devices and are subject to ongoing controls and regulations, including inspections, compliance with established manufacturing practices, device-tracking, record-keeping, advertising, labeling, packaging, and compliance with other standards. The process of complying with such regulations with respect to current and new products can be costly and time-consuming. Failure to comply with these regulations could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, any FDA regulations governing our future products are subject to change at any time, which may cause delays and have material adverse effects on our operations. In Europe, IVD companies are able to self-certify that they meet the appropriate regulatory requirements but are subject to inspection for enforcement. European national agencies, such as customs authorities and/or the Departments of Health, Industry and Labor, conduct market surveillance to ensure the applicable requirements have been met for products marketed within the European Union.

***If the patents that we rely on to protect our intellectual property prove to be inadequate, our ability to successfully commercialize our future products will be harmed and we may never be able to operate our business profitably.***

Our success depends, in large part, on our ability to protect proprietary methods, discoveries and technologies that we develop under the patents and intellectual property laws of the United States, the European Union and other countries, so that we can seek to prevent others from unlawfully using our inventions and proprietary information. We have three patents related to our diagnostic tests granted in the United States; one patent granted in the European Union and four patents granted in other countries. We also hold an exclusive worldwide license to one pending patent application in the United States and five patents granted in other countries. Additionally, we have patent applications in the name of our subsidiaries pending in the United States, the European Union and other countries. We cannot assure you that any of the pending patent applications will result in patents being issued. In addition, due to technological changes that may affect our future products or judicial interpretation of the scope of our patents, our intended products might not,



now or in the future, be adequately covered by our patents.

*Share ownership by our officers and directors make it more difficult for third parties to acquire us or effectuate a change of control that might be viewed favorably by other stockholders.*

As of May 13, 2016 our executive officers and directors owned, in the aggregate, 24.01% of our outstanding shares. As a result, if the officers and directors were to oppose a third party's acquisition proposal for, or a change in control of, the Company, the officers and directors may have sufficient voting power to be able to block or at least delay such an acquisition or change in control from taking place, even if other stockholders would support such a sale or change of control.

## **ITEM 2.**

### **UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

During the quarter ended March 31, 2016, the Company issued the shares described below in private placements pursuant to Section 4(2) of the Securities Act of 1933, as amended, ( Securities Act ), and Rule 506 of Regulation D, in each case on the basis that the shares were offered and sold in a non-public offering to an accredited investor as defined in Rule 501 of Regulation D. Additionally, at the time of the issuances, the shares were deemed to be restricted securities under the Securities Act and the certificates evidencing such shares bear a legend to that effect.

On or about January 15, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, giving cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued to one (1) U.S. Accredited Investor.

On or about March 22, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, giving cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued to one (1) non - U.S. Accredited Investor.



On or about March 29, 2016, 100,000 warrants were exercised at a price of \$0.50 per share, giving cash proceeds to the Company of \$50,000. As a result, a total of 100,000 shares of common stock were issued to one (1) non - U.S. Accredited Investor.

**ITEM 3.**

**DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4.**

**MINE SAFETY DISCLOSURES**

Not Applicable.

**ITEM 5.**

**OTHER INFORMATION**

On May 11, 2016, the Company, upon the review and approval by the Compensation Committee, entered into an amendment of the existing Executive Chairman Agreement with Dr. Martin Faulkes dated March 31, 2015 (as filed with the SEC on May 12, 2015 as part of our quarterly report on Form 10-Q) to amend the fee payable to Dr. Faulkes under his original agreement (the Faulkes Amendment ). Pursuant to the Faulkes Amendment, Dr. Faulkes shall receive £10,000 GBP per month (approximately \$11,355) in exchange for his services. The foregoing description of the Faulkes Amendment does not purport to summarize all terms and conditions thereof and is qualified in its entirety by reference to Exhibit 10.1 filed herewith.

On May 11, 2016, Singapore Volition, upon the review and approval by the Compensation Committee, entered into a consultancy agreement with PB Commodities Pte Ltd, or PB Commodities, for the services of Cameron Reynolds (the 2016 Reynolds Consulting Agreement ). Under the terms of the 2016 Reynolds Consulting Agreement, PB Commodities shall receive \$25,925 per month for the services provided to Singapore Volition by Mr. Reynolds on its behalf. The foregoing description of the 2016 Reynolds Consulting Agreement does not purport to summarize all

terms and conditions thereof and is qualified in its entirety by reference to Exhibit 10.2 filed herewith. The 2016 Reynolds Consulting Agreement replaces the existing consultancy agreement for the provision of office space, office support staff, and consultancy services between Singapore Volition and PB Commodities dated August 6, 2010, as amended, as originally filed with the SEC on January 11, 2012 as part of our Amended Current Report on Form 8-K/A, and which existing consultancy agreement is terminated by its terms and of no further force and effect

On May 11, 2016, the Company, upon the review and approval by the Compensation Committee, entered into an amendment of the existing Consulting Agreement with Borlaug Limited for the services of Dr. Jake Micallef dated January 1, 2015 (as filed with the SEC on January 23, 2015 as part of our Amended Registration Statement on Form S-1/A) to amend the fee payable to Borlaug under the original agreement (the Borlaug Amendment ). Pursuant to the Borlaug Amendment, Borlaug shall receive £10,000 GBP per month (approximately \$11,355) in exchange for the services of Dr. Micallef. The foregoing description of the Borlaug Amendment does not purport to summarize all terms and conditions thereof and is qualified in its entirety by reference to Exhibit 10.3 filed herewith.

On May 11, 2016, the Company, upon the review and recommendation by the Compensation Committee, approved an increase to the base salary of Rodney Rootsart to £8,333 GBP per month (approximately \$9,462) with effect from May 1, 2016.

On April 15, 2016, the Company's wholly-owned subsidiary, Belgian Volition, entered into a Sale Agreement with Gerard Dekoninck S.A. to purchase a larger research and development facility in Les Isnes, Belgium for \$1.36 million (€1.2 million). Consummation of the transaction is subject to, among other things, the Company obtaining suitable local financing to purchase the building within four months of entering into the Agreement (using normal steps to obtain the loan) as well as certain regulatory clearances. If either party defaults on its obligations under the Agreement and such default continues after 15 days' notice from the other party, then the non-breaching party is entitled to (i) terminate the transaction and receive a sum of \$136,264 (€120,000) from the other party or (ii) pursue enforcement of the Agreement, in both cases with the defaulting party bearing all legal costs. The foregoing description of the Sale Agreement does not purport to summarize all terms and conditions thereof and is qualified in its entirety by reference to Exhibit 10.4 filed herewith.

**ITEM 6.****EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>	<b>Filing</b>
10.1	First Amendment to Executive Chairman's Agreement by and between VolitionRx and Dr. Faulkes, dated May 11, 2016.	Filed Herewith.
10.2	Consultancy Agreement by and between the Singapore Volition and PB Commodities, dated May 11, 2016.	Filed Herewith.
10.3	First Amendment to Consultancy Agreement by and between VolitionRx and Borlaug, dated May 11, 2016.	Filed Herewith.
10.4	English translation of French Sale Agreement dated April 15, 2016, by and between Belgian Volition and Gerard Dekoninck S.A., for the purchase of a research and development facility in Les Isnes, Belgium.	Filed Herewith.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith.
32.1	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished Herewith.
101.INS	XBRL Instance Document	Filed Herewith.
101.SCH	XBRL Taxonomy Extension Schema Document	Filed Herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed Herewith.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	Filed Herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed Herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed Herewith.

**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: May 13, 2016

*/s/ Cameron Reynolds*  
Cameron Reynolds  
Duly Authorized Officer, President and Principal  
Executive Officer

Dated: May 13, 2016

*/s/ David Kratochvil*  
David Kratochvil  
Duly Authorized Officer, Chief Financial Officer  
and Principal Financial and Accounting Officer