RELIANCE STEEL & ALUMINUM CO
Form 10-Q
August 02, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2017

OR

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

For the transition period from to

Commission file number: 001-13122

RELIANCE STEEL & ALUMINUM CO.

(Exact name of registrant as specified in its charter)

Delaware	95-1142616
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

350 South Grand Avenue, Suite 5100

Los Angeles, California 90071

(Address of principal executive offices, including zip code)

(213) 687-7700

(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	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 July 31, 2017, 72,903,830 shares of the registrant's common stock, $0.001 par value, were outstanding.

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PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	June 30, 2017	December 31, 2016*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 146.5	$ 122.8
Accounts receivable, less allowance for doubtful accounts of $17.5 at June 30, 2017 and $15.3 at December 31, 2016	1,177.5	960.2
Inventories	1,751.3	1,532.6
Prepaid expenses and other current assets	69.1	72.9
Total current assets	3,144.4	2,688.5
Property, plant and equipment:		
Land	230.2	228.2
Buildings	1,076.2	1,059.2
Machinery and equipment	1,689.4	1,647.3
Accumulated depreciation	(1,347.0)	(1,272.5)
Property, plant and equipment, net	1,648.8	1,662.2
Goodwill	1,831.2	1,827.4
Intangible assets, net	1,126.7	1,151.3
Cash surrender value of life insurance policies, net	41.0	46.9
Other assets	39.1	35.0
Total assets	$ 7,831.2	$ 7,411.3
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 421.2	$ 302.2
Accrued expenses	88.8	83.7
Accrued compensation and retirement costs	113.0	140.8
Accrued insurance costs	43.2	40.6
Current maturities of long-term debt and short-term borrowings	78.9	82.5
Income taxes payable	2.7	6.2
Total current liabilities	747.8	656.0

Long-term debt	1,990.1	1,846.7
Long-term retirement costs	90.8	89.6
Other long-term liabilities	13.4	13.0
Deferred income taxes	626.8	626.9
Commitments and contingencies		
Equity:		
Preferred stock, $0.001 par value:		
Authorized shares — 5,000,000		
None issued or outstanding	—	—
Common stock and additional paid-in capital, $0.001 par value:		
Authorized shares — 200,000,000		
Issued and outstanding shares – 72,901,625 at June 30, 2017 and 72,682,793 at December 31, 2016	607.3	590.3
Retained earnings	3,812.2	3,663.2
Accumulated other comprehensive loss	(88.4)	(104.7)
Total Reliance stockholders' equity	4,331.1	4,148.8
Noncontrolling interests	31.2	30.3
Total equity	4,362.3	4,179.1
Total liabilities and equity	$ 7,831.2	$ 7,411.3

* Amounts were derived from audited financial statements.

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net sales	$ 2,475.2	$ 2,203.9	$ 4,894.5	$ 4,366.6
Costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown below)	1,773.1	1,518.8	3,470.8	3,044.8
Warehouse, delivery, selling, general and administrative	475.9	455.2	952.1	904.7
Depreciation and amortization	55.0	55.5	110.2	111.6
	2,304.0	2,029.5	4,533.1	4,061.1
Operating income	171.2	174.4	361.4	305.5
Other expense:				
Interest expense	18.5	21.7	35.8	43.4
Other expense, net	0.3	1.1	4.7	1.3
Income before income taxes	152.4	151.6	320.9	260.8
Income tax provision	47.6	49.5	102.7	65.2
Net income	104.8	102.1	218.2	195.6
Less: Net income attributable to noncontrolling interests interests	1.8	1.2	3.5	2.5
Net income attributable to Reliance	$ 103.0	$ 100.9	$ 214.7	$ 193.1
Earnings per share attributable to Reliance stockholders:				
Diluted	$ 1.40	$ 1.38	$ 2.92	$ 2.65
Basic	$ 1.41	$ 1.39	$ 2.95	$ 2.68
Cash dividends per share	$ 0.45	$ 0.40	$ 0.90	$ 0.80

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	$ 104.8	$ 102.1	$ 218.2	$ 195.6
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	6.4	(4.8)	14.0	10.9
Pension and postretirement benefit adjustments, net of tax	—	—	2.3	—
Total other comprehensive income (loss)	6.4	(4.8)	16.3	10.9
Comprehensive income	111.2	97.3	234.5	206.5
Less: Comprehensive income attributable to noncontrolling interests	1.8	1.2	3.5	2.5
Comprehensive income attributable to Reliance	$ 109.4	$ 96.1	$ 231.0	$ 204.0

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Six Months Ended June 30,	
	2017	2016
Operating activities:		
Net income	$ 218.2	$ 195.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	110.2	111.6
Deferred income tax (benefit) provision	(2.1)	1.6
Gain on sales of property, plant and equipment	(3.9)	(0.4)
Stock-based compensation expense	14.9	11.4
Other	5.6	2.5
Changes in operating assets and liabilities (excluding effect of businesses acquired):		
Accounts receivable	(215.4)	(106.2)
Inventories	(216.5)	(126.6)
Prepaid expenses and other assets	1.4	20.7
Accounts payable and other liabilities	102.8	95.0
Net cash provided by operating activities	15.2	205.2
Investing activities:		
Purchases of property, plant and equipment	(72.8)	(71.7)
Acquisitions, net of cash acquired	(1.3)	(322.4)
Other	7.2	(1.3)
Net cash used in investing activities	(66.9)	(395.4)
Financing activities:		
Net short-term debt borrowings (repayments)	3.3	(13.5)
Proceeds from long-term debt borrowings	541.0	613.0
Principal payments on long-term debt	(406.7)	(365.1)
Dividends and dividend equivalents paid	(66.5)	(58.0)
Exercise of stock options	2.8	30.1
Other	(3.3)	(3.6)
Net cash provided by financing activities	70.6	202.9
Effect of exchange rate changes on cash	4.8	(0.5)
Increase in cash and cash equivalents	23.7	12.2
Cash and cash equivalents at beginning of year	122.8	104.3
Cash and cash equivalents at end of period	$ 146.5	$ 116.5
Supplemental cash flow information:		
Interest paid during the period	$ 36.1	$ 41.3
Income taxes paid during the period, net	$ 107.1	$ 58.0

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2017

1. Basis of Presentation

Principles of Consolidation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation with respect to the interim financial statements, have been included. The results of operations for the six months ended June 30, 2017 are not necessarily indicative of the results for the full year ending December 31, 2017. These financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto for the year ended December 31, 2016, included in Reliance Steel & Aluminum Co.'s ("Reliance", the "Company", "we", "our" or "us") Annual Report on Form 10-K.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Our consolidated financial statements include the assets, liabilities and operating results of majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. The ownership of the other interest holders of consolidated subsidiaries is reflected as noncontrolling interests. Our investments in unconsolidated subsidiaries are recorded under the equity method of accounting.

2. Impact of Recently Issued Accounting Guidance

Impact of Recently Issued Accounting Standards—Adopted

Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost—In March 2017, the Financial Accounting Standards Board ("FASB") issued accounting changes to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost in the income statement, and to narrow the amounts eligible for capitalization in assets. The amendments require the service cost component of net periodic benefit cost be reported in the same line as other compensation costs and the other components of net periodic benefit cost be presented in the income statement outside of operating income. We adopted these changes in the three months ended March 31, 2017 on a retrospective basis. As a result of the adoption, we retrospectively adjusted the presentation of our income statement for the three-month and six-month periods ended June 30, 2016, decreasing Warehouse, delivery, selling, general and administrative expense by $1.3 million and $2.6 million, respectively, and increasing Other expense, net by $1.3 million and $2.6 million, respectively. The adjustment to the income statement presentation for the 2016 periods was estimated using the components of net periodic benefit cost other than service cost included in Note 11— "Employee Benefits" to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. We include the components of net periodic benefit cost other than service cost in Other Expense, net in all periods presented. The amendment requiring only the service cost component of net periodic benefit cost to be eligible for capitalization in assets did not impact our asset capitalization policies. The adoption of these changes did not have a material impact on our consolidated financial statements.

Clarifying the Definition of a Business—In January 2017, the FASB issued accounting changes to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The accounting changes provide a framework to determine when a set of assets and activities is not a business. These accounting changes, which will be applied to our future acquisitions, were adopted during the three months ended March 31, 2017. The adoption of these accounting changes will not have a material impact on our consolidated financial statements.

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Impact of Recently Issued Accounting Standards—Not Yet Adopted

Classification of Certain Cash Receipts and Cash Payments—In August 2016, the FASB issued accounting changes that clarifies the presentation and classification of certain cash receipts and payments in the statement of cash flows with the objective of reducing the existing diversity in practice with respect to eight types of cash flows. The guidance will be effective for fiscal years and interim periods beginning after December 15, 2017, or January 1, 2018 for the Company. Early adoption is permitted. The adoption of this standard will not have a material impact on our consolidated financial statements.

Leases—In February 2016, the FASB issued accounting changes which will require lessees to recognize most long-term leases on-balance sheet through the recognition of a right-of-use asset and a lease liability. The guidance will be effective for fiscal years and interim periods beginning after December 15, 2018, or January 1, 2019 for the Company. Early adoption is permitted. We have implemented a lease management system and are developing processes necessary to implement these accounting changes. We expect the adoption of these accounting changes will materially increase our assets and liabilities, but will not have a material impact on our net income or equity. We anticipate adopting this new standard on January 1, 2019 with modified retrospective application, using the available practical expedients. Full retrospective application is prohibited.

Revenue from Contracts with Customers—In May 2014, the FASB issued accounting changes, which replace most of the detailed guidance on revenue recognition that currently exists under U.S. GAAP. Under the new guidance an entity should recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company will adopt the new guidance on January 1, 2018 using the modified retrospective method, which requires that we recognize the cumulative effect of initially applying the accounting changes as an adjustment to opening retained earnings on the adoption date. We primarily sell our inventories in the “spot market” pursuant to fixed price purchase orders and do not enter into transactions with multiple performance obligations. As such, we do not expect this standard to have a material impact on our consolidated financial statements. During 2017, we will continue to evaluate this standard and update the disclosures on its impact.

3. Acquisitions

2016 Acquisitions

On August 1, 2016, through our wholly owned subsidiary American Metals Corporation, we acquired Alaska Steel Company (“Alaska Steel”), a full-line metal distributor headquartered in Anchorage, Alaska. Our acquisition of Alaska Steel was our first entry into the Alaska market. Alaska Steel provides steel, aluminum, stainless and specialty metals

and related processing services to a variety of customers in diverse industries including infrastructure and energy throughout Alaska. Alaska Steel's net sales for the six months ended June 30, 2017 were $10.7 million.

On April 1, 2016, we acquired Best Manufacturing, Inc. ("Best Manufacturing"), a custom sheet metal fabricator of steel and aluminum products on both a direct and toll basis. Best Manufacturing, headquartered in Jonesboro, Arkansas, provides various precision fabrication services including laser cutting, shearing, computer numerated control ("CNC") punching, CNC forming and rolling, as well as welding, assembly, painting, inventory management and engineering expertise. Best Manufacturing's net sales for the six months ended June 30, 2017 were $10.9 million.

On January 1, 2016, we acquired Tubular Steel, Inc. ("Tubular Steel"), a distributor and processor of carbon, alloy and stainless steel pipe, tubing and bar products. Tubular Steel, headquartered in St. Louis, Missouri, has six locations and a fabrication business that supports its diverse customer base. Tubular Steel's net sales for the six months ended June 30, 2017 were $68.7 million.

We funded our 2016 acquisitions with borrowings on our revolving credit facility and cash on hand.

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The allocation of the total purchase price of our 2016 acquisitions to the fair values of the assets acquired and liabilities assumed was as follows:

	(in millions)
Cash	$ 1.5
Accounts receivable	14.1
Inventories	66.6
Property, plant and equipment	62.2
Goodwill	104.7
Intangible assets subject to amortization	77.1
Intangible assets not subject to amortization	38.2
Other current and long-term assets	0.5
Total assets acquired	364.9
Current and long-term debt	6.1
Other current and long-term liabilities	7.3
Total liabilities assumed	13.4
Net assets acquired	$ 351.5

The acquisitions discussed in this note have been accounted for under the acquisition method of accounting and, accordingly, the respective purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of each acquisition. The accompanying consolidated statements of income include the revenues and expenses of each acquisition since its respective acquisition date. The consolidated balance sheets reflect the allocation of each acquisition's purchase price as of June 30, 2017 and December 31, 2016. The measurement periods for purchase price allocations do not exceed 12 months from the acquisition date.

4. Goodwill

The change in the carrying amount of goodwill is as follows:

	(in millions)
Balance at January 1, 2017	$ 1,827.4
Acquisition	1.3
Effect of foreign currency translation	2.5
Balance at June 30, 2017	$ 1,831.2

We had no accumulated impairment losses related to goodwill at June 30, 2017.

5. Intangible Assets, net

Intangible assets, net consisted of the following:

	Weighted Average Amortizable Life in Years	June 30, 2017 Gross Carrying Amount (in millions)	June 30, 2017 Accumulated Amortization	December 31, 2016 Gross Carrying Amount	December 31, 2016 Accumulated Amortization
Intangible assets subject to amortization:					
Covenants not to compete	4.8	$ 1.1	$ (0.7)	$ 1.1	$ (0.6)
Customer lists/relationships	14.6	739.0	(366.5)	736.7	(338.9)
Software	10.0	8.1	(8.1)	8.1	(8.1)
Other	5.3	6.5	(5.8)	6.3	(5.5)
		754.7	(381.1)	752.2	(353.1)
Intangible assets not subject to amortization:					
Trade names		753.1	—	752.2	—
		$ 1,507.8	$ (381.1)	$ 1,504.4	$ (353.1)

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We recognized amortization expense for intangible assets of $26.7 million and $27.1 million for the six months ended June 30, 2017 and 2016, respectively. Foreign currency translation gains related to intangible assets, net, were $2.1 million during the six months ended June 30, 2017.

The following is a summary of estimated aggregate amortization expense for the remaining six months of 2017 and each of the succeeding five years:

	(in millions)
2017 (remaining six months)	$ 23.7
2018	46.2
2019	46.0
2020	46.0
2021	42.1
2022	33.9

6. Debt

Debt consisted of the following:

	June 30, 2017	December 31, 2016
	(in millions)	
Unsecured revolving credit facility due September 30, 2021	$ 697.0	$ 540.0
Unsecured term loan due from September 29, 2017 to September 30, 2021	577.5	600.0
Senior unsecured notes due April 15, 2023	500.0	500.0
Senior unsecured notes due November 15, 2036	250.0	250.0
Other notes and revolving credit facilities	59.0	55.0
Total	2,083.5	1,945.0
Less: unamortized discount and debt issuance costs	(14.5)	(15.8)
Less: amounts due within one year and short-term borrowings	(78.9)	(82.5)
Total long-term debt	$ 1,990.1	$ 1,846.7

Unsecured Credit Facility

On September 30, 2016, we entered into a $2.1 billion unsecured five-year credit agreement ("Credit Agreement") comprised of a $1.5 billion unsecured revolving credit facility and a $600.0 million unsecured term loan, with an option to increase the revolving facility up to an additional $500.0 million at our request, subject to approval of the lenders and certain other customary conditions. The term loan due September 30, 2021 amortizes in quarterly installments, with an annual amortization of 5% through September 2018 and 10% thereafter until June 2021, with the balance to be paid at maturity. Interest on borrowings from the revolving credit facility and term loan at June 30, 2017 was at variable rates based on LIBOR plus 1.25% or the bank prime rate plus 0.25% and included a commitment fee at an annual rate of 0.15% on the unused portion of the revolving credit facility. The applicable margins over LIBOR and base rate borrowings, along with commitment fees, are subject to adjustment every quarter based on our leverage ratio, as defined in the Credit Agreement. All borrowings under the Credit Agreement may be prepaid without penalty.

Weighted average interest rates on borrowings outstanding on the revolving credit facility were 2.48% and 2.16% as of June 30, 2017 and December 31, 2016, respectively. Weighted average interest rates on borrowings outstanding on the term loan were 2.48% and 2.02% as of June 30, 2017 and December 31, 2016, respectively. As of June 30, 2017, we had $697.0 million of outstanding borrowings, $62.5 million of letters of credit issued and $740.5 million available for borrowing on the revolving credit facility.

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Senior Unsecured Notes

On November 20, 2006, we entered into an indenture (the "2006 Indenture"), for the issuance of $600.0 million of unsecured debt securities. The total debt issued was comprised of two tranches, (a) $350.0 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.20% per annum, which matured and were repaid on November 15, 2016 and (b) $250.0 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.85% per annum, maturing on November 15, 2036.

On April 12, 2013, we entered into an indenture (the "2013 Indenture" and, together with the 2006 Indenture, the "Indentures"), for the issuance of $500.0 million aggregate principal amount of senior unsecured notes at the rate of 4.50% per annum, maturing on April 15, 2023.

Under the Indentures, the notes are senior unsecured obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations.

The senior unsecured notes include provisions that require us to make an offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest in the event of both a change in control and a downgrade of our credit rating.

Other Notes and Revolving Credit Facilities

Revolving credit facilities with a combined credit limit of approximately $67.9 million are in place for operations in Asia and Europe with combined outstanding balances of $48.4 million and $44.4 million as of June 30, 2017 and December 31, 2016, respectively.

Various industrial revenue bonds had combined outstanding balances of $10.6 million as of June 30, 2017 and December 31, 2016, and have maturities through 2027.

Covenants

The Credit Agreement includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two financial covenants. The financial covenants require us to maintain an interest coverage ratio and a maximum leverage ratio. We were in compliance with all financial covenants in our Credit Agreement at June 30, 2017.

7. Income Taxes

Our effective income tax rates for the three months ended June 30, 2017 and 2016 were 31.2% and 32.7%, respectively. Our effective income tax rates for the six months ended June 30, 2017 and 2016 were 32.0% and 25.0%, respectively. Our 2016 six-month period effective income tax rate was favorably impacted by the resolution of a tax position that was previously uncertain, which lowered our 2016 six-month income tax provision by $17.6 million and our effective income tax rate by 6.7%. Other permanent items that lowered our effective income tax rates from the federal statutory rate were not materially different during both years and relate mainly to company-owned life insurance policies, domestic production activities deductions and foreign income levels that are taxed at rates lower than the U.S. statutory rate of 35%.

8. Equity

Common Stock

As of June 30, 2017, we had authorization to purchase a total of approximately 8.4 million shares under our existing share repurchase plan, or about 12% of outstanding shares. There were no share repurchases in the six months ended June 30, 2017. Repurchased and subsequently retired shares are restored to the status of authorized but unissued shares.

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Common stock and additional paid-in capital activity included the following:

	Three Months Ended June 30, 2017			Six Months Ended June 30, 2017		
	Shares	Amount	Weighted Average Exercise Price	Shares	Amount	Weighted Average Exercise Price
	(in millions, except share and per share amounts)					
Stock-based compensation(1)	20,794	$ 9.4		162,302	$ 14.2	
Stock options exercised	1,225	—	$ 55.73	56,530	2.8	$ 49.95
Total	22,019	$ 9.4		218,832	$ 17.0	

(1) The six months ended June 30, 2017 amount is comprised of stock-based compensation expense of $14.9 million reduced by $0.7 million of payments we made to tax authorities on our employees' behalf for shares withheld related to net share settlements.

Dividends

On July 25, 2017, our Board of Directors declared the 2017 third quarter cash dividend of $0.45 per share. The dividend is payable on September 8, 2017 to stockholders of record as of August 18, 2017.

During the second quarters of 2017 and 2016, we declared and paid quarterly dividends of $0.45 per share and $0.40 per share, or $32.8 million and $29.0 million in total, respectively. During the six months ended June 30, 2017 and 2016, we declared and paid quarterly dividends of $0.90 and $0.80 per share, or $65.6 million and $57.1 million in total, respectively. During the six months ended June 30, 2017 and 2016, we paid $0.9 million in dividend equivalents with respect to vested restricted stock units ("RSUs").

Stock-Based Compensation

We make annual grants of long-term incentive awards to officers and key employees in the forms of service-based and performance-based RSUs that generally have 3-year vesting periods. The performance-based RSU awards are subject to both service and performance goal criteria. We also make annual grants of restricted stock to the non-employee members of the Board of Directors that include dividend rights and vest immediately upon grant. During the three months ended June 30, 2017, we granted 18,120 shares of restricted stock to the non-employee members of the Board

of Directors with a fair value of $71.73 per share. The fair value of the RSUs and restricted stock awards is determined based on the closing stock price of our common stock on the grant date.

A summary of the status of our unvested service-based and performance-based RSUs as of June 30, 2017 and changes during the six-month period then ended is as follows:

Unvested Shares	Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2017	985,540	$ 64.34
Granted(1)	446,525	79.60
Vested	(6,029)	61.86
Cancelled	(31,901)	67.40
Unvested at June 30, 2017	1,394,135	$ 69.17
Shares reserved for future grants (all plans)	1,643,169	

(1) 446,525 RSUs, including 169,009 performance-based RSUs.

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Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss included the following:

	Foreign Currency Translation (Loss) Gain	Pension and Postretirement Benefit Adjustments, Net of Tax	Accumulated Other Comprehensive (Loss) Income
	(in millions)		
Balance as of January 1, 2017	$ (79.9)	$ (24.8)	$ (104.7)
Current-period change	14.0	2.3	16.3
Balance as of June 30, 2017	$ (65.9)	$ (22.5)	$ (88.4)

Foreign currency translation adjustments are not generally adjusted for income taxes as they relate to indefinite investments in foreign subsidiaries. Pension and postretirement benefit adjustments are net of taxes of $13.5 million and $14.9 million as of June 30, 2017 and December 31, 2016, respectively.

9. Commitments and Contingencies

Environmental Contingencies

We are currently involved with a certain environmental remediation project related to activities at former manufacturing operations of Earle M. Jorgensen Company (“EMJ”), our wholly owned subsidiary, which were sold many years prior to Reliance’s acquisition of EMJ in 2006. Although the potential cleanup costs could be significant, EMJ had maintained insurance policies during the time it owned the manufacturing operations that have covered costs incurred to date, and are expected to continue to cover the majority of the related costs. We do not expect that this obligation will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

Legal Matters

From time to time, we are named as a defendant in legal actions. Generally, these actions arise out of our normal course of business. We are not currently a party to any pending legal proceedings other than routine litigation incidental to the business. We expect that these matters will be resolved without having a material adverse effect on our results of operations or financial condition. We maintain general liability insurance against risks arising out of our normal course of business.

10. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(in millions, except share and per share amounts)			
Numerator:				
Net income attributable to Reliance	$ 103.0	$ 100.9	$ 214.7	$ 193.1
Denominator:				
Weighted average shares outstanding	72,891,406	72,372,056	72,866,779	72,150,938
Dilutive effect of stock-based awards	609,295	740,752	591,391	759,640
Weighted average diluted shares outstanding	73,500,701	73,112,808	73,458,170	72,910,578
Earnings per share attributable to Reliance stockholders:				
Diluted	$ 1.40	$ 1.38	$ 2.92	$ 2.65
Basic	$ 1.41	$ 1.39	$ 2.95	$ 2.68

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Potentially dilutive securities whose effect would have been antidilutive were not significant for the three-month and six-month periods ended June 30, 2017 and 2016.

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RELIANCE STEEL & ALUMINUM CO.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Our forward-looking statements may include, but are not limited to, discussions of our industry, our end markets, our business strategies and our expectations concerning future demand and our results of operations, margins, profitability, impairment charges, liquidity, litigation matters and capital resources. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anti "believe," "estimate," "predict," "potential" and "continue," the negative of these terms, and similar expressions. All statement contained in this report, other than statements of historical fact, are forward-looking statements. These forward-looking statements are based on management's estimates, projections and assumptions as of the date of such statements.

Forward-looking statements involve known and unknown risks and uncertainties and are not guarantees of future performance. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements as a result of various important factors, including, but not limited to, those disclosed in this report and in other reports we have filed with the Securities and Exchange Commission (the "SEC"). As a result, these statements speak only as of the date that they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Important risks and uncertainties about our business can be found in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC.

Overview

We had strong operational execution in the three-month and six-month periods ended June 30, 2017. Sales for the three-month period ended June 30, 2017 were $2.48 billion, up 12.3% from $2.20 billion in the same period in 2016. During the six months ended June 30, 2017, sales were $4.89 billion, up 12.1% from $4.37 billion in the same period in 2016. Demand was up slightly in the 2017 periods compared to the 2016 periods. Pricing levels were higher in the six months ended June 30, 2017 compared to the same period in 2016, especially for carbon (52% of our sales) and stainless steel (14% of our sales) products, which had a favorable impact on our revenues. We achieved several operational successes in the three-month and six-month periods ended June 30, 2017:

- Gross profit was $702.1 million in the second quarter of 2017, the second highest quarterly result in our history, following our record $721.6 million set in the first quarter of 2017;

- Our gross profit margin was 29.8% in the first quarter of 2017 and 28.4% in the second quarter of 2017, both within or above our recently increased range of 27% to 29%; and

- For the six months ended June 30, 2017, our pre-tax income increased by $60.1 million from $230.8 million to $320.9 million, or 23.0%, compared to the same period in 2016.

Our same-store tons sold increased 1.1% and 1.6% in the three-month and six-month periods ended June 30, 2017, respectively, compared to the same periods in 2016, due to slightly improved customer demand levels across many industries, including the energy (oil and gas) market.

Our same-store average selling price per ton sold in the three-month and six-month periods ended June 30, 2017 increased 11.3% and 10.5%, respectively, compared to the same periods in 2016. Our same-store average selling price per ton sold has increased sequentially in each of the past five quarters, mainly for certain carbon and stainless steel products. Metal prices began to increase in the second quarter of 2016 which we believe was primarily due to improved demand and lower imports resulting from the impact of trade case filings by U.S. steel producers. However, imports increased in the second quarter of 2017 causing some downward pressure on pricing, although prices remain at higher levels than in the 2016 first half.

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Our same-store S,G&A expense as a percent of sales of 19.1% and 19.4% in the three-month and six-month periods ended June 30, 2017, respectively, decreased from 20.6% in each of the same 2016 periods mainly due to higher metals pricing levels during the 2017 periods that increased our sales levels.

We generated cash flow from operations of $15.2 million in the six months ended June 30, 2017, down from $205.2 million in the same period of 2016 primarily due to increased working capital requirements from higher metal prices and an improved demand environment. As of June 30, 2017, our net debt-to-total capital ratio was 30.7%, up slightly from 30.3% as of December 31, 2016. We have significant liquidity as of June 30, 2017, with approximately $740.5 million available for borrowing on our revolving credit facility.

We believe that our exposure to diverse end markets, broad product base, and wide geographic footprint will continue to lessen earnings volatility compared to many of our competitors.

We will continue to focus on working capital management and maximizing profitability of our existing businesses, as well as executing our proven growth strategies.

2016 Acquisitions

On August 1, 2016, through our wholly owned subsidiary American Metals Corporation, we acquired Alaska Steel Company (“Alaska Steel”), a full-line metal distributor headquartered in Anchorage, Alaska. Our acquisition of Alaska Steel was our first entry into the Alaska market. Alaska Steel provides steel, aluminum, stainless and specialty metals and related processing services to a variety of customers in diverse industries including infrastructure and energy throughout Alaska. Alaska Steel’s net sales for the six months ended June 30, 2017 were $10.7 million.

On April 1, 2016, we acquired Best Manufacturing, Inc. (“Best Manufacturing”), a custom sheet metal fabricator of steel and aluminum products on both a direct and toll basis. Best Manufacturing, headquartered in Jonesboro, Arkansas, provides various precision fabrication services including laser cutting, shearing, computer numerated control (“CNC”) punching, CNC forming and rolling, as well as welding, assembly, painting, inventory management and engineering expertise. Best Manufacturing’s net sales for the six months ended June 30, 2017 were $10.9 million.

On January 1, 2016, we acquired Tubular Steel, Inc. (“Tubular Steel”), a distributor and processor of carbon, alloy and stainless steel pipe, tubing and bar products. Tubular Steel, headquartered in St. Louis, Missouri, has six locations and a fabrication business that supports its diverse customer base. Tubular Steel’s net sales for the six months ended June

30, 2017 were $68.7 million.

We funded our 2016 acquisitions with borrowings on our revolving credit facility and cash on hand.

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Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

The following table sets forth certain income statement data for the three-month and six-month periods ended June 30, 2017 and 2016 (dollars are shown in millions and certain amounts may not calculate due to rounding):

	Three Months Ended June 30,						Six Months Ended June 30,					
	2017			2016			2017			2016		
	$	% of Net Sales		$	% of Net Sales		$	% of Net Sales		$	% of Net Sales	
Net sales	$ 2,475.2	100.0	%	$ 2,203.9	100.0	%	$ 4,894.5	100.0	%	$ 4,366.6	100.0	%
Cost of sales (exclusive of depreciation and amortization expense shown below)	1,773.1	71.6		1,518.8	68.9		3,470.8	70.9		3,044.8	69.7	
Gross profit (1)	702.1	28.4		685.1	31.1		1,423.7	29.1		1,321.8	30.3	
Warehouse, delivery, selling, general and administrative expense ("S,G&A") (2)	475.9	19.2		455.2	20.7		952.1	19.5		904.7	20.7	
Depreciation expense	41.7	1.7		42.0	1.9		83.5	1.7		84.5	1.9	
Amortization expense	13.3	0.5		13.5	0.6		26.7	0.5		27.1	0.6	
Operating income (2)	$ 171.2	6.9	%	$ 174.4	7.9	%	$ 361.4	7.4	%	$ 305.5	7.0	%

(1) Gross profit, calculated as net sales less cost of sales, and gross profit margin, calculated as gross profit divided by net sales, are non-GAAP financial measures as they exclude depreciation and amortization expense associated with the corresponding sales. The majority of our orders are basic distribution with no processing services performed. For the remainder of our sales orders, we perform “first-stage” processing, which is generally not labor intensive as we are simply cutting the metal to size. Because of this, the amount of related labor and overhead, including depreciation and amortization, is not significant and is excluded from our cost of sales. Therefore, our cost of sales is substantially comprised of the cost of the material we sell. We use gross profit and gross profit margin as shown above as measures of operating performance. Gross profit and gross profit margin are important operating and financial measures, as their fluctuations can have a significant impact on our earnings. Gross profit and gross profit margin, as presented, are not necessarily comparable with similarly titled measures for other companies.

(2) The 2016 amounts have been retrospectively adjusted pursuant to our adoption of accounting changes related to the presentation of net periodic pension cost and net periodic postretirement benefit cost. See Note 2 to the Unaudited Consolidated Financial Statements for further information.

Net Sales

	June 30, 2017	2016	Dollar Change	Percentage Change	
	(in millions)				
Net sales (three months ended)	$ 2,475.2	$ 2,203.9	$ 271.3	12.3	%
Net sales (six months ended)	$ 4,894.5	$ 4,366.6	$ 527.9	12.1	%
Net sales, same-store (three months ended)	$ 2,428.2	$ 2,168.7	$ 259.5	12.0	%
Net sales, same-store (six months ended)	$ 4,804.1	$ 4,301.6	$ 502.5	11.7	%

	June 30, 2017	2016	Tons Change	Percentage Change	
	(in thousands)				
Tons sold (three months ended)	1,540.3	1,519.4	20.9	1.4	%
Tons sold (six months ended)	3,080.7	3,022.4	58.3	1.9	%
Tons sold, same-store (three months ended)	1,517.8	1,501.6	16.2	1.1	%
Tons sold, same-store (six months ended)	3,037.4	2,989.5	47.9	1.6	%

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	June 30, 2017	2016	Price Change	Percentage Change	
Average selling price per ton sold (three months ended)	$ 1,600	$ 1,438	$ 162	11.3	%
Average selling price per ton sold (six months ended)	$ 1,581	$ 1,431	$ 150	10.5	%
Average selling price per ton sold, same-store (three months ended)	$ 1,592	$ 1,431	$ 161	11.3	%
Average selling price per ton sold, same-store (six months ended)	$ 1,574	$ 1,425	$ 149	10.5	%

Tons sold and average selling price per ton sold amounts exclude our toll processing sales (as we process the metal for a fee, without taking ownership of the metal). Same-store amounts exclude the results of our 2016 acquisitions.

Our consolidated sales were higher in the three-month and six-month periods ended June 30, 2017 compared to the same periods in 2016 due to both higher tons sold and higher metals prices. Prices for most products we sell improved in both the three-month and six-month periods ended June 30, 2017 compared to the same periods in 2016, except for alloy products, which declined in the six-month period ended June 30, 2017 compared to the same period in 2016. Our same-store average selling price has increased sequentially in each of the past five quarters. U.S. mill price increases have been supported by increases in raw material costs, including scrap, coupled with multiple trade cases filed in the U.S. that have resulted in reduced levels of imported carbon and stainless steel products.

End markets that continued to perform well for us include automotive, primarily through our toll processing businesses in the U.S. and Mexico, and aerospace. Heavy industry demand remained relatively steady at the low levels we experienced in 2016. Non-residential construction demand continued its slow improvement, although it remains at significantly reduced demand levels from its peak levels experienced in 2006. Demand for the products we sell to the energy (oil and gas) end market improved in the six months ended June 30, 2017 compared to the same period in 2016, but remains significantly lower than the recent peak in 2014.

Since we primarily purchase and sell our inventories in the “spot” market, the changes in our average selling prices generally fluctuate in accordance with the changes in the costs of the various metals we purchase. The mix of products sold can also have an impact on our average selling prices.

Our same-store average selling price per ton sold in the three-month and six-month periods ended June 30, 2017 increased 11.3% and 10.5%, respectively, from the comparable 2016 periods given increased mill pricing for most products we sell. As carbon steel sales represent approximately 52% of our sales dollars, changes in carbon steel prices have the most significant impact on changes in our overall average selling price per ton sold. Our major commodity selling prices changed year-over-year as follows:

		Three Months Ended June 30		Six Months Ended June 30	
		Average Selling Price per Ton Sold	Same-store Average Selling Price per Ton Sold	Average Selling Price per Ton Sold	Same-store Average Selling Price per Ton Sold
		(percentage change)		(percentage change)	
13.4	Includes (i) 19,988 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78. and (ii) 15,470 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Bonaventura is affiliated with the Placement Agent of the Stock Offering and the 2012 Common Stock Offering (Robert Bonaventura.).				
Carbon steel					
201	Includes (i) 138,720 shares of common stock and (ii) 34,680 shares of common stock issuable upon the exercise of the Stock Offering warrants (Robert Dunn).				
202	Includes (i) 277,440 shares of common stock and (ii) 69,360 shares of common stock issuable upon the exercise of the Stock Offering warrants (Robert A. Krauch).				
203	Includes (i) 15,136 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (Robert Hair).				
204	Includes (i) 41,846 shares of common stock and (ii) 9,569 shares of common stock issuable upon the exercise of the Stock Offering warrants (Robert J Laubenthal).				
205	Includes (i) 1,665 shares of common stock issuable upon exercise of the placement agent warrants at an exercise				

price of 0.78. Mr. LeBoyer is affiliated with the Placement Agent of the Stock Offering (Robert LeBoyer).

206 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon the exercise of the Stock Offering warrants (Robert N. Blank).

207 Includes (i) 2,255 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Rotunno is affiliated with the Placement Agent of the 2012 Common Stock Offering. (Robert Rotunno).

208 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon exercise of the Stock Offering warrants (Robert T. Stapell).

209 Includes (i) 194,104 shares of common stock, (ii) 22,704 shares of common stock issuable upon exercise of the Series B warrants, and (iii) 25,822 shares of common stock issuable upon the exercise of the Stock Offering warrants. (Roger Conan).

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210 Includes (i) 68,470 shares of common stock and (ii) 17,188 shares of common stock issuable upon the exercise of the Stock Offering warrants (Sterne Agee & Leach Inc. C/F Roger K. Cady R/O IRA).

211 Includes (i) 276,314 shares of common stock and (ii) 69,079 shares of common stock issuable upon the exercise of the Stock Offering warrants (Ron D. Craig).

212 Includes (i) 7,090 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Zuckerman is affiliated with the Placement Agent of the 2012 Common Stock Offering. (Ron Zuckerman).

213 Includes (i) 30,272 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (Ronald J. Woodward).

214 Includes (i) 48,551 shares of common stock and (ii) 12,138 shares of common stock issuable upon exercise of the Stock Offering warrants (Ronald A. Soicher).

215 Includes (i) 16,235 shares of common stock and (ii) 10,374 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Turcotte is affiliated with the Placement Agent of the Stock Offering and the 2012 Common Stock Offering (Ryan Turcotte).

216 Includes (i) 64,746 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78. (ii) 57,212 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Seth is affiliated with the Placement Agent of the Stock Offering, the 2012 Common Stock Offering and is also a Director of the Company (Sandesh Seth.).

217 Includes (i) 51,522 shares of common stock and (ii) 6,054 shares of common stock issuable upon exercise of the Series B warrants, and (iii) 6,826 shares of common stock issuable upon exercise of the Stock Offering warrants (Sandra F. Tomlinson).

218 Includes (i) 50,021 shares of common stock and (ii) 11,483 shares of common stock issuable upon exercise of the Stock Offering warrants (Sterne Agee & Leach Inc. C/F Pat Schneider IRA).

219 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon the exercise of the Stock Offering warrants (Scott L. Byer).

220 Includes (i) 60,545 shares of common stock. Brian M. Miller may be deemed to be the beneficial owner of the shares of our common stock held by Seal Rock 1, LLC. Brian M. Miller has voting and/or investment power over the common stock of Actinium owned by Seal Rock 1, LLC. (Seal Rock 1, LLC).

221 Includes (i) 60,545 shares of common stock and (ii) 30,272 shares of common stock issuable upon exercise of the Series B warrants. Alexander Sepulveda may be deemed to be the beneficial owner of the shares of our common stock held by the Sterne Agee & Leach Inc. C/F Mercedes Sepulveda Roth IRA. (Sterne Agee & Leach Inc. C/F Mercedes Sepulveda Roth IRA),

222 Includes (i) 16,874 shares of common stock (Sharon M. Smith).

223 Includes (i) 41,082 shares of common stock and (ii) 10,271 shares of common stock issuable upon the exercise of the Stock Offering warrants (Simon C. Guscott).

224 Includes (i) 832 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78. Mr. Shah is affiliated with the Placement Agent of the Stock Offering (Sohin Shah).

225 Includes (i) 6,785 shares of common stock, (ii)1,696 shares of common stock issuable upon exercise of the Stock Offering warrants (Srinivasa Rajan).

226 Includes (i) 41,411 shares of common stock, and (ii) 10,353 shares of common stock issuable upon exercise of the Stock Offering warrants . Stephen Park and Tracy Park may be deemed to be beneficial owner of the shares of our common stock held by Park, Stephen and Tracy (JTWROS). (Stephen and Tracy Park, (JTWROS)).

227 Includes (i) 20,807 shares of common stock and (ii) 5,202 shares of common stock issuable upon the exercise of the Stock Offering warrants (Stephen Fischgrund).

228 Includes (i) 77,535 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78 and (ii) 13,263 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Hamilton is affiliated with the Placement Agent of the Stock Offering Offering and the 2012 Common Stock Offering. (Stephen Hamilton).

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Includes (i) 35,691 shares of common stock and (ii) 8,923 shares of common stock issuable upon exercise of the Stock Offering warrants. JB Trahern and/or Ann Trahern may be deemed to be the beneficial owner of the shares of our common stock held by the Sterne Agee & Leach Inc. C/F JB Trahern Bene Owner Ann Trahern DCSD IRA. (Sterne Agee & Leach Inc. C/F JB Trahern Bene Owner Ann Trahern DCSD IRA).

230 Includes (i) 60,546 shares of common stock and (ii) 15,136 shares of common stock issuable upon exercise of the Series B warrants. Steven De Decker & Diop Diatou may be deemed to be the beneficial owner of the shares of our common stock held by Steven De Decker & Diop Diatou (JTWROS). (Steven De Decker & Diop Diatou (JTWROS)).

231 Includes (i) 30,272 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (Steven K. Nelson).

232 Includes (i) 13,694 shares of common stock and (ii) 3,424 shares of common stock issuable upon exercise of the Stock Offering warrants (Steven W. Poe and Judith L. Poe (JTWROS)).

233 Includes (i) 6,785 shares of common stock and (ii) 1,696 shares of common stock issuable upon exercise of the Stock Offering warrants. Gregory F. Sullivan may be deemed to be the beneficial owner of the shares of our common stock held by the Sterne Agee & Leach Inc. C/F Gregory F. Sullivan II IRA (Sterne Agee & Leach Inc. C/F Gregory F. Sullivan II Roth IRA).

234 Includes (i) 12,109 shares of common stock and (ii) 6,054 shares of common stock issuable upon exercise of the Series B warrants (Susan H. Lu).

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235 Includes (i) 134,390 shares of common stock, (ii) 16,642 shares of common stock issuable upon exercise of the Series B warrants, and (iii)16,955 shares of common stock issuable upon exercise of the Stock Offering warrants. Ray Sinott may be deemed to be the beneficial owner of the shares of our common stock held by Syntec Scientific LTD. (Syntec Scientific LTD).

236 Includes (i) 13,725 shares of common stock and (ii) 3,431 shares of common stock issuable upon exercise of the Stock Offering warrants. Thomas Murray and Lillian Murray may be deemed to be the beneficial owner of the shares of our common stock held by Murray, Thomas and Lillian (JTWROS). (Thomas and Lillian Murray, (JTWROS)).

237 Includes (i) 41,684 shares of common stock and (ii) 9,569 shares of common stock issuable upon exercise of the Stock Offering warrants. (Thomas C. Pugh).

238 Includes (i) 144,238 shares of common stock, (ii) 15,136 shares of common stock issuable upon exercise of the Series B warrants and (iii) 19,138 shares of common stock issuable upon exercise of the Stock Offering warrants (Thomas G. Hoffman).

239 Includes (i) 71,956 shares of common stock, (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants and (iii) 9,569 shares of common stock issuable upon exercise of the Stock Offering warrants. Thomas J. Moore & Cathleen Moore may be deemed to be the beneficial owner of the shares of our common stock held by the Thomas J. Moore & Cathleen Moore (JTWROS). (Thomas J. Moore & Cathleen Moore (JTWROS)).

240 Includes (i) 24,226 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (Thomas N. Metz).

241 Includes (i) 121,090 shares of common stock and (ii) 30,272 shares of common stock issuable upon exercise of the Series B warrants (Thomas Turley).

242 Includes (i) 60,546 shares of common stock and (ii) 15,136 shares of common stock issuable upon exercise of the Series B warrants (Timothy A. Kippenhan).

243 Includes (i) 3,444 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78. (ii) 2,727 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Mr. Behr is affiliated with the Placement Agent of the Stock Offering and the 2012 Common Stock Offering (Timothy C. Behr).

244 Includes (i) 76,295 shares of common stock and (ii) 19,074 shares of common stock issuable upon exercise of the Stock Offering warrants (Timothy E. Lemaster).

245 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon exercise of the Stock Offering warrants. Timothy J. Pellegrini and Catherine A. Pellegrini may be deemed to be beneficial owner of the shares of our common stock held by Pellegrini, Timothy J. and Catherine A. (JTWROS) (Pellegrini, Timothy J. and Catherine A. (JTWROS)).

246 Includes (i) 41,082 shares of common stock and (ii) 10,271 shares of common stock issuable upon the exercise of the Stock Offering warrants. Timothy J. Kane and Annette K. Kane may be deemed to be the beneficial owner of the shares of our common stock held by Timothy J. Kane and Annette K. Kane (JTWROS). (Timothy J. Kane and Annette K. Kane (JTWROS)).

247 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon exercise of the Stock Offering warrants (Timothy J. Rinker).

248 Includes (i) 65,891 shares of common stock and (ii) 16,473 shares of common stock issuable upon the exercise of the Stock Offering warrants (Timothy P. Johnston).

249 Includes (i) 101,279 shares of common stock, (ii) 16,650 shares of common stock issuable upon exercise of the Series B warrants, and (iii) 8,670 shares of common stock issuable upon exercise of the Stock Offering warrants (Timothy Wieghaus).

250 Includes (i) 74,524 shares of common stock, (ii) 1,513 shares of common stock issuable upon exercise of the Series B warrants and (iii) 17,118 shares of common stock issuable upon exercise of the Stock Offering warrants (Tracy N. Poe).

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251 Includes (i) 40,712 shares of common stock and (ii) 10,178 shares of common stock issuable upon the exercise of the Stock Offering warrants (Sterne Agee & Leach Inc. C/F Tracy N. Poe Roth IRA)

252 Includes (i) 15,136 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (Uday Dandamudi).

253 Includes (i) 412,784 shares of common stock and (ii) 103,196 shares of common stock issuable upon exercise of the Stock Offering warrants. Xiongwei Ju may be deemed to be the beneficial owner of the shares of our common stock held by Variety Investments Limited. Xiongwei Ju has voting and/or investment power over the common stock of Actinium owned by Variety Investments Ltd. (Variety Investments Limited).

254 Includes (i) 60,545 shares of common stock and (ii) 30,272 shares of common stock issuable upon exercise of the Series B warrants. Brian M. Miller may be deemed to be the beneficial owner of the shares of our common stock held by Velcro LLC. Brian M. Miller has sole voting and/or investment power over the common stock owned by Velcro LLC (Velcro LLC).

255 Includes (i) 832 shares of common stock issuable upon exercise of the placement agent warrants at an exercise price of 0.78. Mr. Moras is affiliated with the Placement Agent of the Stock Offering (Vinod Moras.).

256 Includes (i) 26,678 shares of common stock and (ii) 6,124 shares of common stock issuable upon the exercise of the Stock Offering warrants (Willard L Simons).

257 Includes (i) 24,226 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants Willard L. Simons may be deemed to be the beneficial owner of the shares of our common stock held by the Simons IRA - Sterne Agee & Leach Inc. C/F Willard L. (Willard L. Simons IRA - Sterne Agee & Leach Inc. C/F).

258 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon exercise of the Stock Offering warrants. William A. Valka and Barbara B. Valka may be deemed to be the beneficial owner of the shares of our common stock held by Valka, William A. and Barbara B. (JTWROS). (William A. and Barbara B. Valka, (JTWROS)).

259 Includes (i) 121,090 shares of common stock and (ii) 30,272 shares of common stock issuable upon exercise of the Series B warrants (William H. Hieronymus).

260 Includes (i) 12,109 shares of common stock and (ii) 6,054 shares of common stock issuable upon exercise of the Series B warrants. William J. Diamond & Andrea Sullivan may be deemed to be the beneficial owner of the shares of our common stock held by William J. Diamond & Andrea Sullivan (JTWROS). (William J. Diamond & Andrea Sullivan (JTWROS)).

261 Includes (i) 30,272 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants. William L. Lane & Leann Lane may be deemed to be the beneficial owner of the shares of our common stock held by the William L. Lane & Leanne Lane (JTWROS). (William L. Lane & Leanne Lane (JTWROS)).

262 Includes (i) 34,679 shares of common stock and (ii) 8,670 shares of common stock issuable upon the exercise of the Stock Offering warrants (William Wade Brawley).

263 Includes (i) 15,136 shares of common stock and (ii) 7,568 shares of common stock issuable upon exercise of the Series B warrants (William Woodford).

264 Includes (i) 138,720 shares of common stock and (ii) 34,680 shares of common stock issuable upon exercise of the Stock Offering warrants. Patricia White and/or William Wilson III may be deemed to be the beneficial owner of the shares of our common stock held by Wilson, William, III and Wilson, Patricia White COTTEE of The Wilson Family Restated Living Trust UTA dtd 04/2004. (Wilson, William, III and Wilson, Patricia White COTTEE of The Wilson Family Restated Living Trust UTA dtd 04/2004).

265 Includes (i) 19,980 shares of common stock and (ii) 4,995 shares of common stock issuable upon exercise of the Series B warrants (Wojciech Rybacki).

266 Includes (i) 11,305 shares of common stock and (ii) 7,054 shares of common stock issuable upon exercise of the 2012 Common Stock placement agent warrants at an exercise price of 2.48. Ms. Zhou is affiliated with the Placement Agent of the Stock Offering and the 2012 Common Stock Offering (Xiaowei Zhou.).

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Includes (i) 36,326 shares of common stock and (ii) 9,081 shares of common stock issuable upon exercise of the Series B warrants (Yogesh Desai).

Except as disclosed in the table above, to our knowledge, none of the selling stockholders or beneficial owners:

has had a material relationship with us other than as a stockholder at any time within the past three years;

has ever been one of our officers or directors or an officer or director of our affiliates; or

are broker-dealers or affiliated with broker-dealers.

With respect to those selling stockholders noted above who are or were affiliated with registered broker-dealers, each has represented to us that the shares being registered for resale were purchased in the ordinary course of business and, at the time of purchase, such selling stockholder had no agreements or understandings, directly or indirectly, with any person to distribute the shares.

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DESCRIPTION OF BUSINESS

Business Overview

We are a biopharmaceutical company focused on the $50 billion market for cancer drugs. Our most advanced products are Actimab™-A, an antibody-drug construct containing actinium 225 (Ac-225), currently in human clinical trials for acute myeloid leukemia (AML) and Iomab™-B, an antibody-drug construct containing iodine 131 (I-131), used in myeloconditioning for hematopoietic stem cells transplantation (HSCT) in various indications. The Company is currently designing a trial which the Company intends to submit for registration approval in HSCT in the settings of refractory and relapsed acute myeloid leukemia in older patients. The Company is developing its cancer drugs using its expertise in radioimmunotherapy. In addition, the Ac-225 based drugs development relies on the patented Alpha Particle Immunotherapy Technology (APIT) platform technology co-developed with Memorial Sloan- Kettering Cancer Center, whose indirect subsidiary, Actinium Holdings Ltd., is a significant stockholder of the Company. The APIT technology couples monoclonal antibodies (mAb) with extremely potent but comparatively safe alpha particle emitting radioactive isotopes, in particular actinium 225 and bismuth 213. The final drug construct is designed to specifically target and kill cancer cells while minimizing side effects. The Company intends to develop a number of products for different types of cancer and derive revenue from partnering relationships with large pharmaceutical companies and/or direct sales of its products in specialty markets in the U.S.

Our Corporate History and Background

We were formed as a Nevada corporation on October 6, 1997, originally under the name Zurich U.S.A., Inc. On July 10, 2006, we changed our name to Cactus Ventures, Inc. and began pursuing our business of marketing sunglasses. The Company encountered numerous problems with various vendors and ceased its operations. The Company shifted its efforts to seeking a business combination opportunity with a business entity, and negotiated a merger of a target company into the Company. Upon ceasing its operations, the Company was considered a “blank check” or “Shell” company as such term is defined under the Securities Act.

Upon completing the Share Exchange (as defined below), the Company ceased being considered a “blank check” or “Shell” company and is now a clinical-stage biopharmaceutical company developing certain cancer treatments.

On April 11, 2013, the change of domicile from the State of Nevada to the State of Delaware and the change of Cactus Ventures, Inc.’s name from Cactus Ventures, Inc. to Actinium Pharmaceuticals, Inc. became effective in accordance with Articles of Merger filed with the State of Nevada and a Certificate of Merger filed with the State of Delaware. In connection with the name change we also changed the name of our subsidiary Actinium Pharmaceuticals, Inc. to Actinium Corporation. Effective April 18, 2013 our new trading symbol is ATNM.

Acquisition of Actinium

On December 28, 2012, Actinium Pharmaceuticals, Inc. (“Actinium”) completed a share exchange with Cactus, whereby Cactus acquired 21% of the issued and outstanding capital stock of Actinium Corporation from the shareholders of Actinium Corporation (the “Actinium Shareholders”) in exchange for the issuance of 4,309,015 shares of Common Stock of the Company to the Actinium Shareholders (the “Share Exchange”). The Company has a class of securities registered under the Exchange Act of 1934 but its Common Stock. As part of the Share Exchange, Actinium Corporation paid $250,000 to the shareholders of Cactus before the consummation of the Share Exchange.

The Share Exchange was treated as a recapitalization effected through a share exchange, with Actinium Corporation as the accounting acquirer and the Company the accounting acquiree. Unless the context suggests otherwise, when we refer in this Registration Statement to business and financial information for periods prior to the consummation of the

Share Exchange, we are referring to the business and financial information of Actinium Corporation.

Effective following the expiration of the ten day period following the mailing of the information statement required by Rule 14f-1 under the Exchange Act, Diane S. Button resigned from her position as member of the Board of Directors of the Company. Effective upon the closing of the Share Exchange, Diane S. Button resigned as an officer of the Company. Also effective upon the closing of the Share Exchange, Jack V. Talley was appointed to our Board of Directors. Effective as of the expiration of the ten day period following the mailing of the information statement required by Rule 14f-1 under the Exchange Act Dr. Rosemary Mazanet, David Nicholson, Sandesh Seth and Sergio Traversa were appointed to our Board of Directors. In addition, our Board of Directors appointed Jack V. Talley to serve as our President and Chief Executive Officer, Dragan Cicic to serve as our Chief Operating Officer and Chief Medical Officer, and Enza Guagenti to serve as our Chief Financial Officer, effective immediately upon the closing of the Share Exchange. On February 28, 2013, Mr. Talley resigned as the President and Chief Executive Officer, and Director of the Company and Actinium. On March 1, 2013, the Board of Directors of the Company unanimously approved the appointment of Sergio Traversa as the Company's interim President and Chief Executive Officer. Dr. Traversa is also currently a member of the Board of the Company. On March 9, 2013, Ms. Guagenti resigned as the Chief Financial Officer of the Company and Actinium. On March 11, 2013, the Board of Directors of the Company unanimously approved the appointment of Sergio Traversa as the Company's interim Chief Financial Officer. The Board is actively looking for a candidate to fill the Chief Executive Officer and Chief Financial Officer positions of the Company. On March 13, 2013, the Board approved the appointment of Brio Financial Group as the Company's interim Controller, responsible for the Company's treasury and accounting functions.

As a result of the Share Exchange, the Company assumed the business and operations of Actinium Corporation. On April 11, 2013, the change of domicile from the State of Nevada to the State of Delaware and the change of Cactus Ventures, Inc.'s name from Cactus Ventures, Inc. to Actinium Pharmaceuticals, Inc. became effective in accordance with Articles of Merger filed with the State of Nevada and a Certificate of Merger filed with the State of Delaware. Effective April 18, 2013 the Company's new trading symbol is ATNM.

As the Company is a "reporting company" under the Exchange Act of 1934, it is required to file periodic filings with the SEC, which include Actinium Corporation's quarterly and annual financial information.

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On March 11, 2013, Actinium Corporation continued its Share Exchange with the Company, whereby the Company acquired an additional 36% of the issued and outstanding capital stock of Actinium Corporation from the Actinium Corporation Shareholders in exchange for the issuance of 7,344,390 shares of Common Stock of the Company to the Actinium Shareholders. On August 22, 2013, Actinium Corporation continued its Share Exchange with the Company, whereby the Company acquired an additional 38.2% of the issued and outstanding capital stock of Actinium Corporation from the Actinium Corporation Shareholders in exchange for the issuance of 8,009,550 shares of Common Stock of the Company to the Actinium Shareholders. As of August 22, 2013, the Company has acquired a total of 59,047,916, or approximately 93.7%, of the issued and outstanding equity securities of Actinium Corporation. The Company intends to continue to exchange its shares of common stock for shares of Actinium Corporation held by the remaining Actinium Corporation Shareholders.

Corporate History of Actinium

Actinium Corporation was incorporated in 2000 in the state of Delaware. Until the Share Exchange, Actinium Corporation was a clinical-stage, privately held biopharmaceutical company with:

- Two clinical-stage products, Iomab™-B and Actimab™-A, in development for blood borne cancers;
- Preclinical data in additional cancer indications;
- A proprietary technology platform for novel radioimmunotherapy cancer treatments; and
- A proprietary process for manufacturing of the alpha particle emitting radioactive isotope actinium 225 (Ac-225).

Iomab™-B has completed a Phase I/II design trial as a preparatory regimen in conjunction with fludarabine and reduced intensity radiation conditioning in patients who are ineligible for standard mycloablative conditioning for hematopoietic stem cell transplantation (HSCT) and the Company expects it to enter a regulatory approval trial in 2013, subject to input from the FDA concerning the design and conduct of a pivotal trial. Actimab™-A is currently in a Phase I/II trial in newly diagnosed elderly acute myeloid leukemia (AML). In addition, using its patented Alpha Particle Immunotherapy Technology (APIT) platform and via its collaboration with the Memorial Sloan Kettering Cancer Center (MSKCC), the Company has preclinical data on potential drug candidates in several other cancer indications and expects to further develop these into clinical stage drug candidates.

Actinium Corporation has one wholly owned subsidiary, MedActinium, Inc., a Delaware corporation, which is party to certain isotope related licenses and contracts on which the Company relies.

Upon Actinium Corporation's formation in 2000, it acquired Pharmactinium, Inc. and MedActinium, Inc., and through Pharmactinium, Inc. acquired certain rights to the APIT platform. Core technology patents were in-licensed from N.V. Organon which also provided seed funding. Pharmactinium, Inc. was party to a research and development agreement with MSKCC beginning in 1996. In 2002, this agreement and relationship was significantly expanded and now includes research and development, preclinical development, clinical trials and commercial technology licenses. In 2007, Pharmactinium, Inc. was merged with and into the Company. In 2007, the Company also acquired its sister company, Actinium Pharmaceuticals, Limited (Bermuda) (the "Bermuda Company"), by a merger of the Bermuda Company into the Company and thereby also acquired certain patent licenses relating to APIT previously licensed by the Bermuda Company to the Company.

In 2000, the Company also began what has become a long term relationship with General Atlantic Investments Limited (GAIL), an entity which has provided most of the Company's investment capital since 2000, totaling $50.7 million. In 2010, the parent of GAIL contributed and transferred its ownership of GAIL (now renamed Actinium Holdings, Limited), whose only asset at that time was the shares of API, to an indirect subsidiary of Memorial Sloan-Kettering Cancer Center. In January 2012, the Company closed on $6,685,418 in net funding through the sale

of the Company's stock and a Senior Convertible Note financing. On December 19, 2012, Actinium completed a private offering of units, consisting of common stock, Series A warrants and Series B warrants. The price per unit was $1.65 for aggregate net proceeds of $4,469,776. The Series A Warrants have a 120 day term from January 28, 2013 and are exercisable for an aggregate of up to 3,118,968 shares of the Company’s common stock at an initial per share exercise price of $1.65, subject to adjustment. The Series A Warranted expired on May 28, 2013. The Series B Warrants have a five year term from January 28, 2013 and are exercisable for an aggregate of up to 1,59,484 shares of the Company’s common stock at an initial per share exercise price of $2.48, subject to adjustment. In the second quarter of 2013 we issued shares of common stock pursuant to the exercise of A-Warrants originally issued in connection with a private placement that closed in January 2013. The warrants were exercised at $1.65 per share, resulting in gross proceeds of $3,457,087 for the Company.

Our executive office is located at 501 Fifth Avenue, 3rd Floor, New York, NY 10017 and our telephone number is (212) 300-2131. Our website address is http://www.actiniumpharmaceuticals.com. Except as set forth below, the information on our website is not part of this Registration Statement.

Summary of Scientific and Business Achievements:

The Company’s scientific and business achievements to date include:

- In-licensing a Phase II clinical stage monoclonal antibody, BC8, with safety and efficacy data in more than 250 patients in need of Hematopoietic Stem Cell Transplantation (HSCT, currently in 7 active Phase I and Phase II clinical trials;
- Commencing a Company sponsored multi-center Phase I/II clinical trial for Actimab™-A in elderly Acute Myeloid Leukemia;
- Developing and organizing manufacturing of Actinium’s lead drug candidate Actimab™-A which was accepted by the FDA for multi-center human use;
- Supporting three physician sponsored clinical trials, including a Phase I and a Phase I/II trial with the alpha emitting radioactive isotope bismuth 213 (Bi-213) based AML drug and a Phase I clinical trial with the alpha emitting radioactive isotope actinium 225 (Ac-225) based AML drug;
- In-licensing the AML targeting monoclonal antibody known as HuM195 or Lintuzumab;
- Establishing clinical and preclinical development relationships with world-class institutions such as MSKCC, Fred Hutchinson Cancer Research Center (FHCRC) and University of Texas MD Anderson Cancer Center (the MD Anderson Cancer Center relationship includes clinical trials only), as well as leading clinical experts in the fields of AML and HSCT;
- Securing rights to an intellectual property estate that covers key aspects of the Company’s proprietary technology platform;
- Supporting a number of pipeline projects, including preclinical experiments in metastatic prostate cancer, metastatic colon cancer, antiangiogenesis and breast cancer models;

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Maintaining contractual relationship with Oak Ridge National Laboratory (ORNL) of the Department of Energy (DOE) which gives API access to most of the current world supply of Ac-225; and
Successfully developing commercial production methods for actinium 225.

Business Strategy

API intends to potentially develop its most advanced clinical stage drug candidates through approval in the case of Iomab™-B and up to and including a Phase II proof of concept human clinical trial (a trial designed to provide data on the drug's efficacy) in the case of Actimab™-A. If these efforts are successful, API may elect to commercialize Iomab™-B on its own or with a partner in the U.S. and/or outside of the U.S. to out-license the rights to develop and commercialize the product to a strategic partner. In the case of Actimab™-A, API will most likely seek to enter into strategic partnerships whereby the strategic partner(s) co-fund(s) further human clinical trials of the drug that are needed to obtain regulatory approvals for commercial sale within and outside of the U.S. In parallel, the Company intends to identify and begin initial human trials with additional actinium-225 drug candidates in other cancer indications. API intends to retain marketing rights for its products in the U.S. whenever possible and outlicense marketing rights to its partners for the rest of the world.

Market Opportunity

API is competing in the marketplace for cancer treatments estimated at over $54 billion in 2011 sales per IMS Health and projected to exceed $76 billion per year by 2015, according to the Global Academy for Medical Education. While surgery, radiation and chemotherapy remain staple treatments for cancer, their use is limited by the fact that they often cause substantial damage to normal cells. On the other hand, targeted monoclonal antibody therapies exert most or all of their effect directly on cancer cells, but often lack sufficient killing power to eradicate all cancer cells with just the antibody. A new approach for treating cancer is to combine the precision of antibody-based targeting agents with the killing power of radiation or chemotherapy by attaching powerful killing agents to precise molecular carriers called monoclonal antibodies (mAb). The Company uses monoclonal antibodies labeled with radioisotopes to deliver potent doses of radiation directly to cancer cells while sparing healthy tissues. The radioisotopes we use are the alpha emitter Ac-225 and the beta emitter I-131. I-131 is among the best known and well characterized radioisotopes. It is used very successfully in treatment of papillary and follicular thyroid cancer as well as other thyroid conditions. It is also attached to a monoclonal antibody in treatment of Non-Hodgkin's Lymphoma (NHL). It is also used experimentally with different carriers in other cancers. Ac-225 has many unique properties and the Company is a leader in developing this alpha emitter for clinical applications using its proprietary APIT technology.

The Company's most advanced products are Actimab™-A, Ac-225 labeled mAb for treatment of newly diagnosed AML, a cancer of the blood, in patients ineligible for currently approved therapies, and Iomab™-B, I-131 labeled mAb for preparation of relapsed and refractory AML patients for hematopoietic stem cell transplantation (HSCT). Iomab™-B offers a potentially curative treatment for these patients most of whom do not survive beyond a year after being diagnosed with this condition. Iomab™-B has also demonstrated efficacy in HSCT preparation for other blood cancer indications, including Myelodysplastic Syndrome (MDS), acute lymphoblastic leukemia (ALL), Hodgkin's Lymphoma, and Non-Hodgkin's Lymphoma (NHL). These are all follow-on indications for which Iomab™-B can be developed and it is the Companies intention to explore these opportunities. In 2013, the Company intends to begin preclinical development of the mAb used in Iomab™-B by replacing I-131 with Ac-225. Such a follow-on product could have several advantages as a second generation product, including ease of transportation, minimal safety requirements for the centers using it, doses lower by orders of magnitude and significantly lower costs of manufacturing.

There are currently no FDA approved treatments for either Actimab™-A or Iomab™-B targeted patients.

Other potential product opportunities in which a significant amount of preclinical work is being undertaken include metastatic colorectal cancer, metastatic prostate cancer and antiangiogenesis which reduces the blood supply to solid tumors.

The Company believes that its biggest market opportunity lies in the applicability of the Company's APIT platform technology to a wide variety of cancers. A broad range of solid and blood borne cancers can be potentially targeted by monoclonal (mAbs) to enable treatment with its APIT technology. The APIT technology could potentially be applied to mAbs that are already FDA approved to create more efficacious and/or safer drugs ("biobetters").

Clinical Trials

The Company has completed a Phase I and Phase I/II physician trial in AML at MSKCC using Bismab®-A, The Company's first generation AML drug that consists of bismuth-213 attached to the antibody Lintuzumab™. The Phase II arm of the Bismab®-A drug study has shown signs of the drug's efficacy and safety, including reduction in peripheral blast counts and complete responses in some patients. Bi-213 is a daughter, i.e., product of the degradation of Ac-225, with cancer cell killing properties similar to Ac-225 but is less potent.

The Company has commenced its first company sponsored Phase I/II multi-center trial with fractionated (two) doses of Actimab™-A, Actinium's lead product for treatment of elderly AML that consists of an AML specific monoclonal antibody (HuM195, also known as Lintuzumab™) and the actinium 225 radioactive isotope attached to it. The Company intends to conduct these trials at world-class cancer institutions such as MSKCC, Johns Hopkins Medicine, University of Pennsylvania Health System, Fred Hutchinson Cancer Center and MD Anderson Cancer Center.

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The Company also continues to sponsor a Phase I AML trial at MSKCC with a single-dose administration of Actimab™-A. Initial data shows elimination of leukemia cells from blood in 67% of all evaluable patients who received a full dose and in 83% of those treated at dose levels above 0.5 microcuries (uCi/kg), and eradication of leukemia cells in both blood and bone marrow in 20% of all evaluable patients and 25% of those treated at dose levels above 0.5 uCi/kg. Dose levels in that trial have been reduced as we continue our work on establishing a maximum tolerated dose.

This Phase I trial builds on the experience with Company's first generation drug Bismab®-A that contains the same antibody used in Actimab™-A but labeled with bismuth 213, a less potent alpha emitting daughter of actinium 225 used in Actimab™-A. Bismab®-A trials and the Phase I Actimab™-A trial were focused on relapsed, refractory and other difficult to treat acute myeloid leukemia patients. The new multicenter Phase I/II trial is focused on newly diagnosed AML patients who have historically had better outcomes. In addition, the new trial includes low doses of chemotherapy with the goal of further improving patient outcomes.

Operations

The Company's current operations are primarily focused on furthering the development of its lead clinical drug candidates Actimab™-A and Iomab™-B. In the case of Actimab™-A, key ongoing activities include progressing a multi-center Phase I/II trial, support for an ongoing Phase I clinical trial at Memorial Sloan Kettering Cancer Center in New York, managing isotope and other materials supply chain, and managing the manufacturing of the finished drug candidate product. The Company has secured access to much of the currently available world reserves of Ac-225 and Bi-213 through a renewable contractual arrangement with the U.S. Department of Energy (DOE). The Company projects that these quantities are sufficient to support early stages of commercialization of alpha isotopes based products. The Company has also developed its own proprietary process for industrial scale Ac-225 production in a cyclotron in quantities adequate to support full product commercialization.

Operations related to Iomab™-B include planning for a registration trial which will include development of commercial scale manufacturing to be suitable for an approval trial and preparation of appropriate regulatory submissions.

For the fiscal years ended December 31, 2012 and December 31, 2011, we spent approximately $3,440,000 and $324,000, respectively, on research and development activities. These expenditures consisted of materials maintenance and purchases, supply chain development and implementation, drug candidate manufacturing expenditures, clinical trials costs and intellectual property portfolio related expenses. Since we have no customers, none of the costs of such research and development activities were borne by our customers.

As of the end of the second quarter 2013, we believe that we have sufficient cash to continue our operations for the balance of the year. In the second quarter of 2013 we issued shares of common stock pursuant to the exercise of A-Warrants originally issued in connection with a private placement that closed in January 2013. The warrants were exercised at $1.65 per share, resulting in gross proceeds of $3,457,087 for the Company.

We estimate that we will need approximately up to $25 million cash for the period of 2014 to 2016, i.e. until we receive our first product approval. We intend to fund these expenses from a combination of equity and/or debt funding raises and payments obtained from licensing partners.

Failure to raise additional equity or debt funding in the amounts necessary to complete our programs and/or failure to out license our programs on the projected terms may result in a slowing down of our projected development plan or our inability to complete one or more of the planned programs.

Our business plan has not been impacted by our accountants' going concern opinion. Due to our receipt of gross proceeds of $3,457,087 from the exercise of A-Warrants described above, we believe that we have sufficient funds to fund our operations through 2013 and will seek to raise additional funds through equity and/or debt offerings to fund our operations in 2014 to 2016.

Summary of Material Agreements Related to Our Business

a. Abbott Biotherapeutics Corp. We entered into a Product Development and Patent License Agreement with Abbott Biotherapeutics Corp. (formerly Facet Biotech formerly known as Protein Design Labs) in 2003 to secure exclusive rights to a specific antibody when conjugated with alpha emitting radioisotopes. Upon execution of the agreement, we made a license fee payment of $3,000,000.

We agreed to make milestone payments totaling $7,750,000 for the achievement of the following agreed to and contracted milestones:

Milestones	Payments
(1) when Company initiates a Phase I Clinical Trial of a licensed product	$ 750,000
(2) when Company initiates a Phase II Clinical Trial of a licensed product	750,000
(3) when Company initiates a Phase III Clinical Trial of a licensed product	1,500,000
(4) Biological License Application filing with U.S. FDA	1,750,000
(5) First commercial sale	1,500,000
(6) after the first $10,000,000 in net sales	1,500,000

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Under the agreement, we agreed to pay to Abbott Biotherapeutics Corp on a country-by-country basis a royalty of up to 12% of net sales of all licensed products until the later of: (1) 12.5 years after the first commercial sale, or (2) when the patents expire.
As of December 31, 2012, we met our first milestone and upon reaching the milestone we paid Abbott Biotherapeutics Corp. a milestone payment of $750,000 on July 24, 2012.

b. Memorial Sloan Kettering Cancer Center (MSKCC). In February 2002, we entered into a license agreement with MSKCC that requires a technology access fee of $50,000 upon execution, an annual maintenance fee of $50,000 and an annual research funding of $50,000 for as long as the agreement is in force.

Milestones	Payments
(1) filing of an New Drug Application (“NDA”) or regulatory approval for each licensed product	$ 750,000
(2) upon the receipt of regulatory approval from the U.S. FDA for each licensed product	1,750,000

Under the agreement, we agreed to pay to MSKCC on a country-by-country basis a royalty of 2% of net sales of all licensed products until the later of: (1) 10 years from the first commercial sale, or (2) when the patents expire. We expect to file the NDA for regulatory approval in 2015.

c. Oak Ridge National Laboratory (ORNL) – We have contracted to purchase radioactive material to be used for research and development through December 2012. We contracted to purchase $233,100 of radioactive material to be used for research and development, with a renewal option at the contract end.

d. AptivSolutions. AptivSolutions provides project management services for the study of the drug Ac-225-HuM195 (Actimab™-A) used in our clinical trials, Phase I and Phase II. The total project is estimated to cost $1,859,333 and requires a 12.5% down payment of the total estimated project cost. The down payment totaling $239,000 was paid in 2007 and 2012. The agreement was amended to provide for additional services on August 6, 2012, October 22, 2012 and May 16, 2013. The total project is now estimated at $2,173,955.

e. Fred Hutchinson Cancer Research Center (FHCRC). On June 15, 2012, we entered into a license and sponsored research agreement with FHCRC. We will build upon previous and ongoing clinical trials, with BC8 (licensed antibody) and eventually develop a clinical trial with Actinium 225. FHCRC has currently completed Phase I and Phase II of the clinical trial and we intend to start preparation for a pivotal trial leading to an FDA approval. We have been granted exclusive rights to the BC8 antibody and related master cell bank developed by FHCRC. The cost to develop the trial will range from $13.2 million to $23.5 million, depending on the trial design as required by the FDA. Under the terms of the sponsored research agreement, we will fund the FHCRC lab with $150,000 per year for the first two years and $250,000 thereafter. Payments made toward funding the lab will be credited toward royalty payments owed to FHCRC in the given year. A milestone payment of $1 million will be due to FHCRC upon FDA approval of the first drug. Upon commercial sale of the drug, royalty payments of 2% of net sales will be due to FHCRC.

f.

MSKCC. On March 27, 2012, we entered into a clinical trial agreement with Memorial Sloan Kettering Cancer Center. The Company will pay $31,185 for each patient that has completed the clinical trial. Upon execution of the agreement, the Company is required to pay a start-up fee of $79,623. The amount due of $79,623 was paid on July 10, 2012.

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g. FHCRC. On July 19, 2012, we entered into a clinical trial agreement with FHCRC. We will pay $31,366 for each patient that has completed the clinical trial. Upon execution of the agreement, we are required to pay a start-up fee of $19,749.

h. The University of Texas M.D. Anderson Cancer Center. On August 28, 2012, we entered into a clinical trial agreement with The University of Texas M.D. Anderson Cancer Center. The total estimated cost of conducting the clinical trial is $481,204, which includes a non- refundable institutional fee of $14,500. The estimated cost is based on treating 24 patients through 2013. Upon execution of the agreement, we were required to make a payment of $33,946.

i. Johns Hopkins University. On September 26, 2012, we entered into a clinical trial agreement with Johns Hopkins University. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by us and pursuant to an Investigational New Drug Exemption (IND 10807) held by us. We will pay $38,501 per patient, who has completed the clinical trial. We are required to pay a start-up fee of $22,847, an annual pharmacy fee of $2,025 and an amendment processing fee of $500, when applicable.

j. University of Pennsylvania. On November 21, 2012, we entered into a clinical trial agreement with the University of Pennsylvania. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by us and pursuant to an Investigational New Drug Exemption (IND 10807) held by us. We will pay $31,771 per patient, who has completed the clinical trial. We will be required to pay a start-up fee of $16,000 and additional administrative fees, when applicable.

Intellectual Property Portfolio

The Company has a patent portfolio with 8 issued patents and 60 pending patents in various jurisdictions as follows: United States: 17 and international: 51. Most of the patents are in-licensed from third parties and some are held by Actinium Corporation. These patents cover key areas of the Company's activity, including use of the actinium 225 and other alpha emitting isotopes attached (labeled) to cancer specific carriers like monoclonal antibodies, methods for manufacturing key components of the Company's drug candidates including actinium 225 alpha emitting radioisotope and carrier antibodies, methods for manufacturing finished drug candidates for use in cancer treatment, and methods for mitigating potential toxicities of the Company's drug candidates. These patents are classified in families of related patents per the table below:

Area	Claims	Expiration	Status	Licensor
Platform technology	Metastases larger than 1 mm	2020	Allowed	MSKCC
Platform technology	Use of the DOTA chelator for drug manufacturing	2021	Issued	MSKCC
Drug preparation methods	Actinium 225 labeling method	2029	Pending	Owned
Drug preparation methods	Bismuth 213 labeling method	2017/2020	Issued	MSKCC
Isotope production methods	Actinium 225 manufacturing in a cyclotron	2023/2025	Pending/Allowed	Owned

Monoclonal antibody composition and production	Manufacturing of leukemia targeting antibody	2015	Issued	Abbott Laboratories
Methods of treatment	Protection from actinium 225 toxicity	2023	Pending	MSKCC

Key Strengths

The Company believes that the key elements for its market success include:

Clinical results to date imply lower development risk for its lead drug candidates: The Company's lead drug candidates have been tested in over 300 patients and demonstrated favorable safety and efficacy profiles. Iomab™-B has been administered to more than 250 patients in a number of Phase I and Phase II trials and has shown a clear survival benefit in the indication for which it is being developed. Bismab®-A and Actimab™-A, drugs based on the APIT platform have so far been tested in over 60 patients in 3 clinical trials. In each trial they exhibited few side effects and have shown indications of efficacy. The current proof-of-concept Actimab™-A Phase I/II clinical trial is directed at a patient population that is generally easier to treat (newly diagnosed vs. relapsed/refractory in previous trials), and employs a more potent treatment regimen (low dose chemotherapy plus two doses of Actimab™-A plus low dose chemotherapy vs. a single dose of Actimab™-A in the physician sponsored trial).

Additional product opportunities from the APIT platform: The Company's Alpha Particle Immunotherapy technology has the potential for broad applicability for the treatment of many cancer types, which allows the Company to add new product candidates to its pipeline based on well-defined patent protected methods. The next product from the platform is expected to be a second generation BC8 product linked to Ac-225, Actimab™-B which could potentially significantly expand the market that is targeted by Iomab™-B.

Collaboration with Memorial Sloan-Kettering Cancer Center (MSKCC): The Company's collaboration with MSKCC includes licensing, research and clinical trial arrangements involving MSKCC labs and clinicians and included financial support with respect to certain pre-2012 R&D-related expenses.

Scientific backing of leading experts: The Company's clinical advisory board and collaborators include some of the best recognized clinicians and scientists working at some of the highest regarded medical institutions in the U.S. and the world, including MSKCC, Johns Hopkins University, University of Pennsylvania, Fred Hutchinson Cancer Center and MD Anderson Cancer Center. This is expected to be beneficial to the Company both in clinical development and market acceptance assuming its drug candidates are approved.

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Isotope supply secured for clinical trials: The Company has a contractual relationship with ORNL (Oak Ridge National Laboratory of the Department of Energy (DOE)) that provides the Company access to the largest known supply reserves of actinium 225. Iodine 131 is readily available from a number of qualified pharmaceutical supply vendors.

Proprietary alpha emitting isotope manufacturing technology fully developed: The Company has developed its own proprietary technology for commercial scale manufacturing of actinium 225. This is expected to ensure commercial supply of Ac-225 for Actimab™-A, Actimab™-B and other actinium-linked products should they be approved.

cGMP Actimab™-A manufacturing developed: The Company has developed at a contractor's site full cGMP (current good manufacturing practices) manufacturing processes for its drug candidate Actimab™-A.

Substantial IP portfolio: The Company has an intellectual property portfolio in excess of 60 patents and patent applications, both in the U.S. and other countries, which cover clinical applications of the APIT technology and methods of manufacturing actinium 225 thus giving the Company control over both the applications of its technology and a supply chain of its key ingredients, actinium 225 and bismuth 213 alpha emitting isotopes.

Competition Overview

To the Company's knowledge, there are no other commercial entities that have significant programs in place for developing Ac-225- or Bi-213-based drugs. In the wider field of medical oncology, the Company faces competition from: developers of other alpha emitter based drug candidates, other radioimmunotherapy based technologies, technologies for labeling antibodies with toxic drugs (antibody-drug conjugates), and for each disease indication from all drugs available and/or in development.

For Company's lead indication, acute myeloid leukemia, there are a number of companies developing drugs for AML induction in the elderly. These drugs are most often small molecules. Until recently, our leukemia targeting monoclonal antibody HuM195 was under development as a native i.e. unconjugated mAb by Seattle Genetics, Inc., but its development has been discontinued due to lack of efficacy of the native mAb in that company's pivotal trial in AML. To our knowledge, there are no clinical trials that have shown significant efficacy in this indication.

In the field of hematopoietic stem cell transplantation, pharmaceuticals currently used for bone marrow ablation/conditioning are generic drugs and to our knowledge there are no significant industry efforts to enter this area, especially not in older patients.

Government Regulation

Governmental authorities in the United States and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, promotion, advertising, distribution and marketing of radioimmunotherapy pharmaceutical products such as those being developed by the Company. In the United States, the U.S. Food and Drug Administration (FDA) regulates such products under the Federal Food, Drug and Cosmetic Act (FDCA) and implements regulations. Failure to comply with applicable FDA requirements, both before and after approval, may subject us to administrative and judicial sanctions, such as a delay in approving or refusal by the FDA to approve pending applications, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions and/or criminal prosecution.

U.S. Food and Drug Administration Regulation

Our research, development and clinical programs, as well as our manufacturing and marketing operations, are subject to extensive regulation in the United States and other countries. Most notably, all of our products sold in the United States are subject to the FDA as implemented and enforced by the FDA. Certain of our product candidates in the United States require FDA pre-marketing approval of a Biologics License Application (BLA) pursuant to 21 C.F.R. § 314. Foreign countries may require similar or more onerous approvals to manufacture or market these products.

Failure by us or by our suppliers to comply with applicable regulatory requirements can result in enforcement action by the FDA, the Nuclear Regulatory Commission or other regulatory authorities, which may result in sanctions, including but not limited to, untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties; customer notifications or repair, replacement, refunds, recall, detention or seizure of our products; operating restrictions or partial suspension or total shutdown of production; refusing or delaying our requests for BLA premarket approval of new products or modified products; withdrawing BLA approvals that have already been granted; and refusal to grant export.

Properties

The Company does not own any property. The Company has a short-term lease of its office space at 501 Fifth Avenue, 3rd Floor, New York, NY 10017 through January 31, 2013. Thereafter, it becomes a month to month agreement. The Company pays $4,376 monthly.

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Employees

As of August 20, 2013, we have 3 full-time employees and 1 part-time employee. None of these employees are covered by a collective bargaining agreement, and we believe our relationship with our employees is good. We also engage consultants on an as-needed basis to supplement existing staff.

Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

MARKET PRICE OF AND DIVIDENDS ON OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is listed on OTCBB and OTCQB, under the symbol “ATNM”. However, there is no active market for our Common Stock and trading has been extremely limited. The last quoted price for our Common Stock was $3.35 for a trade on August 19, 2013, as reported on www.otcbb.com. However, as there is currently little to no market for our Common Stock, we believe that this last reported price does not accurately reflect the value of the Common Stock or the Company, and it may not be possible to sell Common Stock at this price.

Holders

As of August 21, 2013, assuming a 100%, there were 25,581,139 shares of Common Stock issued and outstanding, which were held by 342 holders of record. There are no shares of Preferred Stock outstanding.

Assuming a 100% Share Exchange, of the 25,581,139 shares of Common Stock issued and outstanding, 25,181,139 of such shares are restricted shares under the Securities Act. None of these restricted shares are eligible for resale absent registration or an exemption from registration under the Securities Act. As of the date hereof, until the provisions of Rule 144 are complied with, the exemption from registration provided by Rule 144 under the Securities Act is not available for these shares pursuant to Rule 144(i).

Registration Rights

Certain shareholders are entitled to certain registration rights, including piggy-back registration rights, with respect to the shares of common stock purchased in the offerings conducted by Actinium in 2011 and 2012.

The following shares are subject to registration rights:

- 14,281,952 shares of common stock, par value $0.001 per share, held by the selling stockholders issued pursuant to the 2011 Stock Offering and a private placement that closed on December 28, 2012;
- 3,118,968 shares of our common stock issuable upon exercise of Series A warrants held by the selling stockholders at an exercise price of $1.65 per share issued pursuant to a private placement that closed on December 28, 2012;
- 1,559,437 shares of our common stock issuable upon exercise of Series B warrants held by the selling stockholders at an exercise price of $2.48 per share issued pursuant to a private placement that closed on December 28, 2012;

2,700,971 shares of our common stock issuable upon exercise of the 2011 Stock Offering warrants held by the selling stockholders at an exercise price of $0.78 per share;
3,755,562 shares of our common stock issuable upon exercise of consulting firm warrants held by the selling stockholders at an exercise price of $0.001 per share issued pursuant to a consulting firm agreement, dated May 9, 2011;
1,245,210 shares of our common stock issuable upon exercise of placement agent warrants held by the selling stockholders at an exercise price of $0.78 per share issued pursuant to the 2011 Stock Offering) ; and
467,845 shares of our common stock issuable upon exercise of placement agent warrants held by the selling stockholders at an exercise price of $1.65 per share issued pursuant to a private placement that closed on December 28, 2012.

Dividends

We have never declared or paid a cash dividend. Any future decisions regarding dividends are made by our Board of Directors. We currently intend to retain and use any future earnings for the development and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. Our Board of Directors has complete discretion on whether to pay dividends. Even if our Board of Directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

We do not have in effect any compensation plans under which our equity securities are authorized for issuance. The Company intends to adopt an equity compensation plan in which its directors, officers, employees and consultants shall be eligible to participate. However, no formal steps have been taken as of the date of this Registration Statement to adopt such a plan.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information and financial data discussed below is derived from the unaudited consolidated financial statements of the Company for its quarterly period ended June 30, 2013 and of Actinium Corporation for the quarterly period ended June 30, 2012, and audited consolidated financial statements of Actinium Corporation for its fiscal years ended December 31, 2012 and 2011. The consolidated financial statements of the Company and Actinium Corporation were prepared and presented in accordance with generally accepted accounting principles in the United States. The information and financial data discussed below is only a summary and should be read in conjunction with the historical financial statements and related notes contained elsewhere in the Registration Statement of which this prospectus is a part. The financial statements contained elsewhere in the Registration Statement of which this prospectus is a part fully represent the Company's' financial condition and results of operations; however, they are not indicative of the Company's future performance. See "Cautionary Note Regarding Forward Looking Statements" above for a discussion of forward-looking statements and the significance of such statements in the context of this Registration Statement.

This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere herein.

Overview

The Company was incorporated under the laws of the State of Nevada on October 6, 1997. The Company was a shell entity that is in the market for a merger with an appropriate operating company.

On December 28, 2012, the Company entered into a transaction (the "Share Exchange"), pursuant to which the Company acquired 21% of the issued and outstanding equity securities of Actinium Pharmaceuticals, Inc. ("Actinium"), in exchange for the issuance of 4,309,015 shares of common stock, par value $0.001 per share, of the Company (the "Common Stock"), which were issued to the shareholders of Actinium. As a result of the Share Exchange, the former shareholders of Actinium became the controlling shareholders of the Company. The Share Exchange was accounted for as a reverse takeover/recapitalization effected by a share exchange, wherein Actinium is considered the acquirer for accounting and financial reporting purposes.

Actinium, incorporated on June 13, 2000, is a biotechnology company committed to developing breakthrough therapies for life threatening diseases using its alpha particle immunotherapy (APIT) platform and other related and similar technologies. Actinium, together with its wholly owned subsidiary, MedActinium, Inc. (MAI), (hereinafter referred to collectively as "Actinium") has initiated collaborative efforts with large institutions to establish the proof of concept of alpha particle immunotherapy and has supported one Phase I/Il clinical trial and one Phase I clinical trial at Memorial Sloan-Kettering Cancer Center (MSKCC) under an MSKCC Physician Investigational New Drug Application. In 2012, Actinium launched a multi-center corporate sponsored trial in acute myeloid leukemia (AML) patients. Actinium's objective, through research and development, is to produce reliable cancer fighting products which utilize monoclonal antibodies linked with alpha particle emitters or other appropriate payloads to provide very potent targeted therapies. The initial clinical trials of Actinium's compounds have been with patients having acute myeloid leukemia and it is believed that Actinium's APIT platform will have wider applicability for different types of cancer where suitable monoclonal antibodies can be found.

As a result of the Share Exchange, the Company is now a holding company operating through Actinium, a clinical-stage biopharmaceutical company developing certain cancer treatments.

We develop drugs for treatment of cancer with intent to cure or significantly improve survival of the affected patients. As of now none of our drugs have been approved for sale in the United States or elsewhere. We have no commercial operations in sales or marketing of our products. All our product candidates are under development. In order to market and sell our products we must conduct clinical trials on patients and obtain regulatory approvals from appropriate regulatory agencies like the Food and Drug Administration (FDA) in the United States and similar agencies elsewhere in the world.

Our products under development are monoclonal antibodies labeled with radioisotopes. We have one program with an antibody labeled with a beta emitter and several programs based on a proprietary patent protected platform technology called alpha particle immunotherapy or APIT. Our APIT technology is based on attaching actinium 225 (Ac-225) or bismuth 213 (Bi-213) alpha emitting radioisotopes to monoclonal antibodies. Alpha emitting radioisotopes are unstable chemical elements that decay by releasing alpha particles. Alpha particles can kill any cell in whose immediate proximity they are released. Monoclonal antibodies are genetically engineered proteins that target specifically certain cells, and can target cancer cells. It is crucial for the success of our drug candidates to contain monoclonal antibodies that can successfully seek cancer cells and can kill them with the attached isotope while not harming nearby normal cells. We do not have technology and operational capabilities to develop and manufacture such monoclonal antibodies and we therefore rely on collaboration with third parties to gain access to such monoclonal antibodies. We have secured rights to two monoclonal antibodies, HuM195 (Lintuzumab), in 2003 through a collaborative licensing agreement with Abbott Laboratories and BC8 in 2012 with the Fred Hutchinson Cancer Research Center. We expect to negotiate collaborative agreements with other potential partners that would provide us with access to additional monoclonal antibodies. Establishing and maintaining such collaborative agreements is a key to our success as a company.

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Under our own sponsorship as well as activity at FHCRC, we have four product candidates in active clinical trials: Actimab™-A (HuM195-Ac-225), Iomab™-B (BC8-I-131), BC8-Y-90 and BC8-SA. At this time, the Company is actively pursuing development of Actimab™-A and Iomab™-B while BC8-Y-90 and BC8-SA are in physician sponsored clinical phase I trials at the Fred Hutchinson Cancer Research Center. Actimab™-A is a combination of the monoclonal antibody we have in-licensed, Lintuzumab (HuM195), and the alpha emitting isotope actinium 225. Actimab™-A has shown promising results throughout preclinical development and an ongoing clinical trial started in 2006 in treating acute myeloid leukemia (AML) in the elderly. We have expanded the number of patients and number of clinical centers by commencing a new AML clinical trial which we have launched in 2012. This trial targets newly diagnosed AML patients over the age of 60. In order to conduct the trial we are engaged in funding, monitoring and quality assurance and control of the Lintuzumab antibody; procurement of actinium 225 isotope; funding, monitoring and quality assurance and control of the drug candidate Actimab™-A manufacturing and organizing and monitoring clinical trials. We estimate that the direct costs to completion of both parts of the ongoing Phase I/II trial will be approximately US $7 million. Iomab™-B is a combination of the in-licensed monoclonal antibody BC8 and the beta emitting radioisotope iodine 131. This construct has been extensively tested in Phase I and Phase II clinical trials in approximately 250 patients with different blood cancer indications who were in need of a hematopoietic stem cell transplantation (HSCT). Iomab™-B is used to condition the bone marrow of these patients by destroying blood cancer cells in their bone marrow and elsewhere thus allowing for a subsequent transplant containing healthy donor bone marrow stem cells. We have decided to develop this drug candidate by initially focusing on the patients over 50 with active acute myeloid leukemia in relapse and/or refractory to existing treatments. Our intention is to request the FDA in 2013 to allow us to enter into a pivotal trial with Iomab™-B. We estimate the direct costs of such a trial to completion anticipated in 2015 will be approximately US $15-25 million.

We have primarily management position employees and consultants who direct, organize and monitor the activities described above through contractors. Much of the in vivo laboratory and clinical work contracted for by the Company has been conducted at Memorial Sloan-Kettering Cancer Center in New York. The Company has also made clinical trial arrangements with other well known cancer centers.

Our Actimab™-A drug candidate and its components are contract manufactured and maintained under our supervision by specialized contract manufacturers and suppliers in the U.S., including IsoTex Diagnostics, Oak Ridge National Laboratory, Pacific GMP, Fischer Bioservices, BioReliance and others.

We are a development stage company and have never generated revenue. Currently we do not have a stable recurring source of revenues sufficient to cover our operating costs. As of December 31, 2012, we had an accumulated deficit of $55 million. We incurred net losses of $8.3 million and $3.4 million in the years ending December 31, 2012 and 2011, respectively.

Emerging Growth Company

We are an “emerging growth company” under the federal securities laws and will be subject to reduced public company reporting requirements. In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are choosing to take advantage of the extended transition period for complying with new or revised accounting standards.

Opportunities, Challenges and Risks

The market for drugs for cancer treatment is a large market in need of novel products, in which successful products can command multibillion dollars in annual sales. A number of large pharmaceutical and biotechnology company regularly acquire products in development, with preference given to products in Phase II or later clinical trials. These deals are typically structured to include an upfront payment that ranges from several million dollars to tens of million dollars or more and additional milestone payments tied to regulatory submissions and approvals and sales milestones. Our goal is to develop our product candidates through Phase II clinical trials and enter into partnership agreements with one or more large pharmaceutical and/or biotechnology companies.

We believe our future success will be heavily dependent upon our ability to successfully conduct clinical trials and preclinical development of our drug candidates. This will in turn depend on our ability to continue our collaboration with Memorial Sloan-Kettering Cancer Center and our Clinical Advisory Board members plan to continue and expand other research and clinical trial collaborations. In addition, we will have to maintain sufficient supply of actinium 225 and successfully maintain and if and when needed replenish or obtain our reserves of monoclonal antibodies. We will have to maintain and improve manufacturing procedures we have developed for production of our drug candidates from the components that include the iodine 131 and actinium 225 isotopes, monoclonal antibodies and other materials. It is possible that despite our best efforts our clinical trials results may not meet regulatory requirements for approval. If our efforts are successful, we will be able to partner our development stage products on commercially favorable terms only if they enjoy appropriate patent coverage and/or considerable know-how and other protection that ensures market exclusivity. For that reason we intend to continue our efforts to maintain existing and generate new intellectual property. Intellectual property is a key factor in the success of our business as well as market exclusivity.

To achieve the goals discussed above we intend to continue to invest in research and development at high and constantly increasing rates thus incurring further losses until one or more of our products are sufficiently developed to partner them to large pharmaceutical and biotechnology companies.

Since our inception on June 13, 2000, we have not generated any revenues, and that as of December 31, 2012, we have incurred net losses of $55,743,463. As of December 31, 2012 and March 31, 2013 our cash balance was $5,618,669, and $3,239,886, respectively, and we need approximately $25 million in cash to finance research and development and to cover our ongoing working capital needs through the first quarter of 2016. Our first product is not expected to be commercialized until at least 2016. In the second quarter of 2013 we issued shares of common stock pursuant to the exercise of A-Warrants originally issued in connection with a private placement that closed in January 2013. The warrants were exercised at $1.65 per share, resulting in gross proceeds of $3,457,087 for the Company. We believe that we have enough cash on hand to fund our business through 2013. In order to fund our business beyond 2013 we will likely need to raise money through private offerings of debt and/or equity.

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Results of Operations

Six Months Ended June 30, 2013 Compared to the Six Months Ended June 30, 2012

The following table sets forth, for the periods indicated, data derived from our statements of operations:

	For the six months ended June 30,	
	2013	2012
Revenues	$ -	$ -
Operating expenses:		
Research and development, net of reimbursements	1,594,968	1,046,158
General and administrative	1,899,503	798,184
Other expenses	4,122	317
Total operating expenses	3,498,593	1,844,659
Other (income) expense:		
Interest expense	1,209	633,618
Gain on change in fair value of derivative liabilities	(26,764)	(6,777)
Total other (income) expense	(25,555)	626,841
Net loss	$ (3,473,038)	$ (2,471,500)

Revenues

We recorded no commercial revenues for the six months ended June 30, 2013 and 2012.

Research and Development Expense

Research and development expenses increased by $548,810 to $1,594,968 for the six months ended June 30, 2013 compared to $1,046,158 for the six months ended June 30, 2012. The increase is primarily attributable to the costs related to continuing the multi-center clinical trial for Actimab™-A which commenced in the third quarter of 2012 and the manufacturing of BC8, the antibody that is the key component of Iomab-B inlicensed by the Company in 2012. The increased expenses also reflect development work on significantly improving the efficacy and cost structure of the Actimab™-A manufacturing and costs related to Iomab-B's clinical development and regulatory submissions.

General and Administrative Expenses

Overall, total general and administrative expenses increased by $1,101,319 to $1,899,503 for the six months ended June 30, 2013 compared to $798,184 for the six months ended June 30, 2012. The increase was largely attributable to increases in professional fees, financing related fees and the stock-based compensation incurred by the Company as discussed below.

Other (Income) Expense

Other income increased by $652,396 for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. The increase is primarily attributable a decrease in interest expense due to the amortization of the

convertible debt discount and deferred financing costs related to the convertible debt during the six months ended June 30, 2012, and an increase in the gain on the change in fair value of the derivative liability.

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Net Loss

Net loss increased by $1,001,538 to $3,473,038 for the six months ended June 30, 2013 compared $2,471,500 for the six months ended June 30, 2012. The increase was primarily due to an increase in research and development efforts and in professional fees and payroll related expense, offset by a decrease in interest expense associated with the amortization of debt discount to interest expense and a gain from change in fair value of the derivative liability.

Liquidity and Capital Resources

We have financed our operations primarily through sales of the Company’s stock and the issuance of convertible promissory notes.

We did not have any cash or cash equivalents held in financial institutions located outside of the United States as of June 30, 2013 and December 31, 2012. We do not anticipate this practice will change in the future.

The following tables sets forth selected cash flow information for the periods indicated:

	For the six months ended June 30,	
	2013	2012
Cash provided by (used in) operating activities	$ (3,327,820)	$ (1,862,232)
Cash provided by (used in) investing activities	(1,112)	(1,157)
Cash provided by (used in) financing activities	3,360,591	660,163
Net change in cash	$ 31,659	$ (1,203,226)

Net cash used in operating activities was $3,327,820 for the six months ended June 30, 2013 compared to $1,862,232 used in operations for the same period in 2012. Cash used in operations increased due to the increase in spending related to preparations and eventual launch and conduct of a multicenter trial and an increase in spending related to professional fees combined with an increase in payroll-related expenses.

Net cash provided by financing activities was $3,360,591 for the six months ended June 30, 2013 compared to net cash provided by financing activities of $660,163 for the same period in 2012. During the six months ended June 30, 2013, the Company received proceeds from the exercise of warrants as more discussed below. During the six months ended June 30, 2012, the Company received net proceeds of $660,163 from sale of its stock.

We have experienced cumulative losses of $59,216,501 from inception (June 13, 2000) through June 30, 2013, and have stockholders' equity of $1,914,856 at June 30, 2013. In addition, the Company has not completed its efforts to establish a stable recurring source of revenues sufficient to cover its operating costs for the next twelve months. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern.

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Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table sets forth, for the periods indicated, data derived from our statements of operations:

	For the Years ended December 31, 2012	2011	Increase (Decrease)
Revenues	$ -	$ -	$ -
Operating expenses:			
Research and development, net of reimbursements	3,440,485	323,788	3,116,697
General and administrative	4,506,232	2,959,246	1,546,986
Depreciation expense	581	633	(52)
Total operating expenses	7,947,298	3,283,667	4,633,631
Other (income) expense:			
Interest expense	1,099,327	175,094	924,233
Gain on change in fair value of derivative liabilities	(685,420)	(13,966)	(671,454)
Total other (income) expense	413,907	161,128	252,779
Net loss	$ (8,361,205)	$ (3,444,795)	$ (4,916,410)

Revenues

We recorded no commercial revenues for the year ended December 31, 2012 and 2011.

Research and Development Expense

Research and development expenses increased by to $3,116,697 to $3,440,485 for the year ended December 31, 2012 compared to $323,788 for the year ended December 31, 2011. The increase is attributable to the costs incurred on initiation of the multi-center clinical trial for Actimab™-A. The Company also made its first milestone payment of $750,000 to Abbott Biotherapeutics Corp. upon reaching the milestone. The increase also reflected an agreement the Company made with MSKCC as of April 2010, in which MSKCC agreed to pay or reimburse the Company for certain costs and expenses related to the Company's drug development and clinical study program. This agreement expired on October 5, 2011. No reimbursement was due for the year ended December 31, 2012 and $237,834 was due for the year ended December 31, 2011.

General and Administrative Expenses

Overall, total general and administrative expenses increased by $1,546,986 to $4,506,232 for the year ended December 31, 2012 compared to $2,959,246 for the year ended December 31, 2011. The increase was largely attributable to increases in professional fees and the stock-based compensation incurred by the Company as discussed below.

In connection with the Company's stock offering, in January 2012, we issued warrants to purchase 400,013 shares of common stock to the transaction manager for consulting services related to assisting the Company in preparing to become a publicly traded company. The fair value of $144,463, or $0.36 per share, was a noncash charge to general and administrative expenses for the year ended December 31, 2012. In February 2012, the Company granted options

to purchase 2,125,000 shares of common stock to its employees and consultants with a fair value of $531,913. In July 2012, the Company granted options to purchase 90,000 shares of common stock to its consultants with a fair value of $23,770. In August 2012, the Company granted options to purchase 2,875,000 shares of common stock to its employees and consultants with a fair value of $724,784. During the fourth quarter, the Company granted options to purchase 1,085,000 shares of common stock to its employees and consultants with a fair value of $239,310. For the year ended December 31, 2012, the Company recorded amortization of stock-based compensation of $266,172 as a noncash charge to general and administrative expenses.

The increase can also be attributed to additional professional fees of $549,383 related to the year-end audit, the quarterly review, legal fees, and management fees associated with the Company going public. In addition to the professional fees incurred, we increased our personnel. As such, payroll-related expenses for the year ended December 31, 2012 increased compared to the same period in 2011.

Interest Expense

Interest expense increased by $924,233 for the year ended December 31, 2012 compared to the year ended December 31, 2011. The increase in interest expense is directly attributable to interest accrued on the convertible debt, amortization of the convertible debt discount and deferred financing costs related to the convertible debt.

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Net Loss

Net loss increased by $4,916,410 to $8,361,205 for the year ended December 31, 2012 compared $3,444,795 for to the year ended December 31, 2011. The increase was primarily due to additional costs incurred by the Company in research and development expenses, non-cash stock-based compensation costs and professional fees as discussed above.

Liquidity and Capital Resources

We have financed our operations primarily through sales of the Company's stock and the issuance of Convertible Promissory Notes.

We did not have any cash or cash equivalents held in financial institutions located outside of the United States as of December 31, 2012 and 2011. We do not anticipate this practice will change in the future.

The following tables sets forth selected cash flow information for the periods indicated:

	For the years ended December 31,	
	2012	2011
Cash provided by (used in) operating activities	$ (5,212,710)	$ (517,592)
Cash provided by (used in) investing activities	(2,359)	-
Cash provided by (used in) financing activities	5,129,940	6,025,255
Net increase (decrease) in cash	$ (85,129)	$ 5,507,663

Net cash used in operating activities was $5,212,710 for the year ended December 31, 2012 compared to $517,592 used in operations for the same period in 2011. Cash used in operations increased due to the increase in spending related to preparations and eventual launch and conduct of a multicenter trial and an increase in spending related to professional fees combined with an increase in payroll-related expenses.

Net cash provided by financing activities was $5,129,940 for the year ended December 31, 2012 compared to $6,025,255 for the same period in 2011. In January 2012, we sold 968,759 shares of our stock at $0.78 per share. In 2012, we also sold 3,118,988 shares of our common stock at $1.65 per share. We raised funds through sale of the Company's stock to finance the expansion of our research and development efforts.

We have experienced cumulative losses of approximately $55,743,463 from inception (June 13, 2000) through December 31, 2012, and have stockholders' equity of $1,145,635 at December 31, 2012. In addition, the Company has not completed its efforts to establish a stable recurring source of revenues sufficient to cover its operating costs for the next twelve months. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

Recent Debt and Equity Offerings

During 2011, the Company raised $6,184,967 by selling 7,891,141 shares of the Company's stock and warrants to purchase 19,972,785 shares of the Company's stock through an offering ("Stock Offering"). A net amount of $5,379,367 was received by the Company in 2011. The Company paid Laidlaw & Company (UK) Ltd. ("Laidlaw & Co."), the placement agent, total cash fees of $742,196, which consisted of placement agent commission of $618,497 and

expense reimbursement of $123,699. In addition, the Company paid Laidlaw & Co.'s outside counsel, McCormick & O'Brien PLLC, $60,904 for its services as the placement agent's legal counsel and Signature Bank $2,500 for the bank escrow fee.

On December 27, 2011, the Company completed a private offering of 8% Senior Subordinated Unsecured Convertible Promissory Notes ("Convertible Notes") in the amount of $900,000 and received net proceeds of $750,000. The convertible notes were issued at 83.33% of the principal amount resulting in an original issue discount of $150,000. The Convertible Notes mature one year from the date of issuance. Interest accrues at the rate of 8% per year on the outstanding principal amount, accrued semi-annually and to be paid at maturity. On December 19, 2012, in connection with the Share Exchange, the Convertible Notes were converted into 1,252,550 share of common stock.

During 2012, the Company raised $759,300 by selling 968,759 shares and warrants to purchase 242,190 shares of the Company's common stock under the Company's Stock Offering. A net amount of $660,164 was received by the Company in 2012. The Company paid Laidlaw & Co. total cash fees of $91,116, which consisted of placement agent commission of $75,930 and expense reimbursement of $15,186. In addition, the Company paid Laidlaw & Co.'s outside counsel, McCormick & O'Brien PLLC, $8,020 for its services as the placement agent's legal counsel.

In 2012, the Company also raised $5,151,450 through an offering of 3,118,988 shares of its common stock and "A Warrants" to purchase 3,118,988 shares of the Company's common stock, exercisable at a price of $1.65 per share for a period of 120 days from the day of the final closing of the offering, and "B Warrants" to purchase 1,559,505 shares of the Company's common stock, exercisable at a price of $2.48 per share for a period of 5 years from the date of the final closing of the offering. ("2012 Common Stock Offering") A net amount of $4,469,776 was received by the Company. Pursuant to the 2012 Common Stock Offering agreement, the Company paid Laidlaw & Co. total cash fees of $618,174, which consisted of placement agent commission of $515,145 and expense reimbursement of $103,029. The Company also issued the placement agent warrants to purchase an aggregate of 467,845 shares of the Company's common stock, with an exercise price of $0.78 per share and a term of 5 years. These placement agent warrants were valued at $499,707 and recorded as derivative liabilities. In addition, the Company paid the Laidlaw & Co.'s outside counsel, Richardson & Patel, LLP, $60,000 for its services as the Laidlaw & Co.'s legal counsel and Signature Bank $3,500 for the bank escrow fee.

Actinium intends to increase funds available to continue our research and development efforts, which include material supply, manufacturing, clinical development and pre-clinical trials and working capital. For the balance of 2013 and in 2014, we expect cash needs of up to $20,000,000 to finance research and development, which include material supply, manufacturing, clinical trials and pre-clinical trials and to cover our ongoing working capital needs.

In the second quarter of 2013 we issued shares of common stock pursuant to the exercise of A-Warrants originally issued in connection with a private placement that closed in January 2013. The warrants were exercised at $1.65 per share, resulting in gross proceeds of $3,457,087 for the Company. The proceeds from these exercised warrants will be used for the Company's clinical and preclinical programs and for general working capital. This capital will allow us to continue to develop our drug candidates for treatment of the most difficult forms of cancer, including Acute Myeloid Leukemia, where the Company has made significant advances and already helped a number of patients. The Company intends to advance its programs and add new programs by the end of 2013. Shareholders exercised 2,095,204 (67.2%) of the 3,118,988 originally issued A-warrants. The A-warrants expired on May 28, 2013. With exercise of the A-warrants we believe that we have the needed capital for 2013. We do not expect proceeds from the exercise of the outstanding B- warrants and Stock Offering warrants since these warrants contain cash-less exercise provisions. To meet our capital needs beyond 2013 we intend to conduct offerings of either stock and/or debt and also engage in licensing activities. There can be no assurance that we will be successful in obtaining additional capital through offerings of our securities in the future.

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In the event we do not meet our cash needs of $25,000,000 through the first quarter of 2016, it may be necessary for us to delay the timing of various product development efforts.

Off-Balance Sheet Arrangements

We do not have any 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 is material to investors.

Seasonality

We do not have a seasonal business cycle. Our revenues and operating results are generally derived evenly throughout the calendar year.

Critical Accounting Policies

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect our expenses. Judgments must also be made about the disclosure of contingent liabilities. Actual results could be significantly different from these estimates. We believe that the following discussion addresses the accounting policies that are necessary to understand and evaluate our reported financial results.

Derivatives

All derivatives are recorded at fair value and recorded on the balance sheet. Fair values for securities traded in the open market and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and income tax carrying amounts of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company reviews deferred tax assets for a valuation allowance based upon whether it is more likely than not that the deferred tax asset will be fully realized. A valuation allowance, if necessary, is provided against deferred tax assets, based upon management’s assessment as to their realization.

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Research and Development Costs

Research and development costs are expensed as incurred. Research and development reimbursements and grants are recorded by the Company as a reduction of research and development costs.

Share-Based Payments

The Company estimates the fair value of each stock option award at the grant date by using the Black-Scholes option pricing model and common shares based on the last common stock valuation done by third party valuation expert of the Company's common stock on the date of the share grant. The fair value determined represents the cost for the award and is recognized over the vesting period during which an employee is required to provide service in exchange for the award. As share-based compensation expense is recognized based on awards ultimately expected to vest, the Company reduces the expense for estimated forfeitures based on historical forfeiture rates. Previously recognized compensation costs may be adjusted to reflect the actual forfeiture rate for the entire award at the end of the vesting period. Excess tax benefits, if any, are recognized as an addition to paid-in capital.

Recent Accounting Pronouncements

There were various accounting standards and interpretations issued during 2012 and 2011, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

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CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

(a)

On December 28, 2012, we dismissed R.R. Hawkins and Associates International, A PC, (“Hawkins”), as our independent registered public accounting firm. The dismissal was approved by the audit committee ("Audit Committee") of our board of directors.

During the fiscal years ended December 31, 2011 and 2010, Hawkins’ reports on our financial statements did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2011 and 2010 and the subsequent periods through September 30, 2012, (i) there were no disagreements between us and Hawkins on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Hawkins, would have caused Hawkins to make reference to the subject matter of the disagreements in connection with its reports on the Registrant's financial statements, and (ii) there were no reportable events as that term is described in Item 304(a)(1)(v) of Regulation S-K.

On December 28, 2012, we provided Hawkins with a copy of the disclosures it is making in response to Item 4.01 on Form 8-K, and requested that Hawkins furnish it with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the above statements. A copy of the letter, dated December 28, 2012, was filed as Exhibit 16 to the Current Report on Form 8-K filed on January 2, 2013. A revised letter is attached to this Form S-1as Exhibit 16.1 that corrects the name of the registrant.

(b)

On December 28, 2012, we engaged GBH CPAs, PC as our new independent registered public accounting firm beginning with our fiscal year ended December 31, 2012. The change in our independent registered public accounting firm was approved by the Audit Committee. During the two most recent fiscal years and through September 30, 2012, neither the Company nor anyone on its behalf consulted with GBH CPAs, PC regarding any of the following:

(i) The application of accounting principles to a specific transaction, either completed or proposed;

(ii) The type of audit opinion that might be rendered on the Company’s financial statements, and none of the following was provided to the Company:

(a) a written report; or (b) oral advice that GBH CPAs, PC concluded was an important factor considered by the Company in reaching a decision as to an accounting, auditing or financial reporting issue; or

(iii) Any matter that was subject of a disagreement, as that term is defined in Item 304(a)(1)(iv) of Regulation S-K, or a reportable event, as described in Item 304(a)(1)(v) of Regulation S-K.

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DIRECTORS AND EXECUTIVE OFFICERS

The following sets forth information about our directors and executive officers:

Name	Age	Position
Sergio Traversa, MBA	52	Interim Chief Executive Officer, President, Interim Chief Financial Officer and Director
Dragan Cicic, MD	49	Chief Operating Officer and Chief Medical Officer
David Nicholson, PhD	58	Director
Sandesh Seth, MS, MBA	49	Director

Pursuant to the Company's charter, Mr. Traversa and Mr. Seth were appointed as directors of the Company by the former Series E preferred stock holders of Actinium Corporation. There are no other arrangements or understanding between any of our directors and any other persons pursuant to which they were selected as a director.

Sergio Traversa, Interim Chief Executive Officer and President, Interim Chief Executive Officer and Director

Dr. Traversa has been a Director of the Company since August, 2012. Dr. Traversa is also the Chief Executive Officer of Relmada Therapeutics Inc. Previously, he was the co-founder and CEO of Medeor Inc. a spinoff pharmaceutical company from Cornell University. Dr. Traversa has over 25 years of experience in the healthcare sector in the United States and Europe, ranging from management positions in the pharmaceutical industry to investing and strategic advisory roles. He has held financial analyst, portfolio management and strategic advisory positions at large U.S. investment firms specializing in healthcare, including Mehta and Isaly and Mehta partners, ING Barings, Merlin BioMed and Rx Capital. Dr. Traversa was a founding partner of Ardana Capital, a pharmaceutical and biotechnology investment advisory firm. In Europe, he held the position of Area Manager for Southern Europe (Italy, Spain, Greece and Portugal) of Therakos Inc., a cancer and immunology division of Johnson & Johnson. Prior to Therakos, Dr. Traversa was at Eli Lilly, where he served as Marketing Manager of the Hospital Business Unit. He was also a member of the CNS team at Eli Lilly, where he participated in the launch of Prozac and the early development of Zyprexa and Cymbalta. Dr. Traversa started his career as a sales representative at Farmitalia Carlo Erba, the largest pharmaceutical company in Italy later sold to Pharmacia and now part of Pfizer. Dr. Traversa holds a Laurea degree in Pharmacy from the University of Turin (Italy) and an MBA in Finance and International Business from the New York University Leonard Stern School of Business.

As Interim Chief Executive Officer and President, and Interim Chief Financial Officer of the Company, Mr. Traversa is the most senior executive of the Company and as such provides our Board with the greatest insight into the Company's business and the challenges and material risks it faces. That Mr. Traversa serves in such executive officer positions with the Company and has more than 25 years of healthcare and financial industry experience in the United States and Europe and is especially qualified to understand the risks and leadership challenges facing a growing pharmaceutical company from a senior management and financial expertise perspective led us to conclude that Mr. Traversa should serve as a director.

Mr. Traversa devotes a minimum of 40 hours per week to the Company. Relmada Therapeutics, Inc., of which Mr. Traversa also serves as Chief Executive Officer, is not related to the Company and specializes in pain management, which is not related to our business. We do not believe that Mr. Traversa's employment by Relmada Therapeutics creates a material risk of conflicts of interest.

Dragan Cicic, MD, MBA, Chief Operating Officer and Chief Medical Officer

Dragan Cicic is the COO and CMO of the Company and Actinium. He joined the company in 2005 and previously held the position of the CEO and prior to that of the Medical Director at Actinium. Dr. Cicic joined Actinium from the position of Project Director of QED Technologies Inc., a life sciences strategic consulting and transactional group focused on emerging biotech, pharmaceuticals and medical devices companies. Dr. Cicic prepared business and strategic plans on behalf of those clients and assisted them in raising funding. He also represented corporate and private investors in identifying acquisition and/or investment targets and negotiating, structuring and consummating deals. Prior to joining QED Technologies, Dr. Cicic was an investment banker with SG Cowen Securities.

Dr. Cicic graduated as a Medical Doctor from the School of Medicine at The Belgrade University, and received his MBA from Wharton School at The University of Pennsylvania. He was also a Nieman Fellow at Harvard University.

C. David Nicholson, BS, PhD, Director

C. David Nicholson is a Director of the Company and joined the Executive Committee of Bayer CropScience on March 5, 2012 as Head of Research & Development responsible for the integration of the company’s R&D activities into one global organization. Dr. Nicholson graduated in pharmacology, earning his B.Sc. from the University of Manchester (1975) and his Ph.D. from the University of Wales (1980). Between 1978 and 1988, Dr. Nicholson worked in the pharmaceutical industry for the British company Beecham-Wülfing in Gronau, Germany. The main emphasis of his activities as group leader in a multidisciplinary project group was the development of cardiovascular drugs.

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From 1988-2007, Dr, Nicholson held various positions of increasing seniority in the UK, the Netherlands and the USA with Organon a Business Unit of Akzo Nobel. Ultimately he became Executive Vice President, Research & Development, and member of the Organon Executive Management Committee. He implemented change programs, leading to maximizing effectiveness in research & development, ensuring customer focus and the establishment of a competitive pipeline of innovative drugs. In 2007, Dr. Nicholson transferred to Schering-Plough, Kenilworth, New Jersey, USA, as Senior Vice President, responsible for Global Project Management and Drug Safety. From 2009 to December 2011, he was Vice President Licensing and Knowledge Management at Merck in Rahway, New Jersey, USA, reporting to the President of Merck R&D. As an integration team member, David Nicholson played a role in the strategic mergers of Organon BioSciences, the human and animal health business of Dutch chemical giant Akzo-Nobel, and Schering-Plough in 2007 as well as of Schering-Plough and Merck in 2009. C. David Nicholson is presently on the Board of multiple biotechnology companies, including Actinium Pharmaceuticals, Inc.

That Mr. Nicholson brings over 25 years of pharmaceutical experience to our Board, Having served in various pharmaceutical research and development executive-level positions over the course of his career, and that Mr. Nicholson has developed significant management and leadership skills relating to the pharmaceutical industry. and is well accustomed to interfacing with investors, analysts, auditors, outside advisors and governmental officials, led us to conclude that Mr. Nicholson should serve as a director.

Sandesh Seth, MS, MBA, Director

Mr. Sandesh Seth is a Director of the Company and also the Head of Healthcare Investment Banking at Laidlaw & Company (UK) Ltd. (the ”Placement Agent”) which has served as the company’s Placement Agent. Mr. Seth has over 20 years of experience which includes prior investment banking at Cowen & Co., equity research at Bear Stearns and Commonwealth Associates and in the pharmaceutical industry at Pfizer, Warner-Lambert, and SmithKline Beecham in strategic planning, business development and R&D project management respectively. Mr. Seth’s financial services experience includes 100+ completed transactions in which $5 billion+ in capital was raised. Transactions included venture investments, private placements, IPOs, FOs, PIPEs, Convertible and High-Yield Debt. Mr. Seth was also involved with various strategic initiatives such as mergers and acquisitions, leveraged and management buy-outs, and licensing and joint ventures, including the $100 billion merger of Pfizer and Warner-Lambert and the $20 billion merger of Pharmacia & Upjohn with Monsanto. Mr. Seth has an MBA in Finance from New York University; an M.S. in the Pharmaceutical Sciences from the University of Oklahoma Health Center and a B.Sc. in Chemistry from Bombay University. He has published several scientific articles and was awarded the University Regents Award for Research Excellence at the University of Oklahoma. Mr. Seth was designated as Regulatory Affairs Certified (R.A.C.) by the Regulatory Affairs Professionals Society which signifies proficiency with U.S. FDA regulations. He also holds the following Securities Industry Licenses: Series 7, 79 and 63.

That Mr. Seth has served in various business executive-level positions over the course of his career, has significant investment banking experience, has developed significant management and leadership skills and is well accustomed to interfacing with investors, analysts, auditors, C-level executives, and outside advisors, led us to conclude that Mr. Seth should serve as a director.

Corporate Governance

The business and affairs of the Company are managed under the direction of the Board of Directors.

Term of Office

Our directors are divided into three classes, designated Class I, Class II and Class III. Class I shall consists of two independent directors, Class II shall consist of two directors that were appointed as directors to Actinium Corporation

by the holders of the former Series E preferred stock holders of Actinium Corporation, and Class III shall consist of the chief executive officer. Each director shall serve a term ending on thedate of the third annual meeting of shareholders following the annual meeting at which the director was elected. Notwithstanding the foregoing, each director shall serve until his successor is duly elected and qualified, or until his or her retirement, death, resignation or removal. In order to implement a staggered board of directors, Class I shall serve a six month term from the date of incorporation; Class II shall serve a 18 month term from the date of incorporation; and Class II shall serve a 30 month term from the date of incorporation. Directors elected at each annual meeting commencing in 2013 shall be elected for a three year term as specified above.

Director Independence

We use the definition of “independence” of The NASDAQ Stock Market to make this determination. We are not listed on NASDAQ, so although we use its definition of “independence”, its “independence” rules are inapplicable to us. NASDAQ Listing Rule 5605(a)(2) provides that an “independent director” is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the Company’s Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company’s outside auditor, or at any time during the past three years was a partner or employee of the company’s outside auditor, and who worked on the company’s audit.

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Our Common Stock is not currently quoted or listed on any national exchange or interdealer quotation system with a requirement that a majority of our board of directors be independent and, therefore, the Company is not subject to any director independence requirements. Under the following three NASDAQ director independence rules a director is not considered independent: (a) NASDAQ Rule 5605(a)(2)(A), a director is not considered to be independent if he or she also is an executive officer or employee of the corporation, (b) NASDAQ Rule 5605(a)(2)(B), a director is not consider independent if he or she accepted any compensation from the company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, and (c) NASDAQ Rule 5605(a)(2)(D), a director is not considered to be independent if he or she is a partner in, or a controlling shareholder or an executive officer of, any organization to which the company made, or from which the company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000. Under such definitions, David Nicholson and Sergio Traversa are the only independent directors.

Committees of the Board of Directors

On December 28, 2012, our board of directors formed two standing committees: audit and compensation. Actions taken by our committees are reported to the full board. Each of our committees has a charter and each charter is posted on our website.

Audit Committee	Compensation Committee
Dr. Sergio Traversa*	Dr. David Nicholson*
Dr. David Nicholson	Sandesh Seth

* Indicates committee chair

Audit Committee

Our audit committee, which currently consists of two directors, provides assistance to our board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, financial reporting, internal control and compliance functions of the company. Our audit committee employs an independent registered public accounting firm to audit the financial statements of the company and perform other assigned duties. Further, our audit committee provides general oversight with respect to the accounting principles employed in financial reporting and the adequacy of our internal controls. In discharging its responsibilities, our audit committee may rely on the reports, findings and representations of the company’s auditors, legal counsel, and responsible officers. Our board has determined that all members of the audit committee are financially literate within the meaning of SEC rules and under the current listing standards of the Nasdaq Capital Market. Our board has also determined that Dr. Traversa qualifies as an “audit committee financial expert.”

Compensation Committee

Our compensation committee, which currently consists of two directors, establishes executive compensation policies consistent with the company’s objectives and stockholder interests. Our compensation committee also reviews the performance of our executive officers and establishes, adjusts and awards compensation, including incentive-based compensation, as more fully discussed below. In addition, our compensation committee generally is responsible for:

- establishing and periodically reviewing our compensation philosophy and the adequacy of compensation plans and programs for our directors, executive officers and other employees;

overseeing our compensation plans, including the establishment of performance goals under the company's incentive compensation arrangements and the review of performance against those goals in determining incentive award payouts;

overseeing our executive employment contracts, special retirement benefits, severance, change in control arrangements and/or similar plans;

acting as administrator of any company stock option plans; and

overseeing the outside consultant, if any, engaged by the compensation committee.

Our compensation committee periodically reviews the compensation paid to our non-employee directors and the principles upon which their compensation is determined. The compensation committee also periodically reports to the board on how our non-employee director compensation practices compare with those of other similarly situated public corporations and, if the compensation committee deems it appropriate, recommends changes to our director compensation practices to our board for approval.

Outside consulting firms retained by our compensation committee and management also will, if requested, provide assistance to the compensation committee in making its compensation-related decisions.

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Family Relationships

There are no family relationships among any of our officers or directors.

Involvement in Certain Legal Proceedings

To our knowledge, none of our current directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Code of Ethics

The Company has adopted a code of ethics, a copy of which is attached as Exhibit 14.1 to the Form 8-K filed on January 2, 2013.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides information regarding the compensation earned during the fiscal years ended December 31, 2012, December 31, 2011 and December 31, 2010 by our Chief Executive Officer and the two next most highly compensated executive officers.

Name/Position	Year	Salary	Bonus	Option Awards	All Other Compensation	Total
Jack Talley, former CEO, resigned on February 28, 2013	2012	$ 250,000	$ -	$ 58,412	$ -	$ 308,412
	2011	-	-	-	-	-
	2010	-	-	-	-	-
Dragan Cicic, COO	2012	$ 190,658	$ -	$ 58,426	$ -	$ 249,084
	2011	190,658	50,000	9,717	-	250,375
	2010	190,658	-	9,717(2)(2)(2)	-	200,375
Enza Guagenti, former CFO, resigned on March 9, 2013	2012	$ 90,000	$ -	$ 3,394	$ -	$ 93,394
	2011	-	-	-	-	-
	2010	-	-	-	-	-
Diane Button,CEO, CFO (1)	2012	$ -	$ -	$ -	$ -	$ -
	2011	$ -	$ -	$ -	$ -	$ -
	2010	$ -	$ -	$ -	$ 6,000	$ 6,000

(1) Ms. Diane Button resigned as the Company's CEO and CFO on December 28, 2012.

(2) Dr. Cicic’s options awards were determined by taking into consideration the following factors: (i) Dr Cicic's responsibilities at the Company; (ii) his performance historically and as an incentive for future efforts; (iii) compensation data taken from peer group companies (newly public biotech firms); and (iv) the level of his past awards.

Under the terms of Dr. Cicic’s employment contract and the agreed upon written terms of employment for Ms. Guagenti, these employees are entitled to receive severance of twelve months, twelve months and three months base salary, respectively, upon termination by the Company without cause, or upon resignation within thirty days after a change in job responsibilities and a reduction in base salary. On February 28, 2013, Mr. Talley resigned as Chief Executive Officer and Director of the Company and Actinium. On March 9, 2013, Ms. Guagenti resigned as Chief Financial Officer of the Company and Actinium.

As an “emerging growth company” we will not be required to provide information relating to the ratio of total compensation of our Chief Executive Officer to the median of the annual total compensation of all of our employees, as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Director Compensation

Historical non-management Directors of the Company do not receive any cash compensation. Commencing October 1, 2012, non-management Directors of Actinium Corporation (and now the Company) began to receive a quarterly cash retainer of $7,500 per calendar quarter for their service on the Board of Directors. They also receive reimbursement for out-of-pocket expenses and certain directors have received stock option grants for shares of

Company Common Stock as described below.

The following table sets forth the compensation of our directors for the 2012 fiscal year:

Name(1)	Fees Earned or Paid in Cash	Stock Awards	Option Awards	All Other Compensation	Total
Dr. Rosemary Mazanet (resigned on May 31, 2013)	$ 7,500	$ 0	49,950	-	$ 7,500
David Nicholson	$ 7,500	$ 0	333,000	-	$ 7,500
Sandesh Seth	$ 7,500	$ 0	49,950	-	$ 7,500
Jack Tally (resigned as CEO on March 9, 2013)	$ 0	$ 0	0	-	$ 0
Sergio Traversa	$ 7,500	$ 0	49,950	-	$ 7,500

Employment Agreements

On July 23, 2012, Actinium Corporation entered into an employment agreement with Jack Talley, as our, Chief Executive Officer. The initial term of employment was for a period of three (3) years, provided that Mr. Talley's employment with the company will be on an "at will" basis. Actinium Corporation agreed to pay a base salary of $250,000 per annum. The board will review Mr. Talley's base salary with help of an independent compensation consultant to adjust his base salary to be competitively aligned to a range between the 25th and 75th percentile of the relevant market data of CEO positions of similarly situated publicly traded biotech companies. Mr. Talley is also entitled to participate in an executive bonus program, which shall be established by the board pursuant to which the board shall award bonuses to Mr. Tally, based on achievement of written individual and corporate objectives such as the board shall determine. Upon the attainment of such performance objectives, in addition to base salary, Mr. Talley shall be entitled to a cash bonus in an amount to be determined by the Board up to fifty percent (50%) of his base salary. Actinium Corporation also agreed to grant to Mr. Talley an option grant to purchase common shares of the Company equal to three percent (3.0%) of the Company's issued and outstanding equity (common and preferred shares) on a fully diluted basis. Such options will have an exercise price of $0.261 cents per share which is equal to fair market value as determined by the board on the date of the grant. Twenty-eight percent (28%) of the initial options granted shall vest twelve months after the date of grant and two percent (2%) of the remainder shall vest each month thereafter until fully vested. Additional options will be granted upon the final closing of the Company's next financing so that total options granted will equal three percent (3%) of fully diluted shares on that date. Such additional options will have an exercise price per share which is equal to fair market value as determined by the Board on the date of the grant. Two percent (2%) of such additional options shall vest each month thereafter until fully vested. The term of all options granted under this Agreement will be for 10 years from the date of grant, subject to your continuing service with the Company. On February 28, 2013, Mr. Talley resigned as Chief Executive Officer and Director of the Company and Actinium Corporation as per the terms of the Severance Agreement (as described below).

On January 2, 2006, Actinium Corporation entered into an employment agreement with Dragan Cicic, as our, Chief Operating Officer and Chief Medical Officer. The term of the employment agreement is one year; provided that the term shall be automatically extended for successive one year periods thereafter, unless, no later than 60 days prior to the expiration of any successive one-year renewal term, either party thereto provides the other party written notice of its desire not to extend the term. Actinium agreed to pay a base salary of $144,758 per annum during the term with an annual percentage increase of not less than an amount equal to the aggregate preceding 12 months annual percentage increase of the U.S. Department of Labor Consumer Price Index for All Urban Consumers (CPI-U) for the New York area. Mr. Cicic is also entitled to participate in any incentive compensation or bonus program which is instituted or maintained for company executives generally during the term of the agreement.

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On July 21, 2012, Actinium entered into an employment agreement with Enza Guagenti, as our Chief Financial Officer. Ms. Guagenti's employment with the Company is on an "at will" basis, meaning that either Ms. Guagenti or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability, except that upon termination of Ms. Guagenti's employment by the Company other than for cause Ms. Guagenti will be entitled to severance equal to 3 months base salary. In the event that a) the Company hires a CFO other than yourself, and 2) within two years thereafter Ms. Guagenti's base salary is reduced below $115,000 per year, Ms. Guagenti may then within thirty days after the base salary reduction resign her position with the Company and collect the severance. Actinium Corporation agreed to pay an initial base salary of $90,000. Ms. Guagenti's annual base salary will be increased to one hundred fifteen thousand dollars ($115,000) on the six month anniversary of the start date. Thereafter, before the beginning of each calendar year during the term of her employment, beginning in January 2014, the board shall review the amount of Ms. Guagenti's base salary and performance bonus, and shall determine the appropriate adjustments to each component of her compensation for the following calendar year. The Company also agreed to grant to Ms. Guagenti an option grant to purchase 75,000 common shares of the Company. Such options will have an exercise price of $0.261 cents per share which is equal to fair market value as determined by the board on the date of the grant. Two percent (2%) of the options granted shall vest each month after the date of grant until fully vested. The term of all options granted under this Agreement will be for 10 years from the date of initial grant, subject to Ms. Guagenti's continuing service with the Company. On March 9, 2013, Ms. Guagenti resigned as Chief Financial Officer of the Company and Actinium Corporation. Purusant to the terms of the employment agreement, Ms. Guagenti did not receive any severance payments upon resignation.

Severance Agreement

On February 28, 2013, the Company entered into a Separation and Settlement Agreement with Mr. Talley (the "Separation Agreement"). The Separation Agreement, among other things, provides for a cash payment in two (2) equal installments the aggregate amount of two hundred fifty thousand dollars ($250,000), with the first payment of $125,000 occurring on March 8, 2013 and the second payment of $125,000 occurring on September 1, 2013. The Company will also pay Mr. Talley (i) a discretionary performance bonus of $60,000 for the period of August 15, 2012 to December 31, 2012 and (ii) COBRA continuation coverage under the Company's group health plan for six months. As part of the settlement Mr. Talley agreed to resign as a director from the Company and Actinium Corporation. The Separation Agreement also includes, subject to limited exceptions, mutual releases.

Agreement with Dr. Mazanet.

On May 31, 2013, Dr. Rosemary Mazanet resigned as a director of the Company and Actinium Corporation, a subsidiary of the Company, to pursue other opportunities. Dr. Mazanet's decision to resign from the board of directors of the Company was not based upon any disagreement with the Company on any matter relating to the Company's operations, policies or practices as contemplated by Item 5.02(a) of Form 8-K.

On May 31, 2013, the Company and Actinium Corporation also entered into an agreement with Dr. Mazanet (the "Agreement") which, among other things, provides for a cash payment to Dr. Mazanet of $25,000 in full satisfaction for all amounts owed under the Consulting Agreement. The parties also agreed that Dr. Mazanet is entitled to a total of 83,250 vested Company options (the Options") which will be exercisable until the ten year anniversary of the grants, respectively. Dr. Mazanet agreed not to sell or otherwise transfer any shares of Company common stock underlying the Options or other securities of the Company owned by Dr. Mazanet until (i) the date that is the earlier of twelve (12) months from December 28, 2012; or (ii) six (6) months following the effective date of the Registration Statement filed by the Company with the Securities and Exchange Commission on March 15, 2013. Dr. Mazanet also resigned as a director from the Company and Actinium Corporation. The Agreement also includes, subject to limited exceptions, mutual releases, mutual non-disparagement clauses, and a non-solicitation provision.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the beneficial ownership of our Common Stock as of August 20, 2013 held by (i) each person known to us to be the beneficial owner of more than five percent (5%) of any class of our shares; (ii) each director; (iii) each executive officer; and (iv) all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and generally includes voting power and/or investment power with respect to the securities held. Shares of Common Stock subject to options and warrants currently exercisable or which may become exercisable within 60 days of August 20, 2013, are deemed outstanding and beneficially owned by the person holding such options or warrants for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table, the persons or entities named have sole voting and investment power with respect to all shares of our Common Stock shown as beneficially owned by them.

The percentages below are based on fully diluted shares of our Common Stock equivalents, assuming a 100% share exchange by Actinium shareholders, as of August 21, 2013. On December 28, 2012, the closing date of the share exchange with Actinium Corporation, the Company acquired 21% of the issued and outstanding capital stock of Actinium Corporation from the Actinium Corporation Shareholders. On March 11, 2013, the Company acquired an additional 34.5% of the issued and outstanding capital stock of Actinium Corporation from the Actinium Corporation shareholders. On August 20, 2013, the Company acquired an additional 38.2% of the issued and outstanding capital stock of Actinium Corporation from the Actinium Corporation shareholders. Unless otherwise indicated, the principal address of each of the persons below is c/o Actinium Pharmaceuticals, Inc., 501 Fifth Avenue, New York, NY 10017.

Executive Officers and Directors	Number of Shares of Common Stock and Preferred Stock Beneficially Owned	Percentage of Ownership(a)
Dragan Cicic, MD	232,300(1)	0.90%
David Nicholson	20,979(2)	0.08%
Sandesh Seth	178,350(3)	0.69%
Sergio Traversa	13,986(4)	0.06%
All Directors and Officers as a Group (4 persons)	445,615	1.7%
All other 5% holders		
Actinium Holdings Ltd. (5) c/o Sterling Management Limited P.O. Box HM 1029 Hamilton HM CX	5,702,387	22.3%

(a) Based on 25,581,139 shares of Common Stock outstanding as of August 20, 2013, and includes 400,000 shares of common stock of the Company that remained outstanding after the closing of the Share Exchange.

(1) Options granted to purchase an aggregate of 333,000 shares of Common Stock of the Company at an exercise price of $0.784 per share, options to purchase an aggregate of 99,900 shares of Common Stock of the Company at an exercise price of $1.50 per share, and options to purchase an aggregate of 81,784 shares of Common Stock of the Company at an exercise price of $1.35 per share. All shares are subject to vesting. 232,300 shares of Common Stock

will have vested within 60 days of August 21, 2013.

(2) Options to purchase an aggregate of 49,950 shares of Common Stock of the Company at an exercise price of $0.784 per share and options to purchase an aggregate of 49,950 shares of Common Stock of the Company at an exercise price of $1.50 per share. All shares are subject to vesting. 20,979 shares of Common Stock will have vested within 60 days of August 21, 2013.

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(3) Warrants to purchase an aggregate of 64,747 shares of Common Stock of the Company at an exercise price of $0.784 per share, exercisable on a cashless basis and warrants to purchase an aggregate of 99,617 of Common Stock of the Company at an exercise price of $0.784 per share, exercisable on a cashless basis issued to Amrosan, LLC, a partnership in which the majority member interest is owned by the family of Mr. Seth. Excludes warrants to purchase an aggregate of 375,556 shares of Common Stock of the Company at par value per share, exercisable on a cashless basis issued to Amrosan, LLC as the warrants are not exercisable upon less than 90 days notice. The holder may waive the 90 day exercise notice requirement by giving 65 days prior notice of such waiver. The shares available by exercise of this Warrant are also restricted and may not be sold or otherwise transferred until the earlier of twelve months from December 28, 2012, the closing date of the going Share Exchange; or for six months after the Registration Statement of which this prospectus is a part is declared effective. Excludes 353,023 warrants issued to Carnegie Hill Asset Partners and irrevocable trust linked to Mr. Seth's family and 721,068 warrants issued to Bioche Asset Management, LLC, a partnership in which the majority member interest is owned by the family of Mr. Seth whose terms are the same as those issued to Amrosan LLC. Also excludes warrants held by the Placement Agent or its affiliates in connection with the offering of common stock and Series A and Series B warrants that closed on December 19, 2012 (the "2012 Offering"), the Bridge Notes Financing, the Series E financing and by designees of Jamess Capital Group, LLC in connection with the Share Exchange. Also includes options to purchase an aggregate of 49,950 shares of Common Stock of the Company at an exercise price of $1.50 per share. All shares are subject to vesting. 13,986 shares of Common Stock will have vested within 60 days August 21, 2013.

(4) Options to purchase an aggregate of 49,950 shares of Common Stock of the Company at an exercise price of $1.50 per share. 13,986 shares of Common Stock will have vested within 60 days of August 21, 2013.

(5) Actinium Holdings Ltd., a Bermuda corporation ("AHL"), has entered the Share Exchange and a related Lock-up Agreement1 and is the record holder of the number of shares of Common Stock of the Company listed opposite its name. Such shares currently constitute 23.5% of the outstanding shares of the Company. AHL is wholly owned by AHLB Holdings, LLC ("AHLB"), which in turn, is wholly owned by MSKCC. AHL, AHLB and MSKCC may be deemed to share investment and voting power and beneficial ownership of such shares. Investment power with respect to such shares is limited by AHL's agreement not to transfer its shares of Common Stock, subject to exceptions for certain related-party transfers, transfers to trusts and other private transfers, until, in general, the earlier of (i) December 28, 2013 (the first anniversary of the closing of the Share Exchange); or (ii) six (6) months following the effective date of the Registration Statement of which this prospectus is a part. AHL is entitled to certain demand and "piggyback" registration rights with respect to its shares of Common Stock. The shares to be registered by AHL will, however, in certain circumstances, be subject to "cutback" (or reduction of the number of shares includible in an underwritten registration) prior to the "cutback" of the shares being registered on behalf of investors in certain recent private placements of the Company.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Related Persons

On January 18, 2001, Actinium Corporation entered into a Clinical Trial Agreement with Memorial Sloan-Kettering Cancer Center (MSKCC) and Sloan-Kettering Institute of Cancer Research (SKI), an entity related to MSKCC. Through an indirect subsidiary, Actinium Holdings Ltd. (AHL), MSKCC has been a principal stockholder of the Company since April 2010. The agreement provided for the conduct by SKI/MSKCC of Phase I/II clinical trials of the use of 213Bi-Hu195and cytarabine for the treatment of acute myeloid leukemia and for Actinium Corporation's partial sponsorship of the study in exchange for access to data resulting from the study. Actinium Corporation was obligated to pay SKI (a) $10,000 for each completed case report on a completed subject, and (b) $2,500 for each case report on an incomplete subject. The trial enrolled 31 patients, was completed in 2007 and all the money due to Memorial Sloan-Kettering Cancer Center (MSKCC) and Sloan-Kettering Institute of Cancer Research ("SKI") were paid in full.

On February 11, 2002, Actinium Corporation entered into a License, Development and Commercialization Agreement with SKI. The agreement was amended in August 2006. Pursuant to the agreement, Actinium Corporation licenses certain intellectual property from SKI, including critical patents with respect to Actinium Corporation's core technology, and also supports ongoing research and clinical development of Actinium Corporation related drug candidates. Certain amounts due under this agreement were deferred and then forgiven under the forbearance-related arrangements described below. On June 19, 2011, Actinium Corporation nonetheless agreed to pay SKI (a) $50,000 in 2011, (b) $200,000 in 2012 and (c) $250,000 in 2013 under this agreement, in respect of the $50,000 annual maintenance fees and research payments. Since January 1, 2011, the Company has paid $100,000 for 2012 under this Agreement and as of December 31, 2012, the Company agreed to pay an additional $150,000 for research to be conducted in 2013 under this agreement.

On February 25, 2006, Actinium Corporation entered into a Clinical Trial Agreement with MSKCC and SKI. The agreement provides for the conduct by SKI/MSKCC of a Phase I clinical trials of the use of Actinium 225-HuM195 for the treatment of advanced myeloid malignancy and for Actinium Corporation's partial sponsorship of the study in exchange for access to data resulting from the study. Actinium Corporation is obligated to pay SKI (a) $10,000 for each completed case report on a completed subject, and (b) $2,500 for each case report on an incomplete subject. As of December 21, 2012, 18 subjects had been enrolled in this study, and the parties intend to attempt to enroll and additional 3 subjects. The maximum compensation for which Actinium Corporation is responsible for under the agreement is $328,000. Since the inception of the trial in 2006, Actinium Corporation has paid $180,000 and since January 1, 2011, Actinium Corporation has paid $70,000 under the agreement. As of December 31, 2012, no monies were due under this agreement. The trial is ongoing and further fees are likely to be accrued as patients are enrolled. In January and February 2012, two additional patients were treated in this trial. We anticipate enrollment of one more additional patient under this agreement in 2013 and closing the trial after that.

In April 2010, SKI agreed, on behalf of itself and its related or affiliated entities, including MSKCC, to forbear from collecting or otherwise enforcing Actinium Corporation's then outstanding obligations to those entities and similar obligations arising during a defined forbearance period. The initial outstanding obligations consisted of approximately $260,000 due under Actinium Corporation's license and clinical trials agreements with those entities. In June 2011, SKI agreed to forgive all current and future obligations subject to the forbearance in order to facilitate Actinium Corporation's financing efforts. The forbearance period terminated on October 30, 2011, when the Company satisfied a financing condition to the termination of the forbearance period by raising in excess of $3,000.000 in new equity financing. The total amount forgiven was approximately $360,000.

MSKCC agreed, subject to certain conditions, to utilize donated funds for certain clinical and preclinical programs and activities related to Actinium Corporation's drug development and clinical study programs, including the payment of certain costs and expenses that would otherwise have been borne by Actinium Corporation. The following is a summary of activities related to the MSKCC arrangements at December 31, 2011 and 2010:

	2012	2011
Qualified R&D costs incurred by Actinium Corporation	$ -	$ 655,786
Cash received from MSKCC	237,834	966,341

As of December 31, 2011 and 2010, the Company had reimbursement receivables for costs incurred of $237,834 and $279,401 from MSKCC, respectively. These amounts have since been paid.

From July through October 2011, AHL agreed, in connection with Actinium Corporation's Stock offering, to waive its rights to anti-dilution adjustments in respect of its outstanding stock and its preemptive rights to purchase the Company's stock from the Stock Offering. AHL also agreed to the restructuring of its registration rights in favor of the private placement purchasers, the amendment of the stockholders agreement of Actinium Corporation (to permit, among other transactions, the share exchange) and the relinquishment of its rights to Board representation, although one director originally nominated by AHL continued to serve. Actinium agreed (i) not to reduce the indemnification, advancement of expenses and similar rights of present and former directors and officers of Actinium Corporation, (ii) until April 30, 2016 to maintain directors' and officers' liability insurance at least in the same manner and to the same extent as then in effect, and (iii) following any merger, asset transfer and certain other transactions to provide for the parity of such directors and officers in respect of indemnification, advancement of expenses and D&O liability insurance with such rights applicable to the non-continuing directors following such transactions.

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On March 27, 2012, Actinium Corporation entered into an additional clinical trial agreement with Memorial Sloan-Kettering Cancer Center with respect to conducting a Phase I/II trial of combination therapy of low dose cytarabine and fractionated dose of Lintuzumab-Ac225. Actinium Corporation will pay $31,185 for each patient that has completed the clinical trial. Upon execution of the agreement, Actinium Corporation was required to pay a start-up fee of $79,623, which was paid on July 10, 2012. The total number of patients anticipated to be enrolled at MSKCC in this trial is 15.

AHL has agreed not to transfer its shares of Common Stock, subject to exceptions for certain related-party transfers, transfers to trusts and other private transfers, until, in general, the earlier of (i) December 28, 2013 (the first anniversary of the closing date of the Share Exchange); or (ii) six (6) months following the effective date of the Registration Statement of which this prospectus is a part. AHL will be entitled to certain demand and "piggyback" registration rights with respect to the shares of Common Stock that it may acquire. The shares to be registered by AHL will, however, in certain circumstances, be subject to "cutback" (or reduction of the number of shares includible in an underwritten registration) prior to the "cutback" of the shares being registered on behalf of investors in certain recent private placements.

On January 1, 2012, Actinium Corporation entered into a Consulting Services Agreement with Dr. Rosemary Mazanet, a former director of Cactus. Pursuant to the agreement, Dr. Mazanet provided, among other things, consulting services in the areas of implementation of the Actimab™-A trial including all aspects of study initiation until first patient in at each clinical site. Dr. Mazanet received compensation of $100,000 per year. Since January 1, 2011, Dr. Mazanet has received options to purchase 225,000 shares of common stock of Actinium. Dr. Mazanet resigned as a director of the Company on May 31, 2013.

On August 7, 2012, Actinium Corporation entered into an engagement agreement with Laidlaw & Company (UK) Ltd. (the "Placement Agent") for the 2012 Offering, of which Mr. Seth, a director of the Company. is Head of Healthcare Investment Banking. Pursuant to the agreement, the Placement Agent was engaged as the exclusive agent for the 2012 Offering. None of the Company's current officers or directors had a prior relationship or affiliation with the Company prior to the closing of the Share Exchange. In consideration for its services, the Placement Agent will receive (a) a cash fee equal to 10% of the gross proceeds raised in the 2012 Offering, (b) a non-accountable expense reimbursement equal to 2% of the gross proceeds raised in the 2012 Offering, and (c) reimbursement of $100,000 for legal expenses incurred by the Placement Agent. The Placement Agent or its designees have also received warrants to purchase shares of the Company's Common Stock in an amount equal to 10% of the shares of Common Stock issued as part of the Units sold in the 2012 Offering and the shares of Common Stock issuable upon exercise of the B Warrants included in such Units. The Placement Agent will also receive the same fee and expense schedule for any cash exercise of Warrants within 6 months of the final closing of the 2012 Offering and a 5% solicitation fee for any Warrants exercised as a result of being called for redemption by the Company. Upon the final closing of the 2012 Offering the Placement Agent has been engaged by the Company to provide certain financial advisory services to the Company for a period of at least 6 months for a monthly fee of $25,000. The agreement also provides that (i) if the Company consummates any merger, acquisition, business combination or other transaction (other than the Share Exchange) with any party introduced to it by the Placement Agent, the Placement Agent would receive a fee equal to 10% of the aggregate consideration in such transactions, and (ii) if, within a period of 12 months after termination of the advisory services described above, the Company requires a financing or similar advisory transaction the Placement Agent will have the right to act as the Company's financial advisor and investment banker in such financing or transaction pursuant to a set fee schedule set forth in the August 7, 2012 engagement agreement. For a period ending one year after the expiration of all lock-up agreements entered into in connection with the Share Exchange, any change in the size of the Company board of directors must be approved by the Placement Agent. The Placement Agent also was engaged by Actinium Corporation as placement agent for its Stock Offering and notes financing in 2011 and, as a part of the fee for that engagement, designees of the Placement Agent also hold warrants to purchase 1,245,226 shares of the Company's Common Stock.

On May 9, 2011, Actinium Corporation entered into a transaction management agreement with Jamess Capital Group, LLC. (formerly known as Amerasia Capital Group, LLC), a consulting firm affiliated with Mr. Sandesh Seth, a Director of the Company. Mr. Seth is a Managing Partner of the consulting firm some of whose member interests are held by entities owned by officers and employees of the Placement Agent. None of the Company's current officers or directors had a prior relationship or affiliation with the Company prior to the closing of the Share Exchange. Pursuant to the agreement, the management firm was engaged to provide consulting services to Actinium Corporation related to the consummation of a going public transaction for Actinium. The management firm received a monthly fee of $12,500 which is terminable by the Company three months after the effective date of the going public transaction and designees of Jamess, including entities affiliated with Mr. Seth, were issued warrants to purchase common stock equal to 10% of the fully-diluted capital stock of the Company as of the effective date of the going public transaction. The fully diluted shares for this calculation included all issued and outstanding shares as well as those reserved under the Employee Stock Option Plan. Jamess Capital Group does not retain beneficial ownership of the warrants as they were issued to designess of the members in amounts which do not qualify either Jamess or the warrant holders for inclusion in the beneficial ownership table. The warrants contain a provision wherein the holder may waive the 90 day exercise notice requirement by giving 65 days prior notice of such waiver. The shares available by exercise of this Warrant are also restricted and may not be sold or otherwise transferred until the earlier of twelve months from December 28, 2012, the closing date of the Share Exchange; or for six months after the Registration Statement of which this prospectus is a party declared effective. The consulting firm is also eligible to be reimbursed upon the submission of proper documentation for ordinary and necessary out-of-pocket expenses not to exceed $5,000 per month. The transaction management agreement was terminated on March 31, 2013.

In 2010, Actinium Corporation entered into an agreement with Guagenti & Associates LLC ("G&A"). G&A is affiliated with Enza Guagenti, the former Chief Financial Officer of the Company. Pursuant to the agreement, API leases storage space in Newark, NJ from G&A. The rent is $300 per month. The agreement is on a month-to-month basis and requires a 45-day notice by either party to cancel. Since January 1, 2011, the Company has paid $7,200 pursuant to this agreement. Ms. Guagenti resigned as our Chief Financial Officer on March 9, 2013.

Non-Competition Agreements

Our executive officers have signed non-competition agreements, which provide that all inventions become the immediate property of the Company and require invention assignments. The agreements provide that the executive officers will hold proprietary information in the strictest confidence and not use the confidential information for any purpose not expressly authorized by us.

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DESCRIPTION OF SECURITIES

Authorized Capital Stock

Introduction

In the discussion that follows, we have summarized selected provisions of our certificate of incorporation, bylaws and Delaware law relating to our capital stock. This summary is not complete. This discussion is subject to the relevant provisions of Delaware law and is qualified in its entirety by reference to our articles of incorporation and our bylaws. You should read the provisions of our certificate of incorporation and our bylaws as currently in effect for provisions that may be important to you.

Authorized Capital Stock

The total authorized shares of capital stock of the Company currently consists of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share.

Common Stock

Holders of our common stock are entitled to receive notice of and to attend all meetings of our stockholders, and to one vote for each share on all matters submitted to a stockholder vote. Holders of common stock do not have cumulative voting rights. Therefore, holders of a majority of the shares of common stock voting for the election of directors can elect all of the directors. Holders of our common stock representing a majority of the voting power of our capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders. A vote by the holders of a majority of our outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to our articles of incorporation.

In the event of liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the common stock. Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

As of August 21, 2013, assuming a 100% Share Exchange, there were 25,581,139 shares of Common Stock issued and outstanding, which were held by 342 holders of record.

Dividends

Holders of common stock are entitled to share in all dividends that the board of directors, in its discretion, declares from legally available funds. We have not paid any cash dividends on our Common Stock and do not plan to pay any such dividends in the foreseeable future. We currently intend to use all available funds to develop our business. We can give no assurances that we will ever have excess funds available to pay dividends.

Preferred Stock

We are authorized to issue up to 10,000,000 shares of preferred stock, par value $0.001 per share, in one or more series as may be determined by our Board of Directors, who may establish, from time to time, the number of shares to be included in each series, may fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof. Any preferred stock so issued by the Board may rank senior

to the common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up of us, or both. Moreover, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, under certain circumstances, the issuance of preferred stock or the existence of the unissued preferred stock might tend to discourage or render more difficult a merger or other change of control. We currently do not have any preferred stock outstanding.

Warrants

Series A & Series B Warrants

The Series A Warrants had a 120 day term from January 28, 2013 and are exercisable for an aggregate of up to 3,118,968 shares of the Company's common stock at an initial per share exercise price of $1.65, subject to adjustment as set forth below (anti-dilution). The Company also had a right of first refusal on the holder's sale of the warrant shares.

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The Series B Warrants have a five year term from January 28, 2013 and are exercisable for an aggregate of up to 1,59,484 shares of the Company's common stock at an initial per share exercise price of $2.48, subject to adjustment as set forth below. These warrants have a cashless exercise provision. The Company also has a right of first refusal on the holder's sale of the warrant shares. The Company may also call this warrant for redemption upon written notice to all warrant holders at any time the closing price of the common stock exceeds $1.50 (as may be adjusted pursuant to warrant agreement) for 20 consecutive trading days, as reported by Bloomberg, provided at such time there is an effective registration statement covering the resale of the shares underlying the warrants. In the 60 business days following the date the redemption notice is deemed given in accordance with the agreement, investors may choose to exercise this warrant or a portion of the warrant by paying the then applicable exercise price per share for every share exercised. Any shares not exercised on the last day of the exercise period will be redeemed by the Company at $0.001 per share.

The exercise prices of the Series A Warrants and Series B Warrants are subject to adjustment upon certain events. If the Company at any time while the warrants remain outstanding and unexpired shall declare a dividend or make a distribution on the outstanding Common Stock payable in shares of its capital stock, or split, subdivide or combine the securities as to which purchase rights under this Warrant exist into a different number of securities of the same class, the exercise price for such securities shall be proportionately decreased in the case of a dividend, split or subdivision or proportionately increased in the case of a combination.

In addition, for so long as there are any warrants outstanding, if and whenever at any time and from time to time after the warrant issue date, as applicable, the Company shall issue any shares of common stock for no consideration or a consideration per share less than the exercise price, as applicable, then, forthwith upon such issue or sale, the warrants shall be subject to a proportional adjustment determined by multiplying such warrant exercise price by the following fraction:

$$\frac{N(0) + N(1)}{N(0) + N(2)}$$

Where:

N(0) = the number of shares of common stock outstanding (calculated on a Fully Diluted Basis) immediately prior to the issuance of such additional shares of common stock or common stock Equivalents;

N(1) = the number of shares of common stock which the aggregate consideration, if any (including the aggregate Net Consideration Per Share with respect to the issuance of common stock equivalents), received or receivable by the Company for the total number of such additional shares of common stock so issued or deemed to be issued would purchase at the warrant exercise price, as applicable, in effect immediately prior to such issuance; and

N(2) = the number of such additional shares of common stock so issued or deemed to be issued.

Stock Offering Warrants

The Stock Offering Warrants have a term ending on January 31, 2019 and are exercisable for an aggregate of up to 2,700,971 shares of the Company's common stock at an initial per share exercise price of $0.78, subject to adjustment as set forth below (anti-dilution). The Company also has a right of first refusal on the holder's sale of the warrant

shares.

These warrants have a cashless exercise provision. The Company also has a right of first refusal on the holder's sale of the warrant shares. The exercise prices of the Stock Offering Warrants are subject to adjustment upon certain events. If the Company at any time while the warrants remain outstanding and unexpired shall declare a dividend or make a distribution on the outstanding Common Stock payable in shares of its capital stock, or split, subdivide or combine the securities as to which purchase rights under this Warrant exist into a different number of securities of the same class, the exercise price for such securities shall be proportionately decreased in the case of a dividend, split or subdivision or proportionately increased in the case of a combination.

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In addition, for so long as there are any warrants outstanding, if and whenever at any time and from time to time after the warrant issue date, as applicable, the Company shall issue any shares of common stock for no consideration or a consideration per share less than the exercise price, as applicable, then, forthwith upon such issue or sale, the warrants shall be subject to a proportional adjustment determined by multiplying such warrant exercise price by the following fraction:

$$\frac{N(0) + N(1)}{N(0) + N(2)}$$

Where:

N(0) = the number of shares of common stock outstanding (calculated on a Fully Diluted Basis) immediately prior to the issuance of such additional shares of common stock or common stock Equivalents;

N(1) = the number of shares of common stock which the aggregate consideration, if any (including the aggregate Net Consideration Per Share with respect to the issuance of common stock equivalents), received or receivable by the Company for the total number of such additional shares of common stock so issued or deemed to be issued would purchase at the warrant exercise price, as applicable, in effect immediately prior to such issuance; and

N(2) = the number of such additional shares of common stock so issued or deemed to be issued.

Consulting Firm Warrants

The Consulting Firm Warrants have a term ending on December 17, 2019 and are exercisable for an aggregate of up to 3,755,562 shares of the Company's common stock. These warrants may not be exercised by the Holder upon less than 90 days prior written notice of such exercise and provided further that that the Holder may elect, in its sole discretion, to waive the Prior Notice Requirement, in whole or in part, upon 65 days prior written notice of such waiver. These warrants have a cashless exercise provision and were issued at an initial per share exercise price of $0.001, subject to adjustment as if the Company at any time while the warrants remain outstanding and unexpired shall declare a dividend or make a distribution on the outstanding Common Stock payable in shares of its capital stock, or split, subdivide or combine the securities as to which purchase rights under this Warrant exist into a different number of securities of the same class, the exercise price for such securities shall be proportionately decreased in the case of a dividend, split or subdivision or proportionately increased in the case of a combination. The warrants are also subject to piggy-back registration rights. The holder has also agreed that following the consummation of the pubco transaction (which occurred on December 28, 2012), the holder will not sell or otherwise transfer any shares of common stock of the Company owned by holder, as a result of the exercise of the warrant until the date that is the earlier of (i) twelve (12) months from the closing date of the pubco transaction; or (ii) six (6) months following the effective date of the Registration Statement of which this prospectus is a part.

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Placement Agent Warrants

The Company issued two types of warrants to the Placement Agent, Placement Agent Stock Offering Warrants and Placement Agent Common Stock Warrants.

Placement Agent Stock Offering Warrants

The Placement Agent Stock Offering Warrants have a term ending on January 31, 2019 and are exercisable for an aggregate of up to 1,245,210 shares of the Company's common stock at an initial per share exercise price of $0.78, subject to adjustment as set forth below (anti dilution). These warrants have a cashless exercise provision. The exercise prices of the warrants are subject to adjustment upon certain events. If the Company at any time while the warrants remain outstanding and unexpired shall declare a dividend or make a distribution on the outstanding Common Stock payable in shares of its capital stock, or split, subdivide or combine the securities as to which purchase rights under this Warrant exist into a different number of securities of the same class, the exercise price for such securities shall be proportionately decreased in the case of a dividend, split or subdivision or proportionately increased in the case of a combination.

In addition, for so long as there are any warrants outstanding, if and whenever at any time and from time to time after the warrant issue date, as applicable, the Company shall issue any shares of common stock for no consideration or a consideration per share less than the exercise price, as applicable, then, forthwith upon such issue or sale, the warrants shall be subject to a proportional adjustment determined by multiplying such warrant exercise price by the following fraction:

$$\frac{N(0) + N(1)}{N(0) + N(2)}$$

Where:

N(0) = the number of shares of common stock outstanding (calculated on a Fully Diluted Basis) immediately prior to the issuance of such additional shares of common stock or common stock Equivalents;

N(1) = the number of shares of common stock which the aggregate consideration, if any (including the aggregate Net Consideration Per Share with respect to the issuance of common stock equivalents), received or receivable by the Company for the total number of such additional shares of common stock so issued or deemed to be issued would purchase at the warrant exercise price, as applicable, in effect immediately prior to such issuance; and

N(2) = the number of such additional shares of common stock so issued or deemed to be issued.

Placement Agent Common Stock Warrants

The Placement Agent Common Stock Warrants have a five year term from January 28, 2013 and are exercisable for an aggregate of up to 467,845 shares of the Company's common stock at an initial per share exercise price of $2.48, subject to adjustment as set forth below. These warrants have a cashless exercise provision. The Company may also call this warrant for redemption upon written notice to all warrant holders at any time the closing price of the common stock exceeds $1.50 (as may be adjusted pursuant to warrant agreement) for 20 consecutive trading days, as reported

by Bloomberg, provided at such time there is an effective registration statement covering the resale of the shares underlying the warrants. In the 60 business days following the date the redemption notice is deemed given in accordance with the agreement, investors may choose to exercise this warrant or a portion of the warrant by paying the then applicable exercise price per share for every share exercised. Any shares not exercised on the last day of the exercise period will be redeemed by the Company at $0.001 per share.

The exercise prices of the warrants are subject to adjustment upon certain events. If the Company at any time while the warrants remain outstanding and unexpired shall declare a dividend or make a distribution on the outstanding Common Stock payable in shares of its capital stock, or split, subdivide or combine the securities as to which purchase rights under this Warrant exist into a different number of securities of the same class, the exercise price for such securities shall be proportionately decreased in the case of a dividend, split or subdivision or proportionately increased in the case of a combination.

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In addition, for so long as there are any warrants outstanding, if and whenever at any time and from time to time after the warrant issue date, as applicable, the Company shall issue any shares of common stock for no consideration or a consideration per share less than the exercise price, as applicable, then, forthwith upon such issue or sale, the warrants shall be subject to a proportional adjustment determined by multiplying such warrant exercise price by the following fraction:

$$\frac{N(0) + N(1)}{N(0) + N(2)}$$

Where:

N(0) = the number of shares of common stock outstanding (calculated on a Fully Diluted Basis) immediately prior to the issuance of such additional shares of common stock or common stock Equivalents;

N(1) = the number of shares of common stock which the aggregate consideration, if any (including the aggregate Net Consideration Per Share with respect to the issuance of common stock equivalents), received or receivable by the Company for the total number of such additional shares of common stock so issued or deemed to be issued would purchase at the warrant exercise price, as applicable, in effect immediately prior to such issuance; and

N(2) = the number of such additional shares of common stock so issued or deemed to be issued.

Anti-takeover Effects of Our Articles of Incorporation and By-laws

Our certificate of incorporation and bylaws include provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us. These provisions encourage persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts.

No Cumulative Voting Rights. According to our Bylaws and Articles of Incorporation, neither the holders of our common stock nor the holders of our preferred stock have cumulative voting rights in the election of our directors. The combination of the present ownership by a few stockholders of a significant portion of our issued and outstanding common stock and lack of cumulative voting makes it more difficult for other stockholders to replace our Board of Directors or for a third party to obtain control of our Company by replacing our Board of Directors.

Undesignated preferred stock. We believe the availability of the preferred stock under our certificate of incorporation provides us with flexibility in addressing corporate issues that may arise. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could issue shares of preferred stock without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. Our board of directors will make any determination to issue shares based on its judgment as to our and our stockholders' best interests.

Staggered Board. Pursuant to our Articles of Incorporation our directors are divided into three classes, designated Class I, Class II and Class III. Class I shall consists of two independent directors, Class II shall consist of two directors that were appointed as directors to Actinium Corporation by the holders of the former Series E preferred stock holders of Actinium Corporation, and Class IIII shall consist of the chief executive officer. Each director shall serve a term ending on the date of the third annual meeting of shareholders following the annual meeting at which the director was elected. Notwithstanding the foregoing, each director shall serve until his successor is duly elected and qualified, or until his or her retirement, death, resignation or removal. In order to implement a staggered board of directors, Class I shall serve a six month term from the date of incorporation; Class II shall serve a 18 month term from the date of incorporation; and Class II shall serve a 30 month term from the date of incorporation. Directors elected at each annual meeting commencing in 2013 shall be elected for a three year term as specified above.

Anti-takeover Effects of Delaware Law

We are governed by Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years, did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing a change in our control.

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Listing

Our common stock is listed on the OTCBB and OTCQB under the symbol “ATNM.”

Transfer Agent

The transfer agent and registrar for our common stock is Action Stock Transfer Corporation. The transfer agent’s address is 2469 E. Fort Union Boulevard, Suite 214, Salt Lake City, UT 84121, and its telephone number is (801) 274-1088.

PLAN OF DISTRIBUTION

The common shares being offered for resale by the selling stockholders consist of 25,735,497 shares. We will pay any fees and expenses incurred by us incident to the registration of the securities.

Each selling stockholder of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the OTCBB or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A selling stockholder may use any one or more of the following methods when selling securities:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;

in transactions through broker-dealers that agree with the selling stockholders to sell a specified number of such securities at a stipulated price per security;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

a combination of any such methods of sale; or

any other method permitted pursuant to applicable law.

The selling stockholders may also sell securities under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as

agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The selling stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each selling stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

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The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the selling stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the selling stockholders or any other person. We will make copies of this prospectus available to the selling stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering there has been a limited public market for our common stock, and a significant public market for our common stock may never develop or be sustained after this offering. We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. However, sales of our common stock in the public market after the restrictions lapse, or the perception that these sales may occur, could adversely affect the market price of our common stock and our ability to raise equity capital in the future.

Upon completion of this offering, we expect to have 35,154,367 shares of common stock outstanding. The 25,735,497 shares of common stock being sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are purchased by "affiliates" of our company, as that term is defined in Rule 144 of the Securities Act. All remaining shares were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act, or if they qualify for an exemption from registration, including, among others, the exemption provided by Rules 144 promulgated by the SEC under the Securities Act.

Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies

Rule 144 is not available for resale of securities issued by any shell companies (other than business combination-related shell companies) or any issuer that has been at any time previously a shell company. The SEC has provided an exception to this prohibition, however, if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and materials required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, none of our stockholders is currently able to sell shares of our common stock in reliance on Rule 144. Assuming we continue to meet the requirements set forth above, Rule 144 will become available to our stockholders one year from the date we filed the information required in SEC Form 10. Our stockholders may currently sell their

shares of our common stock only pursuant to a registration statement that has been declared effective under the Securities Act or pursuant to another exemption from registration.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus and certain other legal matters as to Delaware law will be passed upon for us by Hiscock & Barclay, LLP, Syracuse, New York.

EXPERTS

Our audited consolidated financial statements appearing in this prospectus and registration statement have been audited by GBH CPAs, PC, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein and in the registration statement, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We filed with the SEC a registration statement under the Securities Act for the common stock in this offering. This prospectus does not contain all of the information in the registration statement and the exhibits and schedule that were filed with the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits that were filed with the registration statement. Statements contained in this prospectus about the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and we refer you to the full text of the contract or other document filed as an exhibit to the registration statement.

We file annual, quarterly, and current reports and other information with the SEC. Our filings with the SEC are available to the public on the SEC's website at www.sec.gov. Those filings are also available to the public on our corporate website at www.actiniumpharmaceuticals.com. The information we file with the SEC or contained on, or linked to through, our corporate website or any other website that we may maintain is not part of this prospectus or the registration statement of which this prospectus is a part. You may also read and copy, at the SEC's prescribed rates, any document we file with the SEC, including the registration statement (and its exhibits) of which this prospectus is a part, at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room.

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FINANCIAL STATEMENTS

Actinium Pharmaceuticals, Inc.
For period ended June 30, 2013

The accompanying financial statements have been prepared by the Company and are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2013 and 2012 and for the periods then ended have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's audited financial statements for the year ended December 31, 2012. The results of operations for the period ended June 30, 2013 are not necessarily indicative of the operating results for the full year.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)

	June 30, 2013	December 31, 2012
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,650,328	$ 5,618,669
Prepaid expenses and other current assets	84,270	167,143
Total Current Assets	5,734,598	5,785,812
Property and equipment, net of accumulated depreciation	-	3,010
Total Assets	$ 5,734,598	$ 5,788,822
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 793,630	$ 897,044
Accounts payable and accrued expenses - related party	31,185	31,185
Notes payable	36,950	140,000
Derivative liabilities	2,957,977	3,574,958
Total Current Liabilities	3,819,742	4,643,187
Total Liabilities	3,819,742	4,643,187
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 10,000,000 authorized none issued and outstanding	-	-
Common stock, $0.01 par value; 100,000,000 shares authorized; 23,584,424 and 21,391,665 shares issued and outstanding, respectively	235,844	213,916
Additional paid-in capital	60,895,513	56,675,182
Deficit accumulated during the development stage	(59,216,501)	(55,743,463)
Total Stockholders' Equity	1,914,856	1,145,635
Total Liabilities and Stockholders' Equity	$ 5,734,598	$ 5,788,822

See accompanying notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	For the three months ended June 30,		For the six months ended June 30,		For the Period from June 13, 2000 (Inception) to June 30,
	2013	2012	2013	2012	2013
Revenue	$ -	$ -	$ -	$ -	$ -
Operating expenses:					
Research and development, net of reimbursements	509,262	601,272	1,594,968	1,046,158	28,015,488
General and administrative	966,367	237,908	1,899,503	798,184	26,404,478
Depreciation and amortization expense	-	159	-	317	3,262,462
Loss on disposition of equipment	-	-	4,122	-	554,307
Total operating expenses	1,475,629	839,339	3,498,593	1,844,659	56,236,735
Loss from operations	(1,475,629)	(839,339)	(3,498,593)	(1,844,659)	(56,236,735)
Other Income (Expense):					
Interest expense	(634)	(320,728)	(1,209)	(633,618)	(1,965,916)
Gain on extinguishment of liability	-	-	-	-	260,000
Change in fair value - derivative liabilities	(1,307,748)	(402,524)	26,764	6,777	726,150
Total other income (expense)	(1,308,382)	(723,252)	25,555	(626,841)	(979,766)
Net loss	$ (2,784,011)	$ (1,562,591)	$ (3,473,038)	$ (2,471,500)	$ (59,216,501)
Net loss per common share -	$ (0.13)	$ (0.09)	$ (0.16)	$ (0.15)	

basic and diluted				
Weighted average common shares outstanding - basic and diluted	22,178,637	17,020,192	21,791,673	17,020,192

See accompanying notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30, 2013	For the Six Months Ended June 30, 2012	For the Period from June 13, 2000 (Inception) to June 30, 2013
Cash Flows From Operating Activities:			
Net loss	$ (3,473,038)	$ (2,471,500)	$ (59,216,501)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Stock-based compensation expense	188,400	240,400	6,240,436
Depreciation expense	-	317	3,262,462
Loss on disposition of equipment	4,122	-	554,307
Amortization of debt discount	-	451,267	900,000
Amortization of deferred financing costs	-	145,951	292,692
Gain on extinguishment of liability	-	-	(260,000)
Gain on change in fair value of derivative	(26,764)	(6,777)	(726,150)
Changes in operating assets and liabilities:			
(Increase) decrease in:			
R&D reimbursable receivable	(2,126)	50,069	(5,872)
Prepaid expenses and other current assets	85,000	(8,494)	61,604
Increase (decrease) in:			
Accounts payable and accrued liabilities	(103,414)	(263,465)	1,135,359
Accounts payable and accrued liabilities - related party	-	-	31,185
Net Cash Used In Operating Activities	(3,327,820)	(1,862,232)	(47,730,478)
Cash Flows From Investing Activities:			
Payment made for patent rights	-	-	(3,000,000)
Purchase of property and equipment	(1,112)	(1,157)	(816,771)
Net Cash Used In Investing Activities	(1,112)	(1,157)	(3,816,771)
Cash Flows From Financing Activities:			
Borrowings on convertible debt, net of offering costs	-	-	645,888
Payments on note payable	(103,050)	-	(103,050)
Sales of stock, net of offering costs	-	660,163	53,191,098
Proceeds from the exercise of warrants for cash	3,463,641		3,463,641
Net Cash Provided By Financing Activities	3,360,591	660,163	57,197,577
Net change in cash	31,659	(1,203,226)	5,650,328
Cash at beginning of period	5,618,669	5,703,798	-

Cash at end of period	$ 5,650,328	$ 4,500,572	$ 5,650,328
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 561	$ -	$ 1,243
Cash paid for taxes	$ -	$ -	$ -
Supplemental disclosure of non-cash investing and financing activities:			
Beneficial conversion feature discount	$ -	$ -	$ 372,850
Fair value of warrants issued with debt	$ -	$ -	$ 377,150
Fair value of warrants issued with stock	$ -	$ 318,087	$ 5,985,238
Fair value of warrants issued to the placement agent	$ -	$ 159,044	$ 2,170,282
Conversion of notes payable and accrued interest to stock	$ -	$ -	$ 981,729
Transfer from liability classification to equity classification	$ 590,217	$ -	$ 4,821,542

See accompanying notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
(Unaudited)

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

Nature of Business – Actinium Pharmaceuticals, Inc. formerly known as Cactus Ventures, Inc. (the "Company", "Actinium", "Cactus"), was incorporated under the laws of the State of Nevada on October 6, 1997. The Company was a shell entity that was in the market for a merger with an appropriate operating company.

On December 28, 2012, the Company entered into a transaction (the "Share Exchange"), pursuant to which the Company acquired 100% of the issued and outstanding equity securities of Actinium Pharmaceuticals, Inc. ("API"), in exchange for the issuance of approximately 99% of the issued and outstanding common stock, par value $0.01 per share, of the Company. The Share Exchange closed on December 28, 2012. As a result of the Share Exchange, the former shareholders of API became the controlling shareholders of the Company. At the closing, each API shareholder received 0.333 shares (the "Exchange Ratio") of Actinium common stock for each API share exchanged. At the closing, all of the API shareholders' options and warrants to purchase API common stock was exchanged at the Exchange Ratio for new options or warrants, as applicable, to purchase Actinium common stock. The Share Exchange was accounted for as a reverse takeover/recapitalization effected by a share exchange, wherein API is considered the acquirer for accounting and financial reporting purposes. The capital, share price, and earnings per share amount in these consolidated financial statements for the period prior to the reverse merger were restated to reflect the recapitalization in accordance with the exchange ratio established in the merger except otherwise noted.

API, incorporated on June 13, 2000, is a biotechnology company committed to developing breakthrough therapies for life threatening diseases using its alpha particle immunotherapy (APIT) platform and other related and similar technologies. API, together with its wholly owned subsidiary, MedActinium, Inc. (MAI), (hereinafter referred to collectively as "API") has initiated collaborative efforts with large institutions to establish the proof of concept of alpha particle immunotherapy and has supported one Phase I/Il clinical trial and one Phase I clinical trial at Memorial Sloan-Kettering Cancer Center (MSKCC) under an MSKCC Physician Investigational New Drug Application. In 2012, API launched a multi-center corporate sponsored trial in acute myeloid leukemia (AML) patients. API's objective, through research and development, is to produce reliable cancer fighting products which utilize monoclonal antibodies linked with alpha particle emitters or other appropriate payloads to provide very potent targeted therapies. The initial clinical trials of API's compounds have been with patients having acute myeloid leukemia and it is believed that API's APIT platform will have wider applicability for different types of cancer where suitable monoclonal antibodies can be found.

As a result of the Share Exchange, the Company is now a holding company operating through API, a clinical-stage biopharmaceutical company developing certain cancer treatments.

On March 20, 2013, in anticipation of the Company changing its name to Actinium Pharmaceuticals, Inc. and its domicile from Nevada to Delaware, the Company's subsidiary, Actinium Pharmaceuticals, Inc., changed its name to Actinium Corporation. On April 11, 2013, the Company changed its domicile from the State of Nevada to the State of Delaware and changed its name from Cactus Ventures, Inc. to Actinium Pharmaceuticals, Inc.

Basis of Presentation - Unaudited Interim Financial Information – The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") with respect to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim consolidated financial statements furnished reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2012 and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2012, as filed with the SEC March 29, 2013.

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Development Stage Company – The Company is considered a development stage company and has had no commercial revenue to date.

Principles of Consolidation – The consolidated financial statements include the Company's accounts and those of the Company's wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates in Financial Statement Presentation – The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification – Certain prior period amounts have been reclassified to conform to current period presentation.

Cash and Cash Equivalents – The Company considers all highly liquid accounts with original maturities of three months or less to be cash equivalents. Such balances are usually in excess of FDIC insured limits. At June 30, 2013 and December 31, 2012, all of the Company's cash was deposited in one bank.

Property and Equipment – Machinery and equipment are recorded at cost and depreciated on a straight-line basis over estimated useful lives of five years. Furniture and fixtures are recorded at cost and depreciated on a straight-line basis over estimated useful lives of seven years. When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in operations. Repairs and maintenance expenditures are charged to operations.

Impairment of Long-Lived Assets – Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be realizable or at a minimum annually during the fourth quarter of the year. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an impairment of such asset is necessary. The effect of any impairment would be to expense the difference between the fair value of such asset and its carrying value.

Derivatives – All derivatives are recorded at fair value on the balance sheet. Fair values for securities traded in the open market and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

Fair Value of Financial Instruments – Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

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Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

The following tables set forth assets and liabilities measured at fair value on a recurring and non-recurring basis by level within the fair value hierarchy as of June 30, 2013 and December 31. As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	Level 1	Level 2	Level 3	Total
Derivative liabilities:				
At June 30, 2013	-	-	$ 2,957,977	$ 2,957,977
At December 31, 2012	-	-	3,574,958	3,574,958

Income Taxes – The Company uses the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and income tax carrying amounts of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company reviews deferred tax assets for a valuation allowance based upon whether it is more likely than not that the deferred tax asset will be fully realized. A valuation allowance, if necessary, is provided against deferred tax assets, based upon management's assessment as to their realization.

Research and Development Costs – Research and development costs are expensed as incurred. Research and development reimbursements and grants are recorded by the Company as a reduction of research and development costs.

Share-Based Payments – The Company estimates the fair value of each stock option award at the grant date by using the Black-Scholes option pricing model and value of common shares based on the last common stock valuation done by third party valuation expert of the Company's common stock on the date of the share grant. The fair value determined represents the cost for the award and is recognized over the vesting period during which an employee is required to provide service in exchange for the award. As share-based compensation expense is recognized based on awards ultimately expected to vest, the Company reduces the expense for estimated forfeitures based on historical forfeiture rates. Previously recognized compensation costs may be adjusted to reflect the actual forfeiture rate for the entire award at the end of the vesting period. Excess tax benefits, if any, are recognized as an addition to paid-in capital.

Earnings (Loss) Per Common Share – The Company provides basic and diluted earnings per common share information for each period presented. Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per common share is computed by dividing the net income available to common stockholders by the weighted average number of common shares outstanding plus dilutive securities. Since the Company has only incurred losses, basic and diluted net loss per common share are the same. The potentially dilutive securities (options, warrants and convertible instruments) were excluded from the diluted loss per common share calculation because their effect would have been antidilutive. For the six months ended June 30, 2013, potentially issuable shares included stock options to purchase 2,280,184 shares and warrants to purchase 9,535,694 shares of the Company's common stock. For the six months ended June 30, 2012, potentially issuable shares includes options and warrants to purchase 6,842,528 shares of the Company's common stock and notes payable convertible to 815,275 shares of the Company's common stock have been excluded from the calculation.

Recent Accounting Pronouncements – The Company does not expect that any recently issued accounting pronouncements will have a significant impact on the results of operations, financial position, or cash flows of the Company.

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Subsequent Events – The Company's management reviewed all material events through the date the consolidated financial statements were issued for subsequent event disclosure consideration.

Note 2 – Going Concern

As reflected in the accompanying consolidated financial statements, the Company has suffered recurring losses from operations since its inception. The Company has a net loss of $3,473,038 and net cash used in operations of $3,327,820, for the six months ended June 30, 2013; and an accumulated deficit of $59,216,501 at June 30, 2013. In addition, the Company has not completed its efforts to establish a stable recurring source of revenues sufficient to cover its operating costs for the next twelve months. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

The ability of the Company to continue its operations is dependent on the successful execution of management's plans, which include the expectation of raising debt or equity based capital, with some additional funding from other traditional financing sources, including term notes, and research and development grants until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to issue additional equity and incur additional liabilities with related parties to sustain the Company's existence although no commitments for funding have been made and no assurance can be made that such commitments will be available.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of assets or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Property and Equipment

Property and equipment consisted of the following at June 30, 2013 and December 31, 2012:

	Lives	2013	2012
Office equipment	5 years	$ 157,274	$ 156,162
Furniture and fixture	7 years	1,292	1,292
Total property and equipment		158,566	157,454
Less: accumulated depreciation		(154,444	(154,444)
Loss on disposition of equipment		(4,122)	-
Property and equipment, net		$ -	$ 3,010

Depreciation expense for the three months ended June 30, 2013 and 2012 were $0 and $159, respectively. Depreciation expense for the six months ended June 30, 2013 and 2012 were $0 and $317 respectively. The Company wrote off its remaining underpreciated property and equipment during the six months ended June 30, 2013.

Note 4 – Note Payable

On December 28, 2012, the Company entered into a premium finance agreement to pay a $140,000 premium for its director and officer liability insurance policy. Pursuant to the agreement, the Company paid a down payment of $28,000 in January 2013 and has to pay $12,636 in monthly installment for nine months. As of June 30, 2013, the outstanding balance related to the premium finance agreement was $36,950. The Company has paid $103,050 of

the principal during 2013.

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Note 5 – Derivatives

The Company has determined that certain warrants the Company has issued contain provisions that protect holders from future issuances of the Company's common stock at prices below such warrants' respective exercise prices and these provisions could result in modification of the warrants' exercise price based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815 – 40. The warrants granted in connection with the issuance of the Company's Stock Offering and 2012 Common Stock Offering, the Convertible Notes (previously issued and converted) and the placement agent warrants contain anti-dilution provisions that provide for a reduction in the exercise price of such warrants in the event that future common stock (or securities convertible into or exercisable for common stock) is issued (or becomes contractually issuable) at a price per share (a "Lower Price") that is less than the exercise price of such warrant at the time. The amount of any such adjustment is determined in accordance with the provisions of the warrant agreement and depends upon the number of shares of common stock issued (or deemed issued) at the Lower Price and the extent to which the Lower Price is less than the exercise price of the warrant at the time.

Activities for derivative warrant instruments during the six months ended June 30, 2013 were as follows:

	Units	Fair Value
Balance, December 31, 2012	5,146,338	$ 3,574,958
Reclassification to paid in capital	(3,122,821)	(590,217)
Change in fair value	-	(26,764)
Balance, June 30, 2013	2,023,517	$ 2,957,977

The fair values of the derivative warrants were calculated using a modified binomial valuation model with the following assumptions at June 30, 2013 and December 31, 2012.

	December 31, 2012	June 30, 2013
Market value of common stock on measurement date (1)	$ 1.17	$ 1.65
Adjusted exercise price	0.48 - $ $0.81	1.50 - $ $2.475
Risk free interest rate (2)	0.10 - $ $0.77	1.05 %
Warrant lives in years	4 months/5 years	4.5 years
Expected volatility (3)	125% - 161 %	154 %
Expected dividend yield (4)	-	-

(1) The market value of common stock is based on an enterprise valuation.

(2) The risk-free interest rate was determined by management using the Treasury Bill as of the respective measurement date.

(3) Because the Company does not have adequate trading history to determine its historical trading volatility, the volatility factor was estimated by management using the historical volatilities of comparable companies in the same industry and region.

(4) Management determined the dividend yield to be 0% based upon its expectation that it will not pay dividends for the foreseeable future.

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Note 6 – Commitments and Contingencies

The Company has entered into license and research and development agreements with third parties under which the Company is obligated to make payments in the form of upfront payments as well as milestone and royalty payments. Notable inclusions in this category are:

a. Abbott Biotherapeutics Corp. We entered into a Product Development and Patent License Agreement with Abbott Biotherapeutics Corp. (formerly Facet Biotech formerly known as Protein Design Labs) in 2003 to secure exclusive rights to a specific antibody when conjugated with alpha emitting radioisotopes. Upon execution of the agreement, we made a license fee payment of $3,000,000.

We agreed to make milestone payments totaling $7,750,000 for the achievement of the following agreed to and contracted milestones:

Milestones	Payments
(1) when Company initiates a Phase I Clinical Trial of a licensed product	$ 750,000
(2) when Company initiates a Phase II Clinical Trial of a licensed product	750,000
(3) when Company initiates a Phase III Clinical Trial of a licensed product	1,500,000
(4) Biological License Application filing with U.S. FDA	1,750,000
(5) First commercial sale	1,500,000
(6) after the first $10,000,000 in net sales	1,500,000

Under the agreement, we agreed to pay to Abbott Biotherapeutics Corp on a country-by-country basis a royalty of up to 12% of net sales of all licensed products until the later of: (1) 12.5 years after the first commercial sale, or (2) when the patents expire.

As of December 31, 2012, we met our first milestone and upon reaching the milestone we paid Abbott Biotherapeutics Corp. a milestone payment of $750,000 on July 24, 2012.

b. Memorial Sloan Kettering Cancer Center (MSKCC). In February 2002, we entered into a license agreement with MSKCC that requires a technology access fee of $50,000 upon execution, an annual maintenance fee of $50,000 and an annual research funding of $50,000 for as long as the agreement is in force.

Milestones	Payments
(1) filing of an New Drug Application (“NDA”) or regulatory approval for each licensed product	$ 750,000
(2) upon the receipt of regulatory approval from the U.S. FDA for each licensed product	1,750,000

Under the agreement, we agreed to pay to MSKCC on a country-by-country basis a royalty of 2% of net sales of all licensed products until the later of: (1) 10 years from the first commercial sale, or (2) when the patents expire. We expect to file the NDA for regulatory approval in 2015.

c. Oak Ridge National Laboratory (ORNL) – We have contracted to purchase radioactive material to be used for research and development through December 2013. We contracted to purchase $ 337,500 of radioactive material to be used for research and development, with a renewal option at the contract end.

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d. AptivSolutions. AptivSolutions provides project management services for the study of the drug Ac-225-HuM195 (Actimab-A) used in our clinical trials, Phase I and Phase II. The total project is estimated to cost $1,859,333 and requires a 12.5% down payment of the total estimated project cost. The down payment totaling $239,000 was paid in 2007 and 2012. The agreement was amended to provide for additional services on August 6, 2012, October 22, 2012 and May 16, 2013. The total project is now estimated at $ 2,173,955.

e. Fred Hutchinson Cancer Research Center (FHCRC). On June 15, 2012, we entered into a license and sponsored research agreement with FHCRC. We will build upon previous and ongoing clinical trials, with BC8 (licensed antibody) and eventually develop a clinical trial with Actinium 225. FHCRC has currently completed Phase I and Phase II of the clinical trial and we intend to start preparation for a pivotal trial leading to an FDA approval. We have been granted exclusive rights to the BC8 antibody and related master cell bank developed by FHCRC. The cost to develop the trial will range from $13.2 million to $23.5 million, depending on the trial design as required by the FDA. Under the terms of the sponsored research agreement, we will fund the FHCRC lab with $150,000 per year for the first two years and $250,000 thereafter. Payments made toward funding the lab will be credited toward royalty payments owed to FHCRC in the given year. A milestone payment of $1 million will be due to FHCRC upon FDA approval of the first drug. Upon commercial sale of the drug, royalty payments of 2% of net sales will be due to FHCRC. On August 12, 2013, the Company paid $37,500 to FHCRC.

f. MSKCC. On March 27, 2012, we entered into a clinical trial agreement with Memorial Sloan Kettering Cancer Center. The Company will pay $31,185 for each patient that has completed the clinical trial. Upon execution of the agreement, the Company is required to pay a start-up fee of $79,623. The amount due of $79,623 was paid on July 10, 2012.

g. FHCRC. On July 19, 2012, we entered into a clinical trial agreement with FHCRC. We will pay $31,366 for each patient that has completed the clinical trial. Upon execution of the agreement, we are required to pay a start-up fee of $19,749.

h. The University of Texas M.D. Anderson Cancer Center. On August 28, 2012, we entered into a clinical trial agreement with The University of Texas M.D. Anderson Cancer Center. The total estimated cost of conducting the clinical trial is $481,204, which includes a non- refundable institutional fee of $14,500. The estimated cost is based on treating 24 patients through 2013. Upon execution of the agreement, we were required to make a payment of $33,946.

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i. Johns Hopkins University. On September 26, 2012, we entered into a clinical trial agreement with Johns Hopkins University. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by us and pursuant to an Investigational New Drug Exemption (IND 10807) held by us. We will pay $38,501 per patient, who has completed the clinical trial. We are required to pay a start-up fee of $22,847, an annual pharmacy fee of $2,025 and an amendment processing fee of $500, when applicable.

j. University of Pennsylvania. On November 21, 2012, we entered into a clinical trial agreement with the University of Pennsylvania. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by us and pursuant to an Investigational New Drug Exemption (IND 10807) held by us. We will pay $31,771 per patient, who has completed the clinical trial. We will be required to pay a start-up fee of $16,000 and additional administrative fees, when applicable.

On August 1, 2012, the Company entered into a rental agreement for office space at 501 Fifth Avenue, 3rd Floor, New York, NY 10017. The agreement terminated May 31, 2013. On June 1, 2013The Company entered into a rental agreement for office space at 546 Fifth Avenue, 14 th Floor, New York, NY 10036. The agreement terminates on December 31, 2013. Upon the expiration of the term, the agreement automatically renews on a month-to-month basis and requires a two month notice of termination. The Company paid a one month refundable deposit.

In February 28, 2013, the Company entered into a Separation and Settlement Agreement with its former CEO, Jack Talley. Pursuant to the agreement, the Company paid Mr. Talley $125,000 on March 8, 2013 and a second payment of $125,000 is due to be paid to Mr. Talley on September 1, 2013. The Company also paid Mr. Talley a performance bonus of $60,000 for his service from August 15, 2012 to December 31, 2012.

Note 7 – Equity

Stock Option Plan

The following is a summary of stock options:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2012	2,330,134	$ 0.96	8.91	$ 685,800
Cancellation	(49,950)			
Outstanding, March 31, 2013	2,280,184	$ 0.96	8.42	$ 1,609,035

All options issued and outstanding are being amortized over their respective service periods. The unrecognized compensation expense at June 30, 2013 was $1,086,848.

During the three months ended June 30, 2013 and 2012, the Company recorded option expense of $94,200, and $40,410, respectively. During the six months ended June 30, 2013 and 2012, the Company recorded option expense of $188,400 and $240,400, respectively.

On May 31, 2013, the Company entered into an agreement with its former director and consultant, Dr. Rosemary Mazanet. Pursuant to the agreement, the Company terminated the consulting agreement with Dr. Mazanet and Dr. Mazanet resigned as a director. The Company paid Mazanet cash of $25,000 and cancelled options to purchase 49,950 shares of the Company's common stock at $1.50 per share previously granted.

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Warrants

The following is a summary of warrants:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2012	12,770,636	$ 0.97	4.48	$ 6,114,768
Warrants exercised	(2,211,158)	1.65		
Warrants expired	(1,023,784)	1.65		
Outstanding, June 30, 2013	9,535,694	$ 0.77	5.34 1	$ 9,691,302

During the six months ended June 30, 2013, the Company issued shares of common stock pursuant to the exercise of A-Warrants originally issued in connection with a private placement that closed in January 2013. The warrants were exercised at $1.65 per share, resulting in gross proceeds of $3,463,641 received by the Company.

Note 8 – Subsequent Events

Management has evaluated subsequent events and has concluded no events warrant disclosure.

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ACTINIUM PHARMACEUTICALS, INC.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Financial Statements

As of December 31, 2012 and 2011 and for the period
from June 13, 2000 (inception) to December 31, 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Newark, NJ

We have audited the accompanying consolidated balance sheets of Actinium Pharmaceuticals, Inc. (Formerly Cactus Ventures, Inc.) (a Development Stage Company) (the “Company”) as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders’ equity and cash flows for the years then ended and for the period from June 13, 2000 (Inception) to December 31, 2012. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Actinium Pharmaceuticals, Inc. (Formerly Cactus Ventures, Inc.) as of December 31, 2012 and 2011 and the results of their operations and their cash flows for the years then ended and for the period from June 13, 2000 (Inception) to December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has not generated any revenue since its inception, has a history of operating losses, and has an accumulated deficit since its inception. Those conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to those matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ GBH CPAs, PC

GBH CPAs, PC
www.gbhcpas.com
Houston, Texas
March 15, 2013

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Balance Sheets

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	$ 5,618,669	$ 5,703,798
R&D reimbursement receivable	-	237,834
Prepaid expenses and other current assets	167,143	5,384
Deferred financing costs, net of accumulated amortization	-	252,248
Total current assets	5,785,812	6,199,264
Property and equipment, net of accumulated depreciation	3,010	1,233
TOTAL ASSETS	$ 5,788,822	$ 6,200,497
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 897,044	$ 644,511
Accounts payable and accrued expenses – related party	31,185	-
Note payable	140,000	-
Convertible notes payable, net of unamortized discount	-	124,363
Derivative liabilities	3,574,958	4,439,613
Total current liabilities	4,643,187	5,208,487
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized;		
0 shares issued and outstanding	-	-
Common stock, $0.01 par value, 100,000,000 shares authorized;		
21,391,665 and 13,664,802 shares issued and outstanding, respectively	213,916	136,648
Additional paid-in capital	56,675,182	48,237,620
Deficit accumulated during the development stage	(55,743,463)	(47,382,258)
Total stockholders' equity	1,145,635	992,010
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,788,822	$ 6,200,497

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statements of Operations

	For the Years Ended December 31,		For the Period from June 13, 2000 (Inception) to December 31, 2012
	2012	2011	
Revenues	$ -	$ -	$ -
Operating expenses:			
Research and development, net of reimbursements	3,440,485	323,788	26,420,519
General and administrative	4,506,232	2,959,246	24,504,975
Depreciation and amortization expense	581	633	3,262,462
Loss on disposition of equipment	-	-	550,186
Total operating expenses	7,947,298	3,283,667	54,738,142
Loss from operations	(7,947,298)	(3,283,667)	(54,738,142)
Other (income) expense:			
Interest expense	1,099,327	175,094	1,964,707
Gain on extinguishment of liability	-	-	(260,000)
Gain on change in fair value of derivative liabilities	(685,420)	(13,966)	(699,386)
Total other (income) expense	413,907	161,128	1,005,321
Net loss	$ (8,361,205)	$ (3,444,795)	$ (55,743,463)
Net loss per common share - basic and diluted	$ (7.58)	$ (4.30)	
Weighted average number of common shares outstanding - basic and diluted	1,103,521	801,799	

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statement of Changes in Stockholders' Equity
For the Period From June 13, 2000 (Inception) to December 31, 2012

	Common Stock		Additional Paid-in	Deficit Accumulated During the Development	Total Stockholders' Equity
	Shares	Amount	Capital	Stage	(Deficit)
Issuance of founder shares	999,000	$ 9,990	$ 20,010	$ -	$ 30,000
Proceeds from issuance of stock	145,687	1,457	1,748,543	-	1,750,000
Net loss	-	-	-	(672,286)	(672,286)
Balances, December 31, 2000	1,144,687	11,447	1,768,553	(672,286)	1,107,714
Proceeds from issuance of stock	187,313	1,873	2,248,127	-	2,250,000
Net loss	-	-	-	(5,090,621)	(5,090,621)
Balances, December 31, 2001	1,332,000	13,320	4,016,680	(5,762,907)	(1,732,907)
Proceeds from issuance of stock	180,375	1,804	3,248,196	-	3,250,000
Net loss	-	-	-	(3,192,384)	(3,192,384)
Balances, December 31, 2002	1,512,375	15,124	7,264,876	(8,955,291)	(1,675,291)
Proceeds from issuance of stock	208,992	2,090	6,779,160	-	6,781,250
Net loss	-	-	-	(3,532,044)	(3,532,044)
Balances, December 31, 2003	1,721,367	17,214	14,044,036	(12,487,335)	1,573,915
Proceeds from issuance of stock	765,900	7,659	4,592,341	-	4,600,000
Net loss	-	-	-	(5,734,791)	(5,734,791)
Balances, December 31, 2004	2,487,267	24,873	18,636,377	(18,222,126)	439,124
Proceeds from issuance of stock	649,350	6,494	3,893,506	-	3,900,000
Option expense	-	-	315,388	-	315,388
Net loss	-	-	-	(4,580,237)	(4,580,237)
Balances, December 31, 2005	3,136,617	$ 31,367	$ 22,845,271	$ (22,802,363)	$ 74,275

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statement of Changes in Stockholders' Equity
For the Period From June 13, 2000 (Inception) to December 31, 2012

(Continued)

	Common Stock		Additional Paid-in	Deficit Accumulated During the Development	Total Stockholders' Equity
	Shares	Amount	Capital	Stage	(Deficit)
Balances, December 31, 2005	3,136,617	$ 31,367	$ 22,845,271	$ (22,802,363)	$ 74,275
Proceeds from issuance of stock	839,042	8,390	7,542,151	-	7,550,541
Option expense	-	-	252,308	-	252,308
Net loss	-	-	-	(6,053,362)	(6,053,362)
Balances, December 31, 2006	3,975,659	39,757	30,639,730	(28,855,725)	1,823,762
Proceeds from issuance of stock	732,600	7,326	6,592,674	-	6,600,000
Common stock issued for services	66,402	664	398,146	-	398,810
Option expense	-	-	255,061	-	255,061
Net loss	-	-	-	(5,617,581)	(5,617,581)
Balances, December 31, 2007	4,774,661	47,747	37,885,611	(34,473,306)	3,460,052
Proceeds from issuance of stock	999,000	9,990	5,990,010	-	6,000,000
Option expense	-	-	269,618	-	269,618
Net loss	-	-	-	(5,570,905)	(5,570,905)
Balances, December 31, 2008	5,773,661	57,737	44,145,239	(40,044,211)	4,158,765
Option expense	-	-	112,382	-	112,382
Net loss	-	-	-	(3,425,986)	(3,425,986)
Balances, December 31, 2009	5,773,661	57,737	44,257,621	(43,470,197)	845,161
Option expense	-	-	21,166	-	21,166
Net loss	-	-	-	(467,266)	(467,266)
Balances, December 31, 2010	5,773,661	$ 57,737	$ 44,278,787	$ (43,937,463)	$ 399,061

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
(A Development Stage Company)
Consolidated Statement of Changes in Stockholders' Equity
For the Period From June 13, 2000 (Inception) to December 31, 2012

(Continued)

	Common Stock		Additional Paid-in	Deficit Accumulated During the Development	Total Stockholders' Equity
	Shares	Amount	Capital	Stage	(Deficit)
Balances, December 31, 2010	5,773,661	$ 57,737	$ 44,278,787	$ (43,937,463)	$ 399,061
Proceeds from issuance of stock	7,891,141	78,911	5,300,456	-	5,379,367
Option expense	-	-	19,935	-	19,935
Warrant expense	-	-	2,153,442	-	2,153,442
Fair value of derivative warrants	-	-	(3,887,850)	-	(3,887,850)
Beneficial conversion feature discount	-	-	372,850	-	372,850
Net loss	-	-	-	(3,444,795)	(3,444,795)
Balances, December 31, 2011	13,664,802	136,648	$ 48,237,620	$ (47,382,258)	$ 992,010
Proceeds from issuance of stock	4,087,747	40,877	5,089,063		5,129,940
Conversion of notes payable and accrued interest to stock	1,252,550	12,525	969,204		981,729
Shares issued at the reverse merger	2,386,566	23,866	(23,866)		-
Option expense	-	-	266,172	-	266,172
Warrant expense	-	-	1,957,754	-	1,957,754
Fair value of derivative warrants	-	-	(4,052,089)	-	(4,052,089)
Transfer from liability classification to equity classification	-	-	4,231,324	-	4,231,324
Net loss	-	-	-	(8,361,205)	(8,361,205)
Balances, December 31, 2012	21,391,665	$ 213,916	$ 56,675,182	$ (55,743,463)	$ 1,145,635

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
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Statements of Cash Flows

	For the Year Ended December 31,		For the Period from June 13, 2000 (Inception) to December 31,
	2012	2011	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (8,361,205)	$ (3,444,795)	$ (55,743,463)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	2,223,926	2,173,377	6,052,036
Depreciation expense	581	633	3,262,462
Loss on disposition of equipment	-	-	550,186
Amortization of debt discount	775,637	124,363	900,000
Amortization of deferred financing costs	252,248	40,444	292,692
Gain on extinguishment of liability	-	-	(260,000)
Gain on change in fair value of derivative liabilities	(685,420)	(13,966)	(699,386)
Changes in operating assets and liabilities:			
R&D reimbursement receivable	234,088	41,567	(3,746)
Prepaid expenses and other current assets	(18,013)	4,766	(23,397)
Accounts payable and accrued expenses	334,263	556,019	1,238,773
Accounts payable and accrued expenses - related parties	31,185	-	31,185
Net cash used in operating activities	(5,212,710)	(517,592)	(44,402,658)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment made for patent rights	-	-	(3,000,000)
Purchases of property and equipment	(2,359)	-	(815,659)
Net cash used in investing activities	(2,359)	-	(3,815,659)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on convertible debt, net of offering costs	-	645,888	645,888
Sales of stock, net of offering costs	5,129,940	5,379,367	53,191,098
Net cash provided by financing activities	5,129,940	6,025,255	53,836,986
Net increase (decrease) in cash	(85,129)	5,507,663	5,618,669
Cash at beginning of period	5,703,798	196,135	-
Cash at end of period	$ 5,618,669	$ 5,703,798	$ 5,618,669
SUPPLEMENTAL CASH FLOWS INFORMATION:			
Cash paid for:			
Income tax	$ -	$ -	$ -
Interest	-	-	682

NONCASH INVESTING AND FINANCING ACTIVITIES:			
Beneficial conversion feature discount	$ -	$ 372,850	$ 372,850
Fair value of warrants issued with debt	-	377,150	377,150
Fair value of warrants issued with stock	3,393,338	2,591,900	5,985,238
Fair value of warrants issued to the placement agent	658,753	1,484,529	2,170,282
Conversion of notes payable and accrued interest to stock	981,729	-	981,729
Transfer from liability classification to equity classification	4,231,324	-	4,231,324

See accompanying summary of accounting policies and notes to consolidated financial statements.

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Actinium Pharmaceuticals, Inc.
(Formerly Cactus Ventures, Inc.)
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Notes to Consolidated Financial Statements

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

Nature of Business – Actinium Pharmaceuticals, Inc (Formerly Cactus Ventures, Inc.) (the "Company", "Cactus"), was incorporated under the laws of the State of Nevada on October 6, 1997. The Company was a shell entity that is in the market for a merger with an appropriate operating company.

On December 28, 2012, the Company entered into a transaction (the "Share Exchange"), pursuant to which the Company agreed to acquire 100% of the issued and outstanding equity securities of Actinium Pharmaceuticals, Inc. ("Actinium"), in exchange for the issuance of approximately 99% of the issued and outstanding common stock, par value $0.01 per share, of the Company. The Share Exchange was closed on December 28, 2012 when shareholders representing over 20% of the issued and outstanding shares of Actinium had finished the exchange process. On August 20, 2013, shareholders representing 38% of the issued and outstanding shares of Actinium completed the exchange. As a result of the Share Exchange, the former shareholders of Actinium became the controlling shareholders of the Company. At the closing, each Actinium shareholder shall receive 0.333 shares (the "Exchange Ratio") of Cactus common stock for each Actinium share exchanged. At the closing, all of the Actinium shareholders' options and warrants to purchase Actinium common stock was exchanged at the Exchange Ratio for new options or warrants, as applicable, to purchase Cactus common stock. The Share Exchange was accounted for as a reverse takeover/recapitalization effected by a share exchange, wherein Actinium is considered the acquirer for accounting and financial reporting purposes. The capital, share price, and earnings per share amount in these consolidated financial statements for the period prior to the reverse merger were restated to reflect the recapitalization in accordance with the exchange ratio established in the merger except otherwise noted.

Actinium, incorporated on June 13, 2000, is a biotechnology company committed to developing breakthrough therapies for life threatening diseases using its alpha particle immunotherapy (APIT) platform and other related and similar technologies. Actinium, together with its wholly owned subsidiary, MedActinium, Inc. (MAI), (hereinafter referred to collectively as "Actinium") has initiated collaborative efforts with large institutions to establish the proof of concept of alpha particle immunotherapy and has supported one Phase I/Il clinical trial and one Phase I clinical trial at Memorial Sloan-Kettering Cancer Center (MSKCC) under an MSKCC Physician Investigational New Drug Application. In 2012, Actinium launched a multi-center corporate sponsored trial in acute myeloid leukemia (AML) patients. Actinium's objective, through research and development, is to produce reliable cancer fighting products which utilize monoclonal antibodies linked with alpha particle emitters or other appropriate payloads to provide very potent targeted therapies. The initial clinical trials of Actinium's compounds have been with patients having acute myeloid leukemia and it is believed that Actinium's APIT platform will have wider applicability for different types of cancer where suitable monoclonal antibodies can be found.

As a result of the Share Exchange, the Company is now a holding company operating through Actinium, a clinical-stage biopharmaceutical company developing certain cancer treatments.

Development Stage Company – The Company is considered a development stage company and has had no commercial revenue to date.

Principles of Consolidation – The consolidated financial statements include the Company's accounts and those of the Company's wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates in Financial Statement Presentation – The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification – Certain prior period amounts have been reclassified to conform to current period presentation.

Cash and Cash Equivalents – The Company considers all highly liquid accounts with original maturities of three months or less to be cash equivalents. Such balances are usually in excess of FDIC insured limits. At December 31, 2012 and 2011, all of the Company's cash was deposited in one bank.

Property and Equipment – Machinery and equipment are recorded at cost and depreciated on a straight-line basis over estimated useful lives of five years. Furniture and fixtures are recorded at cost and depreciated on a straight-line basis over estimated useful lives of seven years. When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in operations. Repairs and maintenance expenditures are charged to operations.

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Impairment of Long-Lived Assets – Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be realizable or at a minimum annually during the fourth quarter of the year. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an impairment of such asset is necessary. The effect of any impairment would be to expense the difference between the fair value of such asset and its carrying value.

Derivatives – All derivatives are recorded at fair value on the balance sheet. Fair values for securities traded in the open market and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

Fair Value of Financial Instruments – Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

The following tables set forth assets and liabilities measured at fair value on a recurring and non-recurring basis by level within the fair value hierarchy as of December 31, 2012 and 2011. As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	Level 1	Level 2	Level 3	Total
Derivative liabilities:				
At December 31, 2012	-	-	$ 3,574,958	$ 3,574,958
At December 31, 2011	-	-	4,439,613	4,439,613

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Income Taxes – The Company uses the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and income tax carrying amounts of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company reviews deferred tax assets for a valuation allowance based upon whether it is more likely than not that the deferred tax asset will be fully realized. A valuation allowance, if necessary, is provided against deferred tax assets, based upon management's assessment as to their realization.

Research and Development Costs – Research and development costs are expensed as incurred. Research and development reimbursements and grants are recorded by the Company as a reduction of research and development costs.

Share-Based Payments – The Company estimates the fair value of each stock option award at the grant date by using the Black-Scholes option pricing model and value of common shares based on the last common stock valuation done by third party valuation expert of the Company's common stock on the date of the share grant. The fair value determined represents the cost for the award and is recognized over the vesting period during which an employee is required to provide service in exchange for the award. As share-based compensation expense is recognized based on awards ultimately expected to vest, the Company reduces the expense for estimated forfeitures based on historical forfeiture rates. Previously recognized compensation costs may be adjusted to reflect the actual forfeiture rate for the entire award at the end of the vesting period. Excess tax benefits, if any, are recognized as an addition to paid-in capital.

Earnings (Loss) Per Common Share – The Company provides basic and diluted earnings per common share information for each period presented. Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per common share is computed by dividing the net income available to common stockholders by the weighted average number of common shares outstanding plus dilutive securities. Since the Company has only incurred losses, basic and diluted net loss per common share are the same. The potentially dilutive securities (options, warrants and convertible instruments) were excluded from the diluted loss per common share calculation because their effect would have been anti dilutive. For the year ended December 31, 2012, potentially issuable shares included stock options to purchase 2,330,134 shares and warrants to purchase 12,770,596 shares of the Company's common stock. For the year ended December 31, 2011, potentially issuable shares includes options and warrants to purchase 273,859 shares of the Company's common stock and notes payable convertible to 3,448,276 shares of the Company's common stock have been excluded from the calculation.

Recent Accounting Pronouncements – The Company does not expect that any recently issued accounting pronouncements will have a significant impact on the results of operations, financial position, or cash flows of the Company.

Subsequent Events – The Company's management reviewed all material events from January 1, 2013 through March 15, 2013.

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Note 2 – Going Concern

As reflected in the accompanying consolidated financial statements, the Company has suffered recurring losses from operations since its inception. The Company has a net loss of $8,361,205 and net cash used in operations of $5,212,710, for the year ended December 31, 2012; and an accumulated deficit of $55,743,463 at December 31, 2012. In addition, the Company has not completed its efforts to establish a stable recurring source of revenues sufficient to cover its operating costs for the next twelve months. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

The ability of the Company to continue its operations is dependent on the successful execution of management's plans, which include the expectation of raising debt or equity based capital, with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to issue additional equity and incur additional liabilities with related parties to sustain the Company's existence although no commitments for funding have been made and no assurance can be made that such commitments will be available.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of assets or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Party Transactions

MSKCC:

In 2010, General Atlantic Group Limited donated all of the equity shares of its wholly owned subsidiary, Actinium Holdings Ltd. (formerly named General Atlantic Investments Limited) to Memorial Sloan Kettering Cancer Center (MSKCC), a principal owner of the Company.

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On February 11, 2002, the Company entered into a License, Development and Commercialization Agreement with Sloan-Kettering Institute of Cancer Research (SKI), an entity related to MSKCC. The agreement was amended in August 2006. Pursuant to the agreement, the Company licenses certain intellectual property from SKI, including critical patents with respect to the Company's core technology, and also supports ongoing research and clinical development of related drug candidates. Certain amounts due under this agreement were deferred and then forgiven under the forbearance-related arrangements described above. On June 19, 2011, the Company nonetheless agreed to pay SKI (a) $50,000 in 2011, (b) $200,000 in 2012 and (c) $250,000 in 2013 under this agreement, in respect of the $50,000 annual maintenance fees and research payments. Since January 1, 2011, the Company has paid $100,000 under this agreement and as of December 31, 2012, the Company agreed to pay an additional $150,000 for research to be conducted in 2013.

On March 27, 2012, the Company entered into an additional clinical trial agreement with MSKCC Cancer Center with respect to conducting a Phase I/II trial of combination therapy of low dose cytarabine and fractionated dose of Lintuzumab-Ac225. The Company will pay $31,185 for each patient that has completed the clinical trial. Upon execution of the agreement, the Company was required to pay a start-up fee of $79,623, which was paid on July 10, 2012.

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MSKCC agreed, subject to certain conditions, to utilize the donated funds for certain clinical and preclinical programs and activities related to the Company's drug development and clinical study programs, including the payment of certain costs and expenses that would otherwise have been borne by the Company. The following is a summary of activities related to the MSKCC arrangements for years ended December 31, 2012 and 2011:

	2012	2011
Qualified R&D costs incurred by the Company	$ -	$ 655,786
Reimbursements received from MSKCC	237,834	966,341

In 2012 and 2011, the Company received total R&D reimbursement payments of $237,834 and $299,200, respectively, from MSKCC.

As of December 31, 2012 and 2011, the Company had a net receivable of $0 and $237,834, respectively, from MSKCC.

Dr. Rosemary Mazanet:

On January 1, 2012, the Company entered into a Consulting Services Agreement with Dr. Rosemary Mazanet, a director of Cactus. Pursuant to the agreement, Dr. Mazanet is to provide, among other things, consulting services in the areas of implementation of the Actimab™-A trial including all aspects of study initiation until first patient in at each clinical site. Dr. Mazanet receives compensation of $100,000 per year and may receive additional compensation in the form of options at determined by the board of the Company. Since January 1, 2011, Dr. Mazanet has also received options to purchase 99,900 shares of common stock of the Company. These options have exercise price ranging from $0.78 to $1.5 and have a life of 10 years.

Jamess Capital Group, LLC:

On May 9, 2011, the Company entered into a transaction management agreement with Jamess Capital Group, LLC. (formerly known as Amerasia Capital Group, LLC), a consulting firm affiliated with Mr. Sandesh Seth, a Director of the Company ("Management Firm"). The Management Firm received a monthly fee of $12,500 which is terminable by the Company three months after the effective date of the going public transaction and designees of Jamess, including entities affiliated with Mr. Seth, were issued warrants to purchase common stock equal to 10% of the fully-diluted capital stock of the Company as of the effective date of the going public transaction. The fully diluted shares for this calculation included all issued and outstanding shares as well as those reserved under the Employee Stock Option Plan. The Management Firm is also eligible to be reimbursed upon the submission of proper documentation for ordinary and necessary out-of-pocket expenses not to exceed $5,000 per month.

Placement Agent:

On August 7, 2012, the Company entered into an engagement agreement with its placement agent for the 2012 Common Stock Offering, of which Mr. Seth, a director of the Company is Head of Healthcare Investment Banking. Pursuant to the agreement, the placement agent was engaged as the exclusive agent for the 2012 Common Stock Offering. In consideration for its services, the placement agent will receive (a) a cash fee equal to 10% of the

gross proceeds raised in the 2012 Common Stock Offering, (b) a non-accountable expense reimbursement equal to 2% of the gross proceeds raised in the 2012 Common Stock Offering, and (c) reimbursement of $100,000 for legal expenses incurred by the placement agent. The placement agent or its designees have also received warrants to purchase shares of the Company's Common Stock in an amount equal to 10% of the shares of common stock issued as part of the units sold in the 2012 Common Stock Offering and the shares of Common Stock issuable upon exercise of the B warrants included in such units. The placement agent will also receive the same fee and expense schedule for any cash exercise of warrants within 6 months of the final closing of the 2012 Common Stock Offering and a 5% solicitation fee for any warrants exercised as a result of being called for redemption by the Company. Upon the final closing of the 2012 Common Stock Offering of the units, the placement agent has been engaged by the Company to provide certain financial advisory services to the Company for a period of at least 6 months for a monthly fee of $25,000. The agreement also provides that (i) if the Company consummates any merger, acquisition, business combination or other transaction (other than the Share Exchange) with any party introduced to it by the placement agent, the placement agent would receive a fee equal to 10% of the aggregate consideration in such transactions, and (ii) if, within a period of 12 months after termination of the advisory services described above, the Company requires a financing or similar advisory transaction the placement agent will have the right to act as the Company's financial advisor and investment banker in such financing or transaction pursuant to a set fee schedule set forth in the August 7, 2012 engagement agreement. For a period ending one year after the expiration of all lock-up agreements entered into in connection with the Share Exchange, any change in the size of the Company board of directors must be approved by the placement agent. The placement agent also was engaged by the Company as placement agent for its Stock Offering and Convertible Notes financing in 2011 and, as a part of the fee for that engagement, designees of the placement agent also hold warrants to purchase 1,251,015 shares of the Company's Common Stock.

Guagenti & Associates LLC:

In 2010, the Company entered into an agreement with Guagenti & Associates LLC ("G&A"). G&A is affiliated with Enza Guagenti, the former Chief Financial Officer of Cactus. Pursuant to the agreement, the Company leases storage space in Newark, NJ from G&A. The rent is $300 per month. Since January 1, 2011, the Company has paid $7,200 pursuant to this agreement. Ms. Guagenti resigned as the Company's Chief Financial Officer on March 9, 2013.

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Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31, 2012 and 2011:

	Lives	2012	2011
Office equipment	5 years	$ 156,162	$ 153,804
Furniture and fixture	7 years	1,292	1,292
Total property, plant and equipment		157,454	155,096
Less: accumulated depreciation		(154,444)	(153,863)
Property and equipment		$ 3,010	$ 1,233

Depreciation expense for the years ended December 31, 2012 and 2011 were $581 and $633, respectively.

Note 5 – Note Payable and Convertible Notes

Note Payable

On December 28, 2012, the Company entered into a premium finance agreement to pay $140,000 premium of its director and officer insurance policy. Pursuant to the agreement, the Company paid a down payment of $28,000 in January 2013 and has to pay $12,636 in monthly installment for nine months. As of December 31, 2012, outstanding balance related to the premium finance agreement was $140,000.

Convertible Notes

On December 27, 2011, the Company completed a private offering of 8% Senior Subordinated Unsecured Convertible Promissory Notes (“Convertible Notes”) in the amount of $900,000 and received net proceeds of $750,000. The convertible notes were issued at 83.33% of the principal amount resulting in an original issue discount of $150,000. The Convertible Notes mature one year from the date of issuance. Interest accrues at the rate of 8% per year on the outstanding principal amount, accrued semi-annually and to be paid at maturity.

The principal amount of the Convertible Notes and accrued interest are automatically converted to common stock at the earlier of: (1) the effective date of a Qualified Public Offering, (2) a Public Company Transaction, defined as (i) a reverse merger or similar transaction between the Company and a corporation whose securities are publicly traded in the United States or other jurisdiction mutually agreed between the Company and Placement Agent, or (ii) the quotation of the Company’s securities for purchase and sale on a U.S. quotation service, or (iii) the filing with an applicable regulatory body which will result in the Company becoming an entity whose securities are traded on a public exchange in the U.S. or other mutually agreed upon jurisdiction, or (3) the acquisition or receipt by the Company of no less than $4,000,000 of gross proceeds in subsequent offerings of its common stock or equivalents following the issuance of the Company’s stock (See Note 9) and the Convertible Notes.

In connection with the issuance of the Convertible Notes, warrants to purchase a total of 287,061 shares of common stock were issued to investors. The Placement Agent and the Management Firm (See Note 9) were issued warrants to purchase 143,532 shares and 126,829 shares of common stock, respectively. The warrants issued to the Placement Agent are exercisable at $0.78 per share and expire on January 31, 2019. The warrants issued to the Management Firm are exercisable at $0.01 per share and expire on January 31, 2019.

The Company analyzed the Convertible Notes and the Warrants for derivative accounting consideration under FASB ASC 470 and determined that the investor warrants and the placement agent warrants, with a grant date fair value of $565,729 (See Note 6), qualified for accounting treatment as a financial derivative (See Note 6) and the Convertible Notes were determined to also have a beneficial conversion feature discount of $372,850 resulting from the conversion price of $0.78 per share which is below the fair value of $1.11 per share on the date of the Convertible Notes.

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The total fees, including cash payments and the fair value of the warrants issued to the Placement Agent, incurred in connection with the financing were $292,692. These fees were amortized over the life (one year) of the Convertible Notes using the straight-line method as it approximates the effective interest method. The $150,000 original issue discount on the Convertible Notes was also amortized over the life of the Notes on a straight line basis.

On October 23, 2012, the investors extended the note maturity date for 90 days. The maturity date of the notes has been extended to January 31, 2013, February 18, 2013 or March 27, 2013 for the 24 notes.

On December 19, 2012, the Convertible Notes and the accrued interests were automatically converted to common stock when the Company closed on an offering of its common stock in which the gross proceeds exceeded the $4,000,000 threshold. The Convertible Notes and accrued interest were converted into 1,252,550 shares of the Company's common stock.

During the years ended December 31, 2012, the Company recorded amortization expense related to the deferred financing costs and the debt discount of $252,248 and $775,637, respectively. During the years ended December 31, 2011, the Company recorded amortization expense related to the deferred financing costs and the debt discount of $40,444 and $124,363, respectively.

A summary of the 8% Senior Subordinated Unsecured Convertible Promissory Notes as of December 31, 2012 and 2011 are as follows:

	2012	2011
Principal amount	$900,000	$900,000
Less: original issuance discount	(150,000)	(150,000)
Less: discount related to fair value of derivative warrants	(377,150)	(377,150)
Less: discount related to the beneficial conversion feature	(372,850)	(372,850)
Add: amortization of discount	900,000	124,363
Less: principal amount converted to stock	(900,000)	-
Carrying value at December 31, 2012 and 2011, respectively	$-	$124,363

Note 6 – Derivatives

The Company has determined that certain warrants the Company has issued contain provisions that protect holders from future issuances of the Company's common stock at prices below such warrants' respective exercise prices and these provisions could result in modification of the warrants' exercise price based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815 – 40. The warrants granted in connection with the issuance of the Company's Stock Offering and 2012 Common Stock Offering (See Note 9), the Convertible Notes (See Note 5) and the placement agent warrants contain anti-dilution provisions that provide for a reduction in the exercise price of such warrants in the event that future common stock (or securities convertible into or exercisable for common stock) is issued (or becomes contractually issuable) at a price per share (a "Lower Price") that is less than the exercise price of such warrant at the time. The amount of any such adjustment is determined in

accordance with the provisions of the warrant agreement and depends upon the number of shares of common stock issued (or deemed issued) at the Lower Price and the extent to which the Lower Price is less than the exercise price of the warrant at the time.

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Activities for derivative warrant instruments during the years ended December 31, 2012 and 2011 were as follows:

	Units	Fair Value
Balance, December 31, 2010	-	$ -
Warrants issued with Convertible Notes (See Note 5)	287,061	377,150
Placement agent warrants related to issuance of Convertible Notes (See Note 5)	143,532	188,579
Warrants issued with Stock Offering (See Note 9)	1,972,785	2,591,900
Placement agent warrants related to issuance of stock (See Note 9)	986,393	1,295,950
Change in fair value	-	(13,966)
Balance, December 31, 2011	3,389,771	4,439,613
Warrants issued with Stock Offering (See Note 9)	242,190	318,087
Placement agent warrants related to Stock Offering (See Note 9)	121,095	159,044
Warrants issued with 2012 Common Stock Offering-A (See Note 9)	3,118,988	1,409,554
Warrants issued with 2012 Common Stock Offering-B (See Note 9)	1,559,505	1,665,697
Placement agent warrants related to 2012 Common Stock Offering (See Note 9)	467,845	499,707
Transfer from liability classification to equity classification	(3,753,056)	(4,231,324)
Change in fair value	-	(685,420)
Balance, December 31, 2012	5,146,338	$ 3,574,958

On December 19, 2012, as the result of the Share Exchange, it was determined that the floor for resetting the exercise price was met and the exercise price of the certain warrants was set to be $0.26 (before Exchange Ratio adjustment). Therefore, these warrants were considered indexed to the Company's stock and qualified for the scope exception under FASB ASC 815-10 allowing for a transfer from liability classification to equity classification.

The fair values of the warrants issued in the Company's stock and Convertible Notes Offering and the warrants issued to the Company's placement agent were recognized as derivative warrant instruments at issuance and are measured at fair value at each reporting period. The Company determined the fair values of these warrants using a modified binomial valuation model.

The fair values of the derivative warrants were calculated using a modified binomial valuation model with the following assumptions at each balance sheet date, the transfer date on December 19, 2012, and the date for the new grants in January and December 2012. (The market value of common stock, adjusted exercise price and offering price presented does not reflect the impact of the Share Exchange.)

	December 31, 2011	January 31, 2012	December 19, 2012	December 27, 2012	December 31, 2012
Market value of common stock on measurement date (1)	$0.37	$0.37	$0.39	$0.39	$0.39

Adjusted exercise price	$0.24 - $0.26	$0.23 - $0.26	$0.41 - $0.83	$0.22 - $0.26	$0.41 - $0.83
Risk free interest rate (2)	1.35%	1.24%	0.10% - 0.77%	0.94%	0.10% - 0.77%
Warrant lives in years	7 years	7 years	4 months/5years	6 years	4 months/5years
Expected volatility (3)	156%	157%	125% - 161%	161%	125% - 161%
Expected dividend yield (4)	-	-	-	-	-
Probability of stock offering in any period over 5 years (5)	25%	25%	25%	25%	25%
Range of percentage of existing shares offered (6)	35%	35%	35%	35%	35%
Offering price range (7)	$0.18 - $0.55	$0.13 - $0.56	$0.01 - $0.55	$0.12 - $0.60	$0.01 - $0.55

(1) The market value of common stock is based on an enterprise valuation.

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(2) The risk-free interest rate was determined by management using the average of 5 and 7 year and the 3-month Treasury Bill as of the respective measurement date.
(3) Because the Company does not have adequate trading history to determine its historical trading volatility, the volatility factor was estimated by management using the historical volatilities of comparable companies in the same industry and region.
(4) Management determined the dividend yield to be 0% based upon its expectation that it will not pay dividends for the foreseeable future.
(5) Management has determined that the probability of a stock offering is 25% for each quarter of the next five years.
(6) Management estimates that the range of percentages of existing shares offered in each stock offering will be between 35% of the shares outstanding.
(7) Represents the estimated offering price range in future offerings as determined by management.

Note 7 – Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2012 and 2011 are as follows:

	2012	2011
Deferred tax assets:		
Net operating losses	$ 13,609,036	$ 13,089,314
Share-based compensation	1,497,556	741,420
Other differences in tax basis	233,043	4,749
Total deferred tax assets	15,339,634	13,835,483
Less: valuation allowance	(15,339,634)	(13,835,483)
Deferred tax assets, net	$ -	$ -

As of December 31, 2012, for U.S. federal income tax reporting purposes, the Company has approximately $43 million of unused net operating losses ("NOLs") available for carry forward to future years. The benefit from the carry forward of such NOLs will begin expiring during the year ended December 31, 2020. Because United States tax laws limit the time during which NOL carry forwards may be applied against future taxable income, the Company may be unable to take full advantage of its NOL for federal income tax purposes should the Company generate taxable income. Further, the benefit from utilization of NOLs carry forwards could be subject to limitations due to material ownership changes that could occur in the Company as it continues to raise additional capital. Based on such limitations, the Company has significant NOLs for which realization of tax benefits is uncertain.

The difference between the income tax provision and the amount that would result if the U.S. Federal statutory rate of 34% were applied to pre-tax income (loss) for the years ended December 31, 2012 and 2011 are as follows:

	For the years ended	
	December 31, 2012	December 31, 2011

Federal income taxes at 34%	$ (2,842,810)	-34.00%	$ (1,171,230)	-34.00%
Share-based compensation costs	756,136	9.04%	736,796	21.39%
Change in fair value of derivatives	233,043	2.79%	4,748	0.13%
Amortization of debt discounts	349,481	4.18%	56,033	1.63%
Change in valuation allowance	1,504,152	17.99%	373,653	10.85%
Provision for income tax	$ -	-	$ -	-

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Note 8 – Commitments and Contingencies

The Company has entered into license and research and development agreements with third parties under which the Company is obligated to make payments in the form of upfront payments as well as milestone and royalty payments. Notable inclusions in this category are:

a. Abbott Biotherapeutics Corp – The Company entered into a Product Development and Patent License Agreement with Abbott Biotherapeutics Corp. (formerly Facet Biotech formerly known as Protein Design Labs) in 2003 to secure exclusive rights to a specific antibody when conjugated with alpha emitting radioisotopes. Upon execution of the agreement, the Company made a license fee payment of $3,000,000.

The Company agreed to make milestone payments totaling $7,750,000 for the achievement of the following agreed to and contracted milestones:

Milestones	Payments
(1) when Company initiates a Phase I Clinical Trial of a licensed product	$750,000
(2) when Company initiates a Phase II Clinical Trial of a licensed product	750,000
(3) when Company initiates a Phase III Clinical Trial of a licensed product	1,500,000
(4) Biological License Application filing with U.S. FDA	1,750,000
(5) First commercial sale	1,500,000
(6) after the first $10,000,000 in net sales	1,500,000

Under the agreement, the Company shall pay to Abbott Biotherapeutics Corp on a country-by-country basis a royalty of 12% of net sales of all licensed products until the later of: (1) 12.5 years after the first commercial sale, or (2) when the patents expire.

As of December 31, 2012, the Company met its first milestone and upon reaching the milestone the Company paid Abbott Biotherapeutics Corp. a milestone payment of $750,000 on July 24, 2012. The milestone payment for the Phase I Clinical Trial was recorded as research and development expense.

b. MSKCC – In February 2002, the Company entered into a license agreement with MSKCC that requires a technology access fee of $50,000 upon execution, an annual maintenance fee of $50,000 and an annual research funding of $50,000 for as long as the agreement is in force.

Milestones	Payments
1) filing of an New Drug Application (“NDA”) or regulatory approval for each licensed product	$750,000
(2) upon the receipt of regulatory approval from the U.S. FDA for each licensed product	1,750,000

Under the agreement, the Company shall pay to MSKCC on a country-by-country basis a royalty of 2% of net sales of all licensed products until the later of: (1) 10 years from the first commercial sale, or (2) when the patents expire.

The Company expects to file the NDA for regulatory approval in 2015.

c. Oak Ridge National Laboratory (ORNL) – API has contracted to purchase radioactive material to be used for research and development through December 2012. API is contracted to purchase $233,100 of radioactive material to be used for research and development, with a renewal option at the contract end. The Company is currently negotiating the 2013 agreement.

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d. AptivSolutions provides project management services for the study of the drug Ac-225-HuM195 (Actimab™-A) used in the Company clinical trials, Phase I and Phase II. The total project is estimated to cost $1,859,333 and requires a 12.5% down payment of the total estimated project cost. The down payment totaling $239,000 was paid in 2007 and 2012. On August 6, 2012, the agreement was amended to provide for additional services. The total project is now estimated at $1,997,732. AptivSolutions bills the Company when services are rendered and the Company records the related expense to research and development costs.

e. On June 15, 2012, the Company entered into a license and sponsored research agreement with Fred Hutchinson Cancer Research Center (FHCRC). The Company will build upon previous and ongoing clinical trials, with BC8 (licensed antibody) and eventually develop a clinical trial with Actinium 225. FHCRC has currently completed Phase I and Phase II of the clinical trial and the Company intends to start preparation for a pivotal trial leading to an FDA approval. The Company has been granted exclusive rights to the BC8 antibody and related master cell bank developed by FHCRC. The cost to develop the trial will range from $13.2 million to $23.5 million, depending on the trial design as required by the FDA. Under the terms of the sponsored research agreement, the Company will fund the FHCRC lab with $150,000 per year for the first two years and $250,000 thereafter. Payments made toward funding the lab will be credited toward royalty payments owed to FHCRC in the given year. A milestone payment of $1 million will be due to FHCRC upon FDA approval of the first drug. Upon commercial sale of the drug, royalty payments of 2% of net sales will be due to FHCRC.

f. On March 27, 2012, the Company entered into a clinical trial agreement with Memorial Sloan Kettering Cancer Center. The Company will pay $31,185 for each patient that has completed the clinical trial. Upon execution of the agreement, the Company is required to pay a start-up fee of $79,623. The amount due of $79,623 was paid on July 10, 2012.

g. On May 9, 2011, Actinium entered into a transaction management agreement with Jamess Capital Group, LLC. (formerly known as Amerasia Capital Group, LLC), a consulting firm affiliated with Mr. Sandesh Seth, a Director of Cactus Ventures, Inc. by virtue of his position as a director of Actinium Pharmaceuticals. Mr. Seth is a Managing Partner of the consulting firm some of whose member interests are held by entities owned by officers and employees of the Placement Agent. None of Cactus' current officers or directors had a prior relationship or affiliation with Cactus prior to the closing of the Share Exchange. Pursuant to the agreement, the management firm was engaged to provide consulting services to Actinium related to the consummation of a going public transaction for Actinium. The management firm received a monthly fee of $12,500 which is terminable by the Company three months after the effective date of the going public transaction and designees of Jamess, including entities affiliated with Mr. Seth, were issued warrants to purchase common stock equal to 10% of the fully-diluted capital stock of the Company as of the effective date of the going public transaction. The fully diluted shares for this calculation included all issued and outstanding shares as well as those reserved under the Employee Stock Option Plan. Jamess Capital Group does not retain beneficial ownership of the warrants as they were issued to designees of the members in amounts which do not qualify either Jamess or the warrant holders for inclusion in the beneficial ownership table. The warrants contain a provision wherein the holder may waive the 90 day exercise notice requirement by giving 65 days prior

notice of such waiver. The shares available by exercise of this Warrant are also restricted and may not be sold or otherwise transferred until the earlier of twelve months from the closing date of the Pubco Transaction; or for six months after the planned Registration Statement is declared effective. The consulting firm is also eligible to be reimbursed upon the submission of proper documentation for ordinary and necessary out-of-pocket expenses not to exceed $5,000 per month.

h. On July 19, 2012, the Company entered into a clinical trial agreement with FHCRC. The Company will pay $31,366 for each patient that has completed the clinical trial. Upon execution of the agreement, the Company is required to pay a start-up fee of $19,749. During the clinical trial additional fees apply and will be invoiced when applicable. The amount due has not been invoiced but accrued by the Company as of December 31, 2012.

i. On August 28, 2012, the Company entered into a clinical trial agreement with The University of Texas M.D. Anderson Cancer Center. The total estimated cost of conducting the clinical trial is $481,204, which includes a non- refundable institutional fee of $14,500. The estimated cost is based on treating 24 patients through 2013. Upon execution of the agreement, the Company is required to make a payment of $33,946. The amount due has not been invoiced but accrued by the Company as of December 31, 2012.

j. On September 26, 2012, the Company entered into a clinical trial agreement with Johns Hopkins University. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by the Company and pursuant to an Investigational New Drug Exemption (IND 10807) held by the Company. The Company will pay $38,501 per patient, who has completed the clinical trial. The Company is required to pay a start-up fee of $22,847, an annual pharmacy fee of $2,025 and an amendment processing fee of $500, when applicable. The amount due has not been invoiced but accrued by the Company as of December 31, 2012.

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k. On November 21, 2012, the Company entered into a clinical trial agreement with the University of Pennsylvania. The Phase I/II clinical trial will be conducted with Actinium 225. The clinical trial will be conducted under the protocols established by the Company and pursuant to an Investigational New Drug Exemption (IND 10807) held by the Company. The Company will pay $31,771 per patient, who has completed the clinical trial. The Company will be required to pay a start-up fee of $16,000 and additional administrative fees, when applicable.

On August 1, 2012, the Company entered into a rental agreement for office space at 501 Fifth Avenue, 3rd Floor, New York, NY 10017. The agreement terminates January 31, 2013 unless a Notice of Termination is provided to the landlord 60 days prior to January 1, 2013. The agreement automatically renews on a month-to-month basis and requires a two month notice of termination. The Company paid a two month refundable deposit.

Note 9 – Equity

From inception to December 31, 2010, the Company raised $42,711,791 by issuing 5,707,259 shares of the Company's stock and issued 66,402 shares, valued at $398,810, for services.

During 2011, the Company raised $6,184,967 by selling 7,891,141 shares of the Company's stock and warrants to purchase 19,972,785 shares of the Company's stock through an offering ("Stock Offering"). A net amount of $5,379,367 was received by the Company in 2011. The Company paid Laidlaw & Company (UK) Ltd. ("Laidlaw & Co."), the placement agent, total cash fees of $742,196, which consisted of placement agent commission of $618,497 and expense reimbursement of $123,699. The Company also issued Laidlaw & Co. warrants to purchase an aggregate of 986,393 shares of the Company's common stock, with an exercise price of $0.78 per share and a term of 7 years. These placement agent warrants were valued at their grant date fair value of $188,579. In addition, the Company paid Laidlaw & Co.'s outside counsel, McCormick & O'Brien PLLC, $60,904 for its services as the placement agent's legal counsel and Signature Bank $2,500 for the bank escrow fee.

During 2012, the Company raised $759,300 by selling 968,759 shares and warrants to purchase 242,190 shares of the Company's common stock under the Company's Stock Offering. A net amount of $660,164 was received by the Company in 2012. The Company paid Laidlaw & Co. total cash fees of $91,116, which consisted of placement agent commission of $75,930 and expense reimbursement of $15,186. The Company also issued Laidlaw & Co. warrants to purchase an aggregate of 121,095 shares of the Company's common stock, with an exercise price of $0.78 per share and a term of 7 years. These placement agent warrants were valued at their grant date fair value of $159,044. In addition, the Company paid Laidlaw & Co.'s outside counsel, McCormick & O'Brien PLLC, $8,020 for its services as the placement agent's legal counsel.

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In 2012, the Company also raised $5,151,450 through an offering of 3,118,988 shares of its common stock and "A Warrants" to purchase 3,118,988 shares of the Company's common stock, exercisable at a price of $1.65 per share for a period of 120 days from the day of the final closing of the offering, and "B Warrants" to purchase 1,559,505 shares of the Company's common stock, exercisable at a price of $2.48 per share for a period of 5 years from the date of the final closing of the offering. ("2012 Common Stock Offering") A net amount of $4,469,776 was received by the Company. Pursuant to the 2012 Common Stock Offering agreement, the Company paid Laidlaw & Co. total cash fees of $618,174, which consisted of placement agent commission of $515,145 and expense reimbursement of $103,029. The Company also issued the placement agent warrants to purchase an aggregate of 467,845 shares of the Company's common stock, with an exercise price of $0.78 per share and a term of 5 years. These placement agent warrants were valued at $499,707 and recorded as derivative liabilities. In addition, the Company paid the Laidlaw & Co.'s outside counsel, Richardson & Patel, LLP, $60,000 for its services as the Laidlaw & Co.'s legal counsel and Signature Bank $3,500 for the bank escrow fee.

During 2012, the Company's convertible notes, plus accrued interest, were converted to 1,252,550 shares of the Company's common stock as a result of the 2012 Common Stock Offering.

As a result of the Share Exchange described in Note 1, the Company issued 400,000 shares to the original shareholders of the Company and 1,986,566 shares to the former shareholders of Actinium.

Placement Agent – In connection with the money raised in 2011, the Company issued Laidlaw & Co. warrants to purchase an aggregate of 1,129,925 shares of common stock, with an exercise price of $0.78 per share. With the money raised in 2012, the Company issued Laidlaw & Co. warrants to purchase an aggregate of 588,940 shares of common stock, with an exercise price of $0.78 per share.

Management Firm – In 2011, the Company entered into a management agreement with Jamess Capital Group, LLC (formerly, AmerAsia Inc., "Jamess") for Jamess to provide consulting services related to funding and Actinium becoming a publicly traded entity. In 2011, the Company incurred $96,744 in management fees. In addition, Actinium issued Jamess warrants to purchase an aggregate of 1,974,774 shares of common stock, with an exercise price of $0.01 per share. The warrants have a fair value of $2,153,442 (see Note 11) and included a cashless exercise provision. In 2012, the Company issued Jamess warrants to purchase 1,716,340 shares of common stock with an exercise price of $0.01 per share. The warrants have a fair value of $1,957,754 (see Note 11) and included a cashless exercise provision.

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Note 10 – Stock Option Plan

The Company has adopted a 2003 Stock Plan under which it may grant up to 757,575 options to purchase common stock. The 2003 Stock Plan was amended in 2008 to increase the number of shares that it may grant up to 978,154. Option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of the grant. However, since the Company is not publicly traded, the fair market value of the stock represents the Board of Directors' best estimate, based on the information available, on the date of the grant. The awards generally vest over a four or five year period at a rate of approximately 2% per month.

In 2011, the 2003 Stock Plan was amended to increase the number of shares by 3,217,880. Total shares reserved for issuance under the Plan will be increased to 6,155,280.

In accordance with the terms of the 2012 Common Stock Offering, the Company adopted a 2012 Employee Stock Option Plan ("2012 ESOP") and reserved 15% of the total issued and outstanding shares as of the final closing of the 2012 Common Stock Offering. Total shares reserved for issuance under the 2012 ESOP was 9,455,776 shares.

During 2006, options to purchase 206,060 shares of common stock were granted to several employees at an exercise price of $1.35 per share. These options have a term of 10 years and vest over a 4-5 year period. Fair value of $1,051,281 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate of 4.29% (2) expected life of 5 years, (3) expected volatility of 156%, and (4) zero expected dividends.

During 2007, options to purchase 113,220 shares of common stock were granted to several employees at an exercise price of $1.35 per share. These options have a term of 10 years and vest over a 4-5 year period. Fair value of $137,652 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate of 3.46% (2) expected life of 5 years, (3) expected volatility of 143%, and (4) zero expected dividends.

During 2008, options to purchase 69,941 shares of common stock were granted to an employee at an exercise price of $0.90 per share. These options have a term of 10 years and vest over a 4-5 year period. Fair value of $44,159 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate of 3.46% (2) expected life of 5 years, (3) expected volatility of 139%, and (4) zero expected dividends.

During 2009, 20,613 options to one employee were cancelled as the result of termination of the employment and 128,050 options to one employee were forfeited as the employee deceased during the year.

During the year of 2010, options to purchase 33,300 shares of common stock were granted to an employee at an exercise price of $0.90 per share. These options have a term of 10 years and vest over a 4-5 year period. Fair value of $24,996 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate of 2.16% (2) expected life of 5 years, (3) expected volatility of 171%, and (4) zero expected dividends.

In February 2012, the Company re-priced 273,859 units of employee stock options to reflect the current per share fair market value of the Company's common stock. The exercise prices of all of the current outstanding stock options were reduced to $1.28 per share. The Company recorded an incremental compensation cost of $34,879 as a result of the re-pricing of options.

During 2012, options to purchase 2,056,275 shares of common stock were issued to several employees and consultants at an exercise price ranging from $0.78 to $1.5 per share. These options have a term of 10 years and vest over a 4 year period. The fair value of $1,519,777 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include: (1) discount rate of 1.8% (2) expected life of 7 years, (3) expected volatility of 160.44% ~ 162.49%, and (4) zero expected dividends.

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The following is a summary of stock option activities for the years ended December 31, 2012 and 2011:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2010	273,859	$ 1.29	5.51	$ -
Granted	-	-	-	
Outstanding, December 31, 2011	273,859	1.29	5.51	-
Granted	2,056,275	0.96	8.89	
Outstanding, December 31, 2012	2,330,134	$ 0. 96	8.91	$ 685,800

All options issued and outstanding are being amortized over their respective vesting periods. The unrecognized compensation expense at December 31, 2012 and 2011 were $1,998,435 and $14,528, respectively. During the years ended December 31, 2012 and 2011, the Company recorded option expense of $266,172 and $19,935, respectively.

Note 11 – Warrants

During the year ended December 31, 2011, warrants to purchase 1,974,774 shares of common stock were granted to the Management Firm at an exercise price of $0.01 per share. These warrants have a term of 7 years and vest immediately. Fair value of $2,153,442 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate ranging from 1.92% to 3.17%, (2) warrant life of 10 years, (3) expected volatility ranging from 64.77% to 70.72%, and (4) zero expected dividends. The management firm receives warrants equal to ten (10%) percent of the issued and outstanding capital stock of the Company on a fully-diluted basis on the effective date of the agreement. The warrants are subject to weighted average non-dilution provisions to be calculated on the basis of the post-money fully diluted capitalization of the Company upon closing of any transaction, financing or otherwise, up to and including the Public Company transaction, provided that such anti-dilution provisions shall not extend beyond the date of any exercise of the warrants by the management firm prior to the closing of the Public Company transaction. Since these warrants vest immediately, the Company recorded the entire fair value of $2,153,442 as stock-based compensation expense during the year on these warrants issued by the Company.

During the year ended December 31, 2011, the Company also issued the following warrants:

Warrants issued with convertible notes (See Note 5)	287,061
Warrants issued to investors with Stock Offering (See Note 9)	1,972,766
Placement agent warrants related to issuance of:	
Convertible Notes	143,532

Stock Offering (See Note 6 and Note 9)	986,383
Total	3,389,752

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During the year ended December 31, 2012, warrants to purchase an aggregate of 1,716,340 shares of common stock were granted to the Management Firm at an exercise price of $0.01 per share. These warrants have a term of 7 years and vest immediately. Fair value of $1,957,754 was calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include (1) discount rate of 1.82%, (2) warrant life of 7 years, (3) expected volatility of 60.64%, and (4) zero expected dividends. Since these warrants vest immediately, the Company recorded the entire fair value of $1,957,754 as stock-based compensation expense during the year on these warrants issued by the Company.

During the year ended December 31, 2012, the Company also issued the following warrants:

Warrants issued to investors with Stock Offering (See Note 6)	242,189
Warrants issued to investors with Common Stock	4,678,491
Placement agent warrants related to issuance of:	
Stock Offering (See Note 6 and Note 9)	121,094
2012 Common Stock Offering	467,845
Warrants issued to investors with stock – accrued dividend	180,115
Total	5,689,734

The following is a summary of warrant activities for the years ended December 31, 2011 and 2012:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2010	-	$ -	-	$ -
Granted	5,364,557	0.51	6.76	
Outstanding, December 31, 2011	5,364,557	0.51	6.76	3,261,367
Granted	7,406,079	1.32	3.76	
Outstanding, December 31, 2012	12,770,636	$ 0. 97	4.48	$ 6,114,768

Note 12 – Employee Defined Contribution Plan

In 2004, the Company established an employee deferred contribution plan. The plan requires 12 consecutive months of service and a minimum of 500 hours of service for participation. The Plan provides for employer matching of 50% of the employee contribution and discretionary contributions. Employees can contribute up to the maximum allowable under the Internal Revenue Service Code Section 401(k). The amount contributed by the Company for the years ended December 31, 2012 and 2011 was $8,942 and $8,885, respectively.

Note 13 – Subsequent Events

In February 28, 2013, the Company entered into a Separation and Settlement Agreement with its former CEO, Jack Talley. Pursuant to the agreement, the Company will pay Mr. Talley in 2 equal installments the aggregate amount of $250,000 and a performance bonus of $60,000 for his service from August 15, 2012 to December 31, 2012. $60,000 bonus was included in the accounts payable and accrued liabilities on the Company’s balance sheet at December 31, 2012.

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25,735,497 Shares of Common Stock

ACTINIUM PHARMACEUTICALS, INC.
(FORMERLY CACTUS VENTURES, INC.)

PROSPECTUS

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR THAT WE HAVE REFERRED YOU TO. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS IS NOT AN OFFER TO SELL COMMON STOCK AND IS NOT SOLICITING AN OFFER TO BUY COMMON STOCK IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Until _____, all dealers that effect transactions in these securities whether or not participating in this offering may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

The date of this prospectus is _____, 2013

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PART II— INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses Of Issuance And Distribution.

Securities and Exchange Commission registration fee	$	1,950
Federal Taxes		0
State Taxes and Fees		0
Transfer Agent Fees	$	800
Accounting fees and expenses		5,000
Legal fees and expense	$	100,000
Blue Sky fees and expenses	$	6,000
Miscellaneous		0
Total	$	113,750

All amounts are estimates other than the SEC's registration fee. We are paying all expenses of the offering listed above. No portion of these expenses will be borne by the selling stockholders. The selling stockholders, however, will pay any other expenses incurred in selling their common stock, including any brokerage commissions or costs of sale.

Item 14. Indemnification of Directors and Officers.

We are a Nevada corporation and generally governed by the Nevada Private Corporations Code, Title 78 of the Nevada Revised Statutes, or NRS.

Section 78.138 of the NRS provides that, unless the corporation's Articles of Incorporation provide otherwise, a director or officer will not be individually liable unless it is proven that (i) the director's or officer's acts or omissions constituted a breach of his or her fiduciary duties, and (ii) such breach involved intentional misconduct, fraud, or a knowing violation of the law. Our Articles of Incorporation provide that no director or officer shall be personally liable to the corporation or any of its stockholders for damages for any breach of fiduciary duty as a director or officer except for liability of a director or officer for (i) acts or omissions involving intentional misconduct, fraud, or a knowing violation of law or (ii) payment of dividends in violation of Section 78-300 of the NRS.

Section 78.7502 of the NRS permits a company to indemnify its directors and officers against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending, or completed action, suit, or proceeding, if the officer or director (i) is not liable pursuant to NRS 78.138, or (ii) acted in good faith and in a manner the officer or director reasonably believed to be in or not opposed to the best interests of the corporation and, if a criminal action or proceeding, had no reasonable cause to believe the conduct of the officer or director was unlawful. Section 78.7502 of the NRS also precludes indemnification by the corporation if the officer or director has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court determines that in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses and requires a corporation to indemnify its officers and directors if they have been successful on the merits or otherwise in defense of any claim, issue, or matter resulting from their service as a director or officer.

Section 78.751 of the NRS permits a Nevada company to indemnify its officers and directors against expenses incurred by them in defending a civil or criminal action, suit, or proceeding as they are incurred and in advance of final disposition thereof, upon determination by the stockholders, the disinterested board members, or by independent legal counsel. Section 78.751 of NRS requires a corporation to advance expenses as incurred upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the company if so provided in

the corporations articles of incorporation, bylaws, or other agreement. Section 78.751 of the NRS further permits the company to grant its directors and officers additional rights of indemnification under its articles of incorporation, bylaws, or other agreement.

Section 78.752 of the NRS provides that a Nevada company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee, or agent of the company, or is or was serving at the request of the company as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee, or agent, or arising out of his status as such, whether or not the company has the authority to indemnify him against such liability and expenses.

The Bylaws implement the indemnification and insurance provisions permitted by Chapter 78 of the NRS by providing that the Company:

> shall, to the maximum extent and in the manner specified in the [NRS], indemnify each of its directors and officers against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was a director or officer of the Corporation. The Corporation shall have the power to advance expenses incurred in defending any proceeding prior to the disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay that amount if it shall be determined ultimately that the person is not entitled to indemnification.

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Actinium Holdings Ltd. Indemnification

Pursuant to a letter Agreement dated, July 2011, between API and Actinium Holdings Ltd., API agreed to indemnify certain officers and directors of a predecessor company. Pursuant to the agreement, API will not, and will not permit any of its subsidiaries to, eliminate or otherwise reduce the right of any present or former director or officer of API, Actinium Pharmaceuticals Limited, a Bermuda corporation that merged into the Company ("APL"), and/or the present and former subsidiaries of API or APL (all such entities, collectively, the "Company Group") who currently serves, or at any time prior to the date thereof served, in any such capacity (all such directors and officers, collectively "Company Group Managers") to be indemnified against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities of any nature whatsoever, incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring on, prior to or after the date thereof, whether asserted or claimed prior to, on or after the date thereof, arising, in whole or in part, out of or pertaining to the fact that he or she is or was, or at any time in the future will have been, a Company Group Manager or is or was, or at any time in the future will have been, serving at the request of any entity in the Company Group (or at the request of any present or former affiliate (as such term is defined in Rule 405 under the Securities Act of 1933, as amended) of API for and on behalf of any entity in the Company Group as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, other entity or otherwise, or to be advanced expenses, in any of the foregoing cases, to the fullest extent that such Company Group Manager would be entitled to be indemnified or advanced expenses under applicable law, API's or any such subsidiaries' certificate or articles of incorporation or bylaws or equivalent documents or any applicable contract (collectively, the "Applicable Documents"), in each case, as in effect on the date thereof.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

We maintain a general liability insurance policy that covers liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

At the present time, there is no pending litigation or proceeding involving a director, officer, employee, or other agent of ours in which indemnification would be required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

Item 15. Recent Sales of Unregistered Securities.

During 2011, Actinium Corporation raised $6,184,967 through an offering of 23,697,119 shares (pre-Actinium Share Exchange) of the 2011 Series E preferred shares and 5,924,285 warrants (pre-Actinium share exchange). A net amount of $5,379,367 was received by the Company in 2011.

On December 27, 2011, Actinium Corporation completed a private offering of 8% Senior Subordinated Unsecured Convertible Promissory Notes ("Convertible Notes") in the amount of $900,000 and received net proceeds of $750,000. The convertible notes were issued at 83.33% of the principal amount resulting in an original issue discount of $150,000.The Convertible Notes mature one year from the date of issuance. Interest accrues at the rate of 8% per year on the outstanding principal amount, accrued semi-annually and to be paid at maturity.

In January 2012, the Actinium raised $759,300 through its final offering of the 2011 Series E preferred shares. A net amount of $660,163 was received by Actinium Corporation .

On December 19, 2012, Actinium Corporation completed a private offering of units. Upon taking into account the exchange ratio in the Share Exchange that closed on December 28, 2012 the units consisted of an aggregate of (i) 3,118,968 shares of its common stock, (ii) Series A warrants to purchase 3,118,969 shares of its common stock which have a 120 day term from December 19, 2012 and an initial per share exercise price of $1.65, subject to adjustment, (iii) Series B warrants to purchase up to 1,559,484 shares of common stock which have a 5 year term and an initial per share exercise price of $2.48, subject to adjustment. The price per unit was $1.65 for aggregate gross proceeds of $5,151,448.

On December 28, 2012, we entered into a Share Exchange Agreement with (i) Actinium Corporation and (ii) the former shareholders of Actinium Corporation pursuant to which we acquired 12,939,986 shares of capital stock of Actinium from the Actinium Corporation Shareholders in exchange for the issuance of 4,309,015 shares of common stock to the Actinium Corporation shareholders.

On March 11, 2013, we entered into a second Share Exchange Agreement with (i) Actinium Corporation and (ii) the former shareholders of Actinium Corporation pursuant to which we acquired 22,055,225 shares of capital stock of Actinium Corporation from the Actinium Corporation Shareholders in exchange for the issuance of 7,344,390 shares of common stock to the Actinium Corporation shareholders.

On August 20, 2013, we entered into a third Share Exchange Agreement with (i) Actinium Corporation and (ii) the former shareholders of Actinium Corporation pursuant to which we acquired _____ shares of capital stock of Actinium Corporation from the Actinium Corporation Shareholders in exchange for the issuance of _____ shares of common stock to the Actinium Corporation shareholders.

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The above securities were offered and sold in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act and Rule 506 of Regulation D ("Regulation D") promulgated under the Securities Act. The Company made this determination based on the representations of the investors which included, in pertinent part, that each such investor was an "accredited investor" within the meaning of Rule 501 of Regulation D (there were no non-accredited investors in any of the offerings) and upon such further representations from each investor that (i) such investor is acquiring the securities for its own account for investment and not for the account of any other person and not with a view to or for distribution, assignment or resale in connection with any distribution within the meaning of the Securities Act, (ii) such investor agrees not to sell or otherwise transfer the purchased securities or shares underlying such securities unless they are registered under the Securities Act and any applicable state securities laws, or an exemption or exemptions from such registration are available, (iii) such investor has knowledge and experience in financial and business matters such that such investor is capable of evaluating the merits and risks of an investment in us, (iv) such investor had access to all of the Company's documents, records, and books pertaining to the investment and was provided the opportunity to ask questions and receive answers regarding the terms and conditions of the Offering and to obtain any additional information which the Company possessed or was able to acquire without unreasonable effort and expense, and (v) such investor has no need for the liquidity in its investment in us and could afford the complete loss of such investment. In addition, there was no general solicitation or advertising for securities issued in reliance upon Regulation D.

Item 16. Exhibits.

See Exhibit Index following the signature page.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(5) Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereonto duly authorized, in the City of New York, State of New York, on August 22, 2013.

ACTINIUM PHARMACEUTICALS, INC.

By: /s/ Sergio Traversa
Sergio Traversa
Interim President, Interim Chief Executive Officer and Interim Chief Financial Officer
(Duly Authorized Officer, Principal Executive Officer and Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Sergio Traversa and Sandesh Seth, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by the registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Sergio Traversa Sergio Traversa	Interim President, Interim Chief Executive Officer, Interim Chief Financial Officer and Director (Principal Executive Officer)	August 22, 2013
/s/ David Nicholson David Nicholson	Director	August 22, 2013
/s/ Sandesh Seth Sandesh Seth	Director	August 22, 2013

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EXHIBIT INDEX

Exhibit Number	Description
2.1	Share Exchange Agreement, dated December 28, 2012, by and among Cactus Ventures, Inc., Actinium Pharmaceuticals, Inc., Diane S. Button, and the shareholders of Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K filed on January 2, 2013).
2.2	Share Exchange Agreement, dated March 11, 2013, by and among Cactus Ventures, Inc., Actinium Pharmaceuticals, Inc, and the shareholders of Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 11, 2013).
2.3	Share Exchange Agreement, dated August 22, 2013, by and among Actinium Pharmaceuticals, Inc, Actinium Corporation, and the shareholders of Actinium Corporation.**
3.1	Articles of Incorporation of Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed with the SEC on April 17, 2013).
3.2	Fifth Restated Certificate of Incorporation of Actinium Corporation (fka, Actinium Pharmaceuticals, Inc.) (incorporated by reference to Exhibit 3.5 to Form 8-K filed on January 2, 2013).
3.3	Bylaws of Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Form filed with the SEC on April 17, 2007).
3.4	Bylaws of Actinium Corporation (fka, Actinium Pharmaceuticals, Inc.)(incorporated by reference to Exhibit 3.7 to Form 8-K filed on January 2, 2013).
4.1	Form of A Warrant, dated December 19, 2012 (incorporated by reference to Exhibit 4.1 to Form 8-K filed on January 2, 2013).
4.2	Form of B Warrant, dated December 19, 2012 (incorporated by reference to Exhibit 4.2 to Form 8-K filed on January 2, 2013).
4.3	Form of Lock Up Agreement, dated December ____, 2012 (incorporated by reference to Exhibit 4.3 to Form 8-K filed on January 2, 2013).
4.4	Form of Stock Offering Warrant, dated April 12, 2013.
4.5	Form of Placement Agent Warrant, dated December 19, 2012.
4.6	Form of Consulting Firm Warrant, dated December 17, 2012.
4.7	Lock-up Agreement, dated August 22, 2013.**
5.1	Opinion of Hiscock & Barclay, LLP *
10.1	Registration Rights Agreement, by and among Actinium Pharmaceuticals, Inc., General Atlantic Investments Limited, and Certain Stockholders, dated June 30, 2000 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 2, 2013).
10.2	Amendment No. 1 to June 30, 2000 Registration Rights Agreement, dated September 29, 2011 (incorporated by reference to Exhibit 10.2 to Form 8-K/A filed on January 4, 2013).
10.3	First Amended and Restated Stockholders Agreement, by and among Actinium Pharmaceuticals, Inc., Actinium Holdings Limited, N.V. Organon, and the Stockholders Listed Therein, dated October 5, 2011(incorporated by reference to Exhibit 10.3 to Form 8-K/A filed on January 4, 2013).
10.4	Second Amended and Restated Investor Rights Agreement, by and among Actinium Pharmaceuticals, Inc., Actinium Holdings Limited, and the Investors Listed Therein, dated October 5, 2011 (incorporated by reference to Exhibit 3.5 to Form 8-K filed on January 4, 2013).
10.5	Intentionally left blank.
10.6	Form of Subscription Agreement, dated December 19, 2012 (incorporated by reference to Exhibit 10.6 to Form 8-K filed on January 2, 2013).
10.7	Form of Unit Purchase Agreement, dated December 19, 2012 (incorporated by reference to Exhibit 10.7 to Form 8-K filed on January 2, 2013).
10.8	Employment Agreement, dated January 2, 2006, between Actinium Pharmaceuticals, Inc. and Dragan Cicic (incorporated by reference to Exhibit 10.8 to Form 8-K/A filed on January 4, 2013).

10.9	License, Development and Commercialization Agreement between Sloan-Kettering Institute of Cancer Research, and Actinium Pharmaceuticals, Inc., dated February 11, 2002; as amended by the First Amendment dated August 7, 2006 (incorporated by reference to Exhibit 10.9 to Form 8-K/A filed on January 4, 2013).
10.10	Phase I/II Study on the safety and efficiency of 225ACAc-HuM195 in patients with advanced Myeloid malignancies with Millennix Oncology, Averion Project, dated December 6, 2006 (incorporated by reference to Exhibit 3.5 to Form 8-K filed on January 4, 2013).
10.11	Product Development and Patent License Agreement, dated February 27, 2003, by and between Abbott Biotherapeutics and Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.11 to Form 8-K/A filed on January 4, 2013).
10.12	Clinical Trial Agreement, dated July 19, 2012, by and between Fred Hutchinson Cancer Center and Actinium Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.12 to Form 8-K/A filed on January 4, 2013).
10.13	Employment Letter between Jack V. Talley and Actinium Pharmaceuticals, Inc., effective August 15, 2012 (incorporated by reference to Exhibit 3.5 to Form 8-K filed on January 4, 2013).

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10.14	Employment Letter between Enza Guagenti and Actinium Pharmaceuticals, Inc., effective August 15, 2012 (incorporated by reference to Exhibit 10.14 to Form 8-K/A filed on January 4, 2013).
10.15	Clinical Trial Agreement, dated January 18, 2001, between Actinium Pharmaceuticals, Inc. and Memorial Sloan Kettering Cancer Center for the purpose of conducting a clinical trial entitled “Phase I/II trial of 213Bi-M195 and cytarabine for Acute Myeloid Leukemia.” (incorporated by reference to Exhibit 10.15 to Form 8-K/A filed on January 4, 2013).
10.16	Clinical Trial Agreement with The Trustees of the University of Pennsylvania, dated November 8, 2012 (incorporated by reference to Exhibit 10.16 to Form 8-K/A filed on January 4, 2013).
10.17	Clinical Trial Agreement, dated March 27, 2012, with Memorial Sloan-Kettering Cancer Center (incorporated by reference to Exhibit 10.17 to Form 8-K/A filed on January 4, 2013).
10.18	Clinical Trial Agreement, dated September 22, 2012, with Johns Hopkins University, dated September 24, 2012 (incorporated by reference to Exhibit 10.18 to Form 8-K/A filed on January 4, 2013).
10.19	License Agreement, dated June 14, 2012, for BC8 antibody with Fred Hutchinson Cancer Research Center (incorporated by reference to Exhibit 10.19 to Form 8-K/A filed on January 4, 2013).
10.20	2012 Unit Investor Rights Agreement, dated December 19, 2012, by and among Actinium Pharmaceuticals, Inc., the persons identified on Exhibit A attached thereto hereto, and the Placement Agent (incorporated by reference to Exhibit 10.20 to Form 8-K/A filed on January 4, 2013).
10.21	Project Agreement, dated September 30, 2011, between Actinium Pharmaceuticals, Inc. and Aptiv Solutions, Inc. (incorporated by reference to Exhibit 10.21 to Form 8-K/A filed on January 4, 2013).
10.22	Proposal, dated March 30, 2007, with IsoTherapeutics Group, LLC (incorporated by reference to Exhibit 10.22 to Form 8-K/A filed on January 4, 2013).
10.23	Clinical Trial Agreement with The University of Texas M.D. Anderson Cancer, dated March 1, 2012 (incorporated by reference to Exhibit 10.23 to Form 8-K/A filed on January 4, 2013).
10.24	Amendment No. 1 to Research Agreement, dated November 7, 2012, between Actinium Pharmaceuticals, Inc. and The University of Texas M.D. Anderson Cancer (incorporated by reference to Exhibit 10.24 to Form 8-K/A filed on January 4, 2013).
10.25	Letter Agreement, dated June 19, 2011, between Actinium Pharmaceuticals, Inc. and Sloan-Kettering Institute for Cancer Research (incorporated by reference to Exhibit 10.25 to Form 8-K/A filed on January 4, 2013).
10.26	Letter Agreement, dated April 9, 2010, between Actinium Pharmaceuticals, Inc. and Sloan-Kettering Institute for Cancer Research (incorporated by reference to Exhibit 10.26 to Form 8-K/A filed on January 4, 2013).
10.27	Letter Agreement, dated July __, 2010, between Actinium Pharmaceuticals, Inc. and Actinium Holdings Limited (Waiver of Anti-Dilution Rights) (incorporated by reference to Exhibit 10.27 to Form 8-K/A filed on January 4, 2013).
10.28	Clinical Trial Agreement, dated April 12, 2006, with Sloan-Kettering Institute for Cancer Research and Memorial Hospital for Cancer and Allied Diseases (incorporated by reference to Exhibit 10.28 to Form 8-K /A filed on January 4, 2013).
10.29	Letter Agreement, dated __, 2011, between Actinium Pharmaceuticals, Inc. and Actinium Holdings Limited (Waiver of Registration Rights) (incorporated by reference to Exhibit 10.29 to Form 8-K/A filed on January 4, 2013).
10.30	Agreement, dated November 29, 2012, by and between Oak Ridge National Laboratory and Actinium Pharmaceuticals, Inc.**
14.1	Code of Ethics (incorporated by reference to Exhibit 14.1 to Form 8-K filed on January 2, 2013).
16.1	Letter from R.R. Hawkins (prior auditor)**
21.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 to Form 10-K filed on March 29, 2013).
23.1	Consent of GBH CPAs, PC **
23.2	Consent of Hiscock & Barclay, LLP (included in Exhibit 5.1).
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Interactive Data File for six month period ended June 30, 2013 furnished XBRL and Interative Data File for the six month period ended June 30, 2012, and the Interactive Data File for the year ended December 31, 2012 furnished in XBRL and Interactive Data File for the year ended December 31, 2011 furnished in XBLR. **

* To be filed by amendment.
** Filed herewith.

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