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

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 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 No. 333-181719

CARDAX, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**45-4484428** (I.R.S. Employer Identification No.)

2800 Woodlawn Drive, Suite 129, Honolulu, Hawaii 96822
(Address of principal executive offices, zip code)

(808) 457-1400
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the issuer (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 **[X]** 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 **[X]** No **[ ]**

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

Large accelerated filer **[ ]**	Accelerated filer **[ ]**
Non-accelerated filer **[ ]** (Do not check if a smaller reporting company)	Smaller reporting company [X]

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

As of May 8, 2017, there were 90,688,850 shares of common stock, $0.001 par value per share ("Common Stock"), of the registrant outstanding

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

There are statements in this quarterly report that are not historical facts. These "forward-looking statements" can be identified by use of terminology such as "anticipate," "believe," "estimate," "expect," "hope," "intend," "may," "plan," "positioned," "project," "propose," "should," "strategy," "will," or any similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. Although we believe that our assumptions underlying such forward-looking statements are reasonable, we do not guarantee our future performance, and our actual results may differ materially from those contemplated by these forward-looking statements. Our assumptions used for the purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances, including the development, acceptance and sales of our products and our ability to raise additional funding sufficient to implement our strategy. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. In light of these numerous risks and uncertainties, we cannot provide any assurance that the results and events contemplated by our forward-looking statements contained in this quarterly report will in fact transpire. **These forward-looking statements are not guarantees of future performance. You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of their dates.** We do not undertake any obligation to update or revise any forward-looking statements.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Condensed Consolidated Financial Statements

Cardax, Inc., and Subsidiary

March 31, 2017 and 2016

Contents

Cardax, Inc., and Subsidiary

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of	
	March 31, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	$ 97,681	$ 158,433
Accounts receivable	17,378	-
Inventory	41,734	10,827
Deposits and other assets	90,657	122,876
Prepaid expenses	17,601	19,919
Total current assets	265,051	312,055
PROPERTY AND EQUIPMENT, net	6,246	7,755
INTANGIBLE ASSETS, net	431,341	430,770
TOTAL ASSETS	$ 702,638	$ 750,580
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accrued payroll and payroll related expenses	$ 3,528,874	$ 3,510,464
Accounts payable and accrued expenses	713,328	657,094
Fees payable to directors	418,546	418,546
Employee settlement	50,000	50,000
Total current liabilities	4,710,748	4,636,104
COMMITMENTS AND CONTINGENCIES	-	-
Total liabilities	4,710,748	4,636,104
STOCKHOLDERS' DEFICIT		
Preferred Stock - $0.001 par value; 50,000,000 shares authorized, 0 shares issued and outstanding as of March 31, 2017 and December 31, 2016	-	-
Common stock - $0.001 par value; 400,000,000 shares authorized, 88,446,769 and 85,068,709 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	88,447	85,069
Additional paid-in-capital	52,288,141	51,963,269
Accumulated deficit	(56,384,698)	(55,933,862)
Total stockholders' deficit	(4,008,110)	(3,885,524)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 702,638	$ 750,580

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

Cardax, Inc., and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three-months ended March 31, 2017 (Unaudited)	2016 (Unaudited)
REVENUES, net	$ 107,990	$ -
COST OF GOODS SOLD	42,562	-
GROSS PROFIT	65,428	-
OPERATING EXPENSES:		
General and administrative expenses	273,528	222,131
Research and development	115,918	66,187
Sales and marketing	80,041	-
Stock based compensation	39,250	381,729
Depreciation and amortization	7,401	7,748
Total operating expenses	516,138	677,795
Loss from operations	(450,710)	(677,795)
OTHER INCOME (EXPENSES):		
Interest income	581	587
Interest expense	(707)	(538)
Total other income (expenses)	(126)	49
Loss before the provision for income taxes	(450,836)	(677,746)
PROVISION FOR INCOME TAXES	-	-
NET LOSS	$ (450,836)	$ (677,746)
NET LOSS PER SHARE		
Basic	$ (0.01)	$ (0.01)
Diluted	$ (0.01)	$ (0.01)
SHARES USED IN CALCULATION OF NET LOSS PER SHARE		
Basic	86,491,377	69,087,955
Diluted	86,491,377	69,087,955

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

Cardax, Inc., and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the three-months ended March 31, 2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (450,836)	$ (677,746)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,401	7,748
Stock based compensation	39,250	87,500
Changes in assets and liabilities:		
Accounts receivable	(17,378)	-
Inventory	(30,907)	-
Deposits and other assets	32,219	(587)
Prepaid expenses	2,318	(21,584)
Accrued payroll and payroll related expenses	18,410	242,033
Accounts payable and accrued expenses	56,234	113,599
Net cash used in operating activities	(343,289)	(249,037)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in patents	(6,463)	(11,711)
Net cash used in investing activities	(6,463)	(11,711)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	289,000	-
Net cash provided by financing activities	289,000	-
NET DECREASE IN CASH	(60,752)	(260,748)
CASH AT THE BEGINNING OF THE PERIOD	158,433	323,410
CASH AT THE END OF THE PERIOD	$ 97,681	$ 62,662
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of accrued payroll and payroll related expenses into stock options	$ -	$ 227,784
Conversion of accounts payable into stock options	$ -	$ 66,445
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$ 707	$ 538
Cash paid for income taxes	$ -	$ -

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

NOTE 1 – COMPANY BACKGROUND

Cardax Pharmaceuticals, Inc. (“Holdings”) was incorporated in the State of Delaware on March 23, 2006.

Holdings was formed for the purpose of developing a platform of proprietary, exceptionally safe, small molecule compounds for large unmet medical needs where oxidative stress and inflammation play important causative roles. Holdings’ platform has application in arthritis, metabolic syndrome, liver disease, and cardiovascular disease, as well as macular degeneration and prostate disease. Holdings’ current primary focus is on the development of astaxanthin technologies. Astaxanthin is a naturally occurring marine compound that has robust anti-oxidant and anti-inflammatory activity.

In May of 2013, Holdings formed a 100% owned subsidiary company called Cardax Pharma, Inc. (“Pharma”). Pharma was formed to maintain Holdings’ operations going forward, leaving Holdings as an investment holding company.

On November 29, 2013, Holdings entered into a definitive merger agreement (“Merger Agreement”) with Koffee Korner Inc., a Delaware corporation (“Koffee Korner”) (OTCQB:KOFF), and its wholly owned subsidiary (“Koffee Sub”), pursuant to which, among other matters and subject to the conditions set forth in such Merger Agreement, Koffee Sub would merge with and into Pharma. In connection with such merger agreement and related agreements, upon the consummation of such merger, Pharma would become a wholly owned subsidiary of Koffee Korner and Koffee Korner would issue shares of its common stock to Holdings. At the effective time of such merger, Holdings would own a majority of the shares of the then issued and outstanding shares of common stock of Koffee Korner.

On February 7, 2014, Holdings completed its merger with Koffee Korner, which was renamed to Cardax, Inc. (the “Company”) (OTCQB:CDXI). Concurrent with the merger: (i) the Company received aggregate gross cash proceeds of $3,923,100 in exchange for the issuance and sale of an aggregate 6,276,960 of shares of the Company’s common stock, together with five year warrants to purchase an aggregate of 6,276,960 shares of the Company’s common stock at $0.625 per share, (ii) the notes issued on January 3, 2014, in the outstanding principal amount of $2,076,000 and all accrued interest thereon, automatically converted into 3,353,437 shares of the Company’s common stock upon the reverse merger at $0.625 per share, together with five year warrants to purchase 3,321,600 shares of common stock at $0.625 per share, (iii) the notes issued in 2013, in the outstanding principal amount of $8,489,036 and all accrued interest thereon, automatically converted into 14,446,777 shares of the Company’s common stock upon the reverse merger at $0.625 per share, together with five year warrants to purchase 14,446,777 shares of common stock at $0.625 per share, (iv) stock options to purchase 15,290,486 shares of Holdings common stock at $0.07 per share were cancelled and substituted with stock options to purchase 6,889,555 shares of the Company’s common stock at $0.155 per share, (v) additional stock options to purchase 20,867,266 shares of the Company’s common stock at $0.625 per share were issued, and (vi) the notes issued in 2008 and 2009, in the outstanding principal amounts of $55,000 and $500,000, respectively, and all accrued interest thereon, were repaid in full. The assets and liabilities of Koffee Korner were distributed in accordance with the terms of a spin-off agreement on the closing date.

NOTE 1 – COMPANY BACKGROUND (continued)

The share exchange transaction was treated as a reverse acquisition, with Holdings and Pharma as the acquirers and Koffee Korner and Koffee Sub as the acquired parties. Unless the context suggests otherwise, when the Company refers to business and financial information for periods prior to the consummation of the reverse acquisition, the Company is referring to the business and financial information of Holdings and Pharma. Under accounting principles generally accepted in the United States of America ("U.S. GAAP") guidance Accounting Standards Codification ("ASC") No. 805-40, *Business Combinations – Reverse Acquisitions*, the Acquisition has been treated as a reverse acquisition with no adjustment to the historical book and tax basis of the Company's assets and liabilities.

On August 28, 2014, the Company entered into an Agreement and Plan of Merger (the "Holdings Merger Agreement") with its principal stockholder, Holdings, pursuant to which Holdings would merge with and into the Company (the "Holdings Merger"). On September 18, 2015, the Company filed a Form S-4 with the SEC in contemplation of the Holdings Merger. There would not be any cash consideration exchanged in the Holdings Merger. Upon the closing of the Holdings Merger, the stockholders of Holdings would receive an aggregate number of shares and warrants to purchase shares of the Company's common stock equal to the aggregate number of shares of the Company's common stock that were held by Holdings on the date of the closing of the Holdings Merger. The Company's restricted shares of common stock held by Holdings would be cancelled upon the closing of the Holdings Merger. Accordingly, there would not be not any change to the Company's fully diluted capitalization due to the Holdings Merger.

On November 24, 2015, the Holdings Merger Agreement was amended and restated (the "Amended Holdings Merger Agreement"). Under the terms of Amended Holdings Merger Agreement, the shares of common stock, par value $0.001 per share of Holdings and the shares of all other issued and outstanding capital stock of Holdings that by their terms were convertible or could otherwise be exchanged for shares of Holdings common stock, would be converted into and exchanged for the Company's shares of Common Stock in a ratio of approximately 2.2:1. In addition, the Company would grant Holdings' option and warrant holders warrants to purchase the Company's warrants at the same stock conversion ratio. On November 24, 2015, the Company filed an amendment to the Form S-4 with the SEC and on December 29, 2015, the Form S-4 was declared effective by the SEC.

On December 30, 2015, the Company completed its merger with Holdings, pursuant to the Amended Holdings Merger Agreement. At closing, Holdings merged with and into the Company, with the Company surviving the Holdings Merger. Pursuant to the Amended Holdings Merger Agreement, there was not any cash consideration exchanged in the Holdings Merger. Upon the closing of the Holdings Merger, the stockholders of Holdings received an aggregate number of shares and warrants to purchase shares of Company common stock equal to the aggregate number of shares of Company common stock that were held by Holdings on the date of the closing of the Holdings Merger. The Company's restricted shares of common stock held by Holdings were cancelled upon the closing of the Holdings Merger. Accordingly, there was not any change to the Company's fully diluted capitalization due to the Holdings Merger.

The Company is engaged in the development, marketing, and distribution of consumer health products in the United States. On August 24, 2016, the Company launched its first commercial product, ZanthoSyn™. On January 25, 2017, the Company began selling ZanthoSyn™ to GNC stores in Hawaii on a wholesale basis. ZanthoSyn™ is marketed as a novel astaxanthin dietary supplement with superior absorption and purity. Astaxanthin is a clinically studied ingredient with safe anti-inflammatory activity that supports joint health, cardiovascular health, metabolic health, and liver health. As a second generation product, the Company is developing CDX-085, its patented astaxanthin derivative, which could reduce the size/number of capsules or tablets required to achieve equivalent circulating levels of astaxanthin. The Company also plans to pursue pharmaceutical applications of astaxanthin and related compounds.

NOTE 1 – COMPANY BACKGROUND (continued)

Going concern matters

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. As shown in the accompanying consolidated financial statements, the Company incurred a net loss of $450,836 and $677,746 for the three-months ended March 31, 2017 and 2016, respectively. The Company has incurred losses since inception resulting in an accumulated deficit of $56,384,698 as of March 31, 2017, and has had negative cash flows from operating activities since inception. The Company expects that its initial marketing program for ZanthoSyn™ will continue to focus on outreach to physicians, healthcare professionals, and consumers over the following several fiscal quarters, and anticipates further losses in the development of its business. As a result of these and other factors, the Company's independent registered public accounting firm has determined there is substantial doubt about the Company's ability to continue as a going concern.

In addition to the $289,000 raised in the three-months ended March 31, 2017 and the $190,000 raised in April and May 2017 (through May 8, 2017), the Company plans to raise additional capital to carry out its business plan. The Company's ability to raise additional capital through future equity and debt securities issuances is unknown. Obtaining additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these uncertainties.

On March 28, 2016, the Company furloughed all of its employees and independent contractors indefinitely and arranged with its Chief Executive Officer, David G. Watumull; its Chief Financial Officer, John B. Russell; and its Vice President, Operations, David M. Watumull, to continue their services for cash compensation equal to the minimum wage. On May 30, 2016, the compensation arrangement of our Vice President, Operations, David M. Watumull, was amended so that he would receive bi-weekly compensation equal to $3,269. On May 30, 2016, the compensation arrangement of our Vice President, Research, Timothy J. King, was amended so that he would receive bi-weekly compensation equal to $1,635. The Company continues to assess its commercial opportunities, which may include developing products or licensing its intellectual property, and may re-engage furloughed employees and contractors from time to time to the extent their services are required. In addition, each of the directors has agreed, effective April 1, 2016, to suspend any additional equity compensation, until otherwise agreed by the Company. In addition, the Company has deferred payment of other trade payables. On September 6, 2016, the compensation arrangements of certain officers were amended so that effective September 8, 2016, (i) our Chief Executive Officer, David G. Watumull would receive bi-weekly compensation equal to $4,327, (ii) our Chief Science Officer, Gilbert M. Rishton would receive bi-weekly compensation equal to $1,923, and (iii) our Vice President, Research, Timothy J. King would receive bi-weekly compensation equal to $3,269. On September 6, 2016, the compensation arrangement with JBR Business Solutions, LLC, under which John B. Russell serves as our Chief Financial Officer, was amended so that effective September 30, 2016, he would receive monthly compensation of $3,500. On September 6, 2016, the compensation arrangements of the independent directors of the Company were amended so that effective September 30, 2016, they would each receive quarterly equity compensation of $12,500 in arrears in the form of a grant of shares of our common stock or non-qualified stock options to purchase shares of the Company's common stock under the Cardax, Inc. 2014 Equity Compensation Plan based on the higher of the then current market price or $0.15 per share.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial information. In the opinion of the Company’s management, the accompanying condensed consolidated financial statements reflect all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation of the results for the interim periods ended March 31, 2017 and 2016. Although management believes that the disclosures in these unaudited condensed consolidated financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in financial statements that have been prepared in accordance U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC.

The condensed consolidated financial statements include the accounts of Cardax, Inc., and its wholly owned subsidiary, Cardax Pharma, Inc., and its predecessor, Cardax Pharmaceuticals, Inc., which was merged with and into Cardax, Inc., on December 30, 2015. All significant intercompany balances and transactions have been eliminated in consolidation.

Accounts receivable

Accounts receivable of $17,378 and $0 as of March 31, 2017 and December 31, 2016, respectively, consists of amounts due from sales of consumer health products.

It is the Company’s policy to provide for an allowance for doubtful collections based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal receivables are due 30 days after the issuance of the invoice. Receivables past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. There was no allowance as of March 31, 2017 and December 31, 2016.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined using the average cost method. Market is defined as sales price less cost to dispose and a normal profit margin. Inventory costs include third party costs for finished goods. The Company utilizes contract manufacturers and receives inventory in finished form.

The Company provides a reserve against inventory for known or expected inventory obsolescence. The reserve is determined by specific review of inventory items for product age and quality that may affect salability. There were no reserves for inventory as of March 31, 2017 and December 31, 2016.

Revenue recognition

The Company recognizes revenue from the sale of its products through e-commerce and wholesale channels when the transfer of title and risk of loss occurs. For shipments with terms of FOB Shipping Point, revenue is recognized upon shipment. For shipments with terms of FOB Destination, revenue is recognized upon delivery.

Sales returns and allowances are recorded as a reduction to sales in the period in which sales are recorded. The Company records shipping charges and sales tax gross in revenues and cost of goods sold. Sales discounts and other adjustments are recorded at the time of sale.

Cost of Goods Sold

Cost of goods sold is comprised of costs to manufacture or acquire products sold to customers, and direct and indirect distribution costs incurred in the sale of goods.

Shipping and Handling Costs

Shipping and handling costs are included in cost of goods sold. Shipping and handling costs were $2,824 and $0 for the three-months ended March 31, 2017 and 2016, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sales and use tax

Revenues, as presented on the accompanying income statement, include taxes collected from customers and remitted to governmental authorities. Such taxes were $1,218 and $0 for the three-months ended March 31, 2017 and 2016, respectively.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. This ASU requires management to recognize lease assets and lease liabilities for all leases. ASU No. 2016-02 retains a distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous leases guidance. The result of retaining a distinction between finance leases and operating leases is that under the lessee accounting model, the effect of leases in the statement of comprehensive income and the statement of cash flows is largely unchanged from previous U.S. GAAP. The guidance in ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flow (Topic 23)*. The amendments of ASU No. 2016-18 require that a statement of cash flow explain the change during a period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The guidance of ASU No. 2016-18 is effective for the Company's fiscal years beginning after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Company is currently evaluating the impact the new statement of cash flow guidance will have on its consolidated financial statements.

The Company does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the consolidated financial statements.

NOTE 3 – INVENTORY

Inventory consists of the following as of:

	March 31, 2017 (Unaudited)	December 31, 2016
Finished goods	$ 41,734	$ 10,827
Total inventories	$ 41,734	$ 10,827

NOTE 4 – PROPERTY AND EQUIPMENT, net

Property and equipment, net, consists of the following as of:

	March 31, 2017 (Unaudited)	December 31, 2016
Information technology equipment	$ 31,892	$ 31,892
Less accumulated depreciation	(25,646)	(24,137)
Total property and equipment, net	$ 6,246	$ 7,755

Depreciation expense was $1,509 and $1,606 for the three-months ended March 31, 2017 and 2016, respectively.

NOTE 5 – INTANGIBLE ASSETS, net

Intangible assets, net, consists of the following as of:

	March 31, 2017 *(Unaudited)*	December 31, 2016
Patents	$ 432,985	$ 432,985
Less accumulated amortization	(246,167)	(240,275)
	186,818	192,710
Patents pending	244,523	238,060
Total intangible assets, net	$ 431,341	$ 430,770

Patents are amortized straight-line over a period of fifteen years. Amortization expense was $5,892 and $6,142, for the three-months ended March 31, 2017 and 2016, respectively.

The Company has capitalized costs for several patents that are still pending. In those instances, the Company has not recorded any amortization. The Company will commence amortization when these patents are approved.

The Company owns 21 issued patents, including 14 in the United States and 7 others in China, India, Japan, and Hong Kong. These patents will expire during the years of 2023 to 2028, subject to any patent term extensions of the individual patent. The Company has 5 foreign patent applications pending in Europe, Canada, and Brazil.

NOTE 6 – STOCKHOLDERS' DEFICIT

Self-directed stock issuance

During the year ended December 31, 2016, the Company sold securities in a self-directed offering in the aggregate amount of $1,121,000 at $0.08 per unit. Each unit consisted of 1 share of restricted common stock (14,012,500 shares), a five-year warrant to purchase 1 share of restricted common stock (14,012,500 warrant shares) at $0.08 per share, a five-year warrant to purchase 1 share of restricted common stock (14,012,500 warrant shares) at $0.12 per share, and a five-year warrant to purchase 1 share of restricted common stock (14,012,500 warrant shares) at $0.16 per share.

During the three-months ended March 31, 2017, the Company sold securities in a self-directed offering in the aggregate amount of $179,000 at $0.08 per unit. Each unit consisted of 1 share of restricted common stock (2,237,500 shares), a five-year warrant to purchase 1 share of restricted common stock (2,237,500 warrant shares) at $0.08 per share, a five-year warrant to purchase 1 share of restricted common stock (2,237,500 warrant shares) at $0.12 per share, and a five-year warrant to purchase 1 share of restricted common stock (2,237,500 warrant shares) at $0.16 per share.

On March 27, 2017, the Company sold securities in a self-directed offering in the aggregate amount of $50,000 at $0.12 per unit. Each unit consisted of 1 share of restricted common stock (416,666 shares) and a five-year warrant to purchase 1 share of restricted common stock (416,666 warrant shares) at $0.12 per share.

Equity purchase agreement

On July 13, 2016, the Company entered into an equity purchase agreement (the "EPA") and a registration rights agreement with an investor. Pursuant to the terms of the EPA, the Company has the right, but not the obligation, to sell shares of its common stock to the investor on the terms specified in the EPA. On the date of the EPA, the Company issued 1,500,000 shares to the investor. The total fair value of this stock on the date of grant was $106,500. These shares were fully vested upon issuance.

During the three-months ended March 31, 2017, the Company sold 567,644 shares of common stock for $60,000, pursuant to the EPA.

NOTE 7 – STOCK GRANTS

Director stock grants

In 2016, the Company granted its independent directors an aggregate of 468,254 shares of restricted common stock in the Company. The total fair value of this stock on the date of grant was $41,666. These shares were fully vested upon issuance.

During the three-months ended March 31, 2017, the Company granted its independent directors an aggregate of 156,250 shares of restricted common stock in the Company. The total fair value of this stock on the date of grant was $25,000. These shares were fully vested upon issuance.

The Company recognizes the expense related to these grants ratably over the requisite service period. Total stock compensation expense recognized as a result of these grants was $25,000 for the three-months ended March 31, 2017 and 2016.

NOTE 8 – STOCK OPTION PLANS

On February 7, 2014, the Company adopted the 2014 Equity Compensation Plan. Under this plan, the Company may issue options to purchase shares of common stock to employees, directors, advisors, and consultants. The aggregate number of shares that may be issued under this plan is 30,420,148. On April 16, 2015, the majority stockholder of the Company approved an increase in the Company's 2014 Equity Compensation Plan by 15 million shares.

Under the terms of the 2014 Equity Compensation Plan and the 2006 Stock Incentive Plan (collectively, the "Plans"), incentive stock options may be granted to employees at a price per share not less than 100% of the fair market value at date of grant. If the incentive stock option is granted to a 10% stockholder, then the purchase or exercise price per share shall not be less than 110% of the fair market value per share of common stock on the grant date. Non-statutory stock options and restricted stock may be granted to employees, directors, advisors, and consultants at a price per share, not less than 100% of the fair market value at date of grant. Options granted are exercisable, unless specified differently in the grant documents, over a default term of ten years from the date of grant and generally vest over a period of four years.

A summary of stock option activity is as follows:

	Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2016	34,167,354	$ 0.47	6.57	$ 974,066
Exercisable January 1, 2016	34,167,354	$ 0.47	6.57	$ 974,066
Canceled	-			
Granted	6,156,580			
Exercised	-			
Forfeited	(3,501,965)			
Outstanding December 31, 2016	36,821,969	$ 0.41	5.94	$ 301,273
Exercisable December 31, 2016	36,771,969	$ 0.41	5.94	$ 299,273
Canceled	-			
Granted	78,125			
Exercised	-			
Forfeited	-			
Outstanding March 31, 2017	36,900,094	$ 0.41	5.69	$ 910,360
Exercisable March 31, 2017	36,875,094	$ 0.41	5.69	$ 907,485

NOTE 8 – STOCK OPTION PLANS (continued)

The aggregate intrinsic value in the table above is before applicable income taxes and represents the excess amount over the exercise price option recipients would have received if all options had been exercised on March 31, 2017, based on a valuation of the Company's stock for that day.

A summary of the Company's non-vested options for the year ended December 31, 2016 and the three-months ended March 31, 2017, are presented below:

Non-vested at January 1, 2016	-
Granted	6,156,580
Vested	(6,106,580)
Forfeited	-
Non-vested at December 31, 2016	50,000
Granted	78,125
Vested	(103,125)
Forfeited	-
Non-vested at March 31, 2017	25,000

As of March 31, 2017, total unrecognized stock-based compensation expense related to unvested stock options was $1,750, which is expected to be expensed over the next quarter.

The Company estimates the fair value of stock options granted on each grant date using the Black-Scholes option valuation model and recognizes an expense ratably over the requisite service period. The range of fair value assumptions related to options outstanding were as follows as of:

	March 31, 2017 *(Unaudited)*	December 31, 2016
Dividend yield	0.0%	0.0%
Risk-free rate	0.12% - 1.47%	0.12% - 1.47%
Expected volatility	112% - 231%	112% - 225%
Expected term	1.1 - 5.5 years	1.1 - 5.5 years

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company, and the historical volatility of the Company. The risk-free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the stock options to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant timeframe. Due to a lack of historical information needed to estimate the Company's expected term, it was estimated using the simplified method allowed. In calculating the number of options issued in lieu of pay during the three-months ended March 31, 2016, the Company used assumptions comparable to December 31, 2015, with a 20-day weighted average stock price.

As part of the requirements of ASC Nos. 718 and 505, the Company is required to estimate potential forfeitures of stock grants and adjust stock based compensation expense accordingly. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures will be recognized in the period of change and will also impact the amount of stock based compensation expenses to be recognized in future periods.

NOTE 8 – STOCK OPTION PLANS (continued)

The Company recognized $14,250 and $356,729 in stock based compensation expense related to options during the three-months ended March 31, 2017 and 2016, respectively. Of these amounts, $0 and $227,784 were related to 0 and 3,796,385 options issued to employees in lieu of salaries accrued for services during the three-months ended March 31, 2017 and 2016, respectively; $0 and $66,445 were related to 0 and 1,107,417 options issued to consultants in lieu of fees accrued for services during the three-months ended March 31, 2017 and 2016, respectively; $1,750 and $0 were related to 25,000 and 0 vested options issued to a consultant as compensation for services during the three-months ended March 31, 2017 and 2016, respectively; and $12,500 and $62,500 were related to 78,125 and 1,041,667 options issued to directors as compensation for services during the three-months ended March 31, 2017 and 2016, respectively.

NOTE 9 – WARRANTS

The following is a summary of the Company's warrant activity:

	Warrants	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2016	47,003,962	$ 0.46	3.49	$ 2,579,541
Exercisable January 1, 2016	47,003,962	$ 0.46	3.49	$ 2,579,541
Canceled	-			
Granted	42,037,500			
Exercised	-			
Forfeited	(676,426)			
Outstanding December 31, 2016	88,365,036	$ 0.30	3.50	$ 543,770
Exercisable December 31, 2016	88,365,036	$ 0.30	3.50	$ 543,770
Canceled	-			
Granted	7,129,166			
Exercised	-			
Forfeited	(289,145)			
Outstanding March 31, 2017	95,205,057	$ 0.28	3.38	$ 4,329,366
Exercisable March 31, 2017	95,205,057	$ 0.28	3.38	$ 4,329,366

NOTE 9 – WARRANTS (continued)

The Company estimates the fair value of warrants granted on each grant date using the Black-Scholes option valuation model. The fair value of warrants issued with debt is recorded as a debt discount and amortized over the life of the debt. The range of fair value assumptions related to warrants outstanding were as follows as of:

	March 31, 2017	December 31, 2016
	(Unaudited)	
Dividend yield	0.0%	0.0%
Risk-free rate	0.12% - 0.86%	0.12% - 0.86%
Expected volatility	102% - 159%	102% - 159%
Expected term	1.0 - 2.5 years	1.0 - 2.5 years

The expected volatility was calculated based on the historical volatilities of publicly traded peer companies, determined by the Company. The risk-free interest rate used was based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the warrants to be valued. The expected dividend yield was zero, as the Company does not anticipate paying a dividend within the relevant timeframe. The expected warrant term is the life of the warrant.

The Company did not recognize any in stock based compensation expense related to warrants for the three-months ended March 31, 2017 and 2016, respectively.

Warrant expiration

During the three-months ended March 31, 2017, warrants to purchase an aggregate of 289,145 shares of restricted common stock expired.

NOTE 10 – RELATED PARTY TRANSACTIONS

Executive chairman agreement

As part of an executive chairman agreement, a director provided services to the Company. This agreement was amended on April 1, 2015. Under the terms of this amendment, the director received $37,500 in equity instruments issued quarterly in arrears as compensation. Effective April 1, 2016, the director agreed to suspend any additional equity compensation, until otherwise agreed by the Company. Effective August 12, 2016, the Company accepted the request for a leave of absence and resignation by the director as Executive Chairman and member of the Board of Directors.

The Company incurred $0 and $37,500 in stock based compensation to this director during the three-months ended March 31, 2017 and 2016, respectively.

Amounts payable to this director was $293,546 as of March 31, 2017 and December 31, 2016.

NOTE 11 – INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

The effective tax rate for the three months ended March 31, 2017 and 2016, differs from the statutory rate of 34% as a result of the state taxes (net of Federal benefit) and permanent differences.

The Company's valuation allowance was primarily related to the operating losses. The valuation allowance is determined in accordance with the provisions of ASC No. 740, *Income Taxes*, which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. Based on the available objective evidence and the Company's history of losses, management provides no assurance that the net deferred tax assets will be realized. As of March 31, 2017 and 2016, the Company has applied a valuation allowance against its deferred tax assets net of the expected income from the reversal of the deferred tax liabilities.

The Company is subject to taxation in the United States and two state jurisdictions. The preparation of tax returns requires management to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. Management, in consultation with its tax advisors, files its tax returns based on interpretations that are believed to be reasonable under the circumstances. The income tax returns, however, are subject to routine reviews by the various taxing authorities. As part of these reviews, a taxing authority may disagree with respect to the tax positions taken by management ("uncertain tax positions") and therefore may require the Company to pay additional taxes.

Management evaluates the requirement for additional tax accruals, including interest and penalties, which the Company could incur as a result of the ultimate resolution of its uncertain tax positions. Management reviews and updates the accrual for uncertain tax positions as more definitive information becomes available from taxing authorities, completion of tax audits, expiration of statute of limitations, or upon occurrence of other events.

As of March 31, 2017 and 2016, there was no liability for income tax associated with unrecognized tax benefits. The Company recognizes accrued interest related to unrecognized tax benefits as well as any related penalties in interest income or expense in its consolidated statements of operations, which is consistent with the recognition of these items in prior reporting periods.

The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

NOTE 12 – BASIC AND DILUTED NET LOSS PER SHARE

The following table sets forth the computation of the Company's basic and diluted net loss per share for the:

	Three-months ended March 31, 2017 *(Unaudited)*				
	Net Loss (Numerator)		Shares (Denominator)	Per share amount	
Basic loss per share	$	(450,836)	86,491,377	$	(0.01)
Effect of dilutive securities—Common stock options and warrants		-	-		-
Diluted loss per share	$	(450,836)	86,491,377	$	(0.01)

	Three-months ended March 31, 2016 *(Unaudited)*				
	Net Loss (Numerator)		Shares (Denominator)	Per share amount	
Basic loss per share	$	(677,746)	69,087,955	$	(0.01)
Effect of dilutive securities—Common stock options and warrants		-	-		-
Diluted loss per share	$	(677,746)	69,087,955	$	(0.01)

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented because including them would have been antidilutive for the periods ended:

	March 31, 2017 *(Unaudited)*	March 31, 2016 *(Unaudited)*
Common stock options	36,900,094	40,112,823
Common stock warrants	95,205,057	46,413,374
Total common stock equivalents	132,105,151	86,526,197

NOTE 13 – LEASES

Manoa Innovation Center

The Company entered into an automatically renewable month-to-month lease for office space on August 13, 2010. Under the terms of this lease, the Company must provide a written notice 45 days prior to vacating the premises. Total rent expense under this agreement as amended was $7,929 and $7,927, for the three-months ended March 31, 2017 and 2016, respectively.

NOTE 14 – SUBSEQUENT EVENTS

The Company evaluated its March 31, 2017, condensed consolidated financial statements for subsequent events through May 12, 2017, the date the consolidated financial statements were available to be issued and noted the following non-recognized events for disclosure.

Stock issuance

In April and May 2017 (through May 8, 2017), the Company sold securities in a self-directed offering in the aggregate amount of $190,000 at $0.12 per unit. Each unit consisted of 1 share of restricted common stock (1,583,331 shares) and a five-year warrant to purchase 1 share of restricted common stock (1,583,331 warrant shares) at $0.12 per share.

On April 10, 2017, the Company granted 100,000 shares of restricted common stock to a service provider. These shares are subject to a risk of forfeiture and vest quarterly in arrears commencing on April 1, 2017.

On May 3, 2017, the Company settled a payable in the amount of $44,700 with a previously engaged broker dealer through the issuance of securities at $0.08 per unit. Each unit consisted of 1 share of restricted common stock (558,750 shares), a five-year warrant to purchase 1 share of restricted common stock (558,750 warrant shares) at $0.08 per share, a five-year warrant to purchase 1 share of restricted common stock (558,750 warrant shares) at $0.12 per share, and a five-year warrant to purchase 1 share of restricted common stock (558,750 warrant shares) at $0.16 per share.

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

Explanatory Note

Unless otherwise noted, references in this Form 10-Q to "Cardax," the "Company," "we," "our" or "us" means Cardax, Inc., the registrant, and, unless the context otherwise requires, together with its wholly-owned subsidiary, Cardax Pharma, Inc., a Delaware corporation ("Pharma"), and Pharma's predecessor, Cardax Pharmaceuticals, Inc., a Delaware corporation ("Holdings"), which merged with and into Cardax, Inc.

Corporate Overview and History

We acquired Cardax Pharma, Inc. ("Pharma") and its life science business through the merger of Cardax Acquisition, Inc. ("Cardax Sub"), our wholly-owned transitory subsidiary ("Cardax Sub"), with and into Pharma on February 7, 2014 (the "Merger"), and a stock purchase agreement. As a result of these transactions, Pharma became our wholly-owned subsidiary. The only consideration that we paid under the stock purchase agreement and the Merger was shares of our Common Stock. On May 31, 2013, Pharma acquired all of the assets and assumed all of the liabilities of Cardax Pharmaceuticals, Inc. ("Holdings"). Accordingly, we have two predecessors: Pharma and Pharma's predecessor, Holdings. Prior to the February 7, 2014 effective date of the Merger, we operated under the name "Koffee Korner Inc." and our business was limited to a single location retailer of specialty coffee located in Houston, Texas. On the effective date of the Merger, we divested our coffee business and now exclusively continue Pharma's life sciences business. On December 30, 2015, our former principal stockholder, Holdings, merged with and into us (the "Holdings Merger"). There was not any cash consideration exchanged in the Holdings Merger. Upon the closing of the Holdings Merger, the stockholders of Holdings received an aggregate number of shares and warrants to purchase shares of our Common Stock equal to the aggregate number of shares of our Common Stock that were held by Holdings on the date of the closing of the Holdings Merger. Our restricted shares of our Common Stock held by Holdings were cancelled upon the closing of the Holdings Merger. Accordingly, there was not any change to our fully diluted capitalization due to the Holdings Merger.

We are devoting substantially all of our present efforts to establishing our business related to the development and commercialization of safe anti-inflammatory dietary supplements and drugs. The safety and efficacy of our products have not been directly evaluated in clinical trials or confirmed by the FDA. On August 24, 2016, we launched our first commercial product, ZanthoSyn™. On January 25, 2017, we began selling ZanthoSyn™ to GNC stores in Hawaii on a wholesale basis. ZanthoSyn™ is marketed as a novel astaxanthin dietary supplement with superior absorption and purity. Astaxanthin is a clinically studied ingredient with safe anti-inflammatory activity that supports joint health, cardiovascular health, metabolic health, and liver health. The form of astaxanthin utilized in ZanthoSyn™ has demonstrated excellent safety in peer-reviewed published studies and is designated as GRAS (Generally Recognized as Safe) according to FDA regulations. We are using e-commerce and wholesale as our primary sales channels for ZanthoSyn™ and are leveraging our experience and relationships in the scientific and medical community to market our product. We expect that our initial marketing program will continue to focus on outreach to physicians, healthcare professionals, and consumers over the following several fiscal quarters. As a second generation product candidate, we are developing CDX-085, our patented astaxanthin derivative, which could reduce the size/number of capsules or tablets required to achieve equivalent circulating levels of astaxanthin. We also plan to pursue pharmaceutical applications of astaxanthin and related compounds.

At present we are not able to estimate if or when we will be able to generate sustained revenues. Our financial statements have been prepared assuming that we will continue as a going concern; however, given our recurring losses from operations, our independent registered public accounting firm has determined there is substantial doubt about our ability to continue as a going concern.

Results of Operations

Results of Operations for the Three-Months Ended March 31, 2017 and 2016:

The following table reflects our operating results for the three-months ended March 31, 2017 and 2016:

Operating Summary	Three-months ended March 31, 2017	Three-months ended March 31, 2016
Revenues	$ 107,990	$ -
Cost of Goods Sold	(42,562)	-
Gross Profit	65,428	-
Operating Expenses	(516,138)	(677,795)
Net Operating Loss	(450,710)	(677,795)
Other Income (Expenses)	(126)	49
Net Loss	$ (450,836)	$ (677,746)

Operating Summary for the Three-Months Ended March 31, 2017 and 2016

On August 24, 2016, we launched our first commercial product, ZanthoSyn™. On January 25, 2017, we began selling ZanthoSyn™ to GNC stores in Hawaii on a wholesale basis. As a result, revenues were $107,990 and $0 for the three-months ended March 31, 2017 and 2016, respectively. We are using e-commerce and wholesale as our primary sales channels and are leveraging our experience and relationships in the scientific and medical community to market our product. We expect that our initial marketing program will continue to focus on outreach to physicians, healthcare professionals, and consumers over the following several fiscal quarters. Cost of goods sold was $42,562 and $0 for the three-months ended March 31, 2017 and 2016, respectively, and included costs of the product, shipping and handling, sales taxes, and merchant fees. Gross profit was $65,428 for the three-months ended March 31, 2017, which represented a gross profit margin of 61%.

Operating expenses were $516,138 and $677,795 for the three-months ended March 31, 2017 and 2016, respectively. Operating expenses primarily consisted of expenses for services provided to the Company, including payroll and consultation, for research and development, administration, and sales and marketing. These expenses were paid in accordance with agreements entered into with each employee, consultant, or service provider. Included in operating expenses were $39,250 and $381,729 in stock based compensation for the three-months ended March 31, 2017 and 2016, respectively.

Other income (expenses) were $(126) and $49 for the three-months ended March 31, 2017 and 2016, respectively.

Liquidity and Capital Resources

Since our inception, we have sustained operating losses and have used cash raised by issuing securities in our operations. During the three-months ended March 31, 2017 and 2016, we used cash in operating activities in the amount of $343,289 and $249,037, respectively, and incurred a net loss of $450,836 and $677,746, respectively.

We require additional financing in order to continue to fund our operations, and pay existing and future liabilities and other obligations. To conserve cash resources, we agreed with our employees, executives, and certain vendors to pay any compensation due during any calendar quarter that has not been paid in cash in the form of shares of our Common Stock or stock options, as described in the Current Report on Form 8-K dated July 7, 2015. On March 28, 2016, we furloughed all of our employees and independent contractors indefinitely and arranged with our Chief Executive Officer, David G. Watumull; our Chief Financial Officer, John B. Russell; and our Vice President, Operations, David M. Watumull, to continue their services for cash compensation equal to the minimum wage. In addition, each of the directors agreed, effective April 1, 2016, to suspend any additional equity compensation, until otherwise agreed by the Company. We also deferred payment of other trade payables. On June 3, 2016, the compensation arrangement of our Vice President, Operations, David M. Watumull was amended so that, effective May 30, 2016, he would receive bi-weekly compensation equal to $3,269 and the compensation arrangement of our Vice President, Research, Timothy J. King was amended so that, effective May 30, 2016, he would receive bi-weekly compensation equal to $1,635. On September 6, 2016, the compensation arrangements of certain officers were amended so that effective September 8, 2016, (i) our Chief Executive Officer, David G. Watumull would receive bi-weekly compensation equal to $4,327, (ii) our Chief Science Officer, Gilbert M. Rishton would receive bi-weekly compensation equal to $1,923, and (iii) our Vice President, Research, Timothy J. King would receive bi-weekly compensation equal to $3,269. On September 6, 2016, the compensation arrangement with JBR Business Solutions, LLC, under which John B. Russell serves as our Chief Financial Officer, was amended so that effective September 30, 2016, he would receive monthly compensation of $3,500. On September 6, 2016, the compensation arrangements of the independent directors of the Company were amended so that effective September 30, 2016, they would each receive quarterly equity compensation of $12,500 in arrears in the form of a grant of shares of our Common Stock or non-qualified stock options to purchase shares of our Common Stock under the Cardax, Inc. 2014 Equity Compensation Plan based on the higher of the then current market price or $0.15 per share.

In addition to the $289,000 raised in the three-months ended March 31, 2017 and the $190,000 raised in April and May 2017 (through May 8, 2017), we intend to raise additional capital that would fund our operations through at least December 31, 2017. We expect to access capital under the previously reported equity purchase agreement, pursuant to which we have the right, but not the obligation, to sell shares of our Common Stock, as described in our Registration Statement on Form S-1 (333-214049) filed on February 8, 2017. We also may continue to obtain additional financing from investors through the private placement of our Common Stock and warrants to purchase our Common Stock. Any financing transaction could also, or in the alternative, include the issuance of our debt or convertible debt securities. There can be no assurance that a financing transaction would be available to us on terms and conditions that we determined are acceptable.

We cannot give any assurance that we will in the future be able to achieve a level of profitability from the sale of existing or future products or otherwise to sustain our operations. These conditions raise substantial doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and reclassification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Any inability to obtain additional financing on acceptable terms will materially and adversely affect us, including requiring us to significantly further curtail or cease business operations altogether.

Our working capital and capital requirements at any given time depend upon numerous factors, including, but not limited to:

- the progress of research and development programs;
- the level of resources that we devote to the development of our technologies, patents, marketing and sales capabilities; and
- revenues from the sale of any products or license revenues and the cost of any production or other operating expenses.

The following is a summary of our cash flows provided by (used in) operating, investing, and financing activities during the periods indicated:

Cash Flow Summary	Three-months ended March 31, 2017	Three-months ended March 31, 2016
Net Cash Used in Operating Activities	$ (343,289)	$ (249,037)
Net Cash Used in Investing Activities	(6,463)	(11,711)
Net Cash Provided by Financing Activities	289,000	-
Net Cash Decrease for Period	(60,752)	(260,748)
Cash at Beginning of Period	158,433	323,410
Cash at End of Period	$ 97,681	$ 62,662

Cash Flows from Operating Activities

During the three-months ended March 31, 2017 and 2016, our operating activities primarily consisted of payments or accruals for employees, directors, and consultants for services related to research and development, administration, and sales and marketing.

Cash Flows from Investing Activities

During the three-months ended March 31, 2017 and 2016, and our investing activities were primarily related to expenditures on patents.

Cash Flows from Financing Activities

During the three-months ended March 31, 2017, our financing activities consisted of transactions in which we raised proceeds through the issuance of our Common Stock. During the three-months ended March 31, 2016, there was no cash provided by financing activities. Because of the nature of our business, capital is required to support research and development, administration, and sales and marketing costs.

Our existing liquidity is not sufficient to fund our operations, anticipated capital expenditures, working capital and other financing requirements for the foreseeable future. We will need to seek to obtain additional debt or equity financing, especially if we experience downturns or cyclical fluctuations in our business that are more severe or longer than anticipated, or if we experience significant increases in the cost of components and manufacturing, or increases in our expense levels resulting from being a publicly-traded company. If we attempt to obtain additional debt or equity financing, we cannot assure you that such financing will be available to us on favorable terms, or at all.

Off-Balance Sheet Arrangements

There are no 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company, we are not required to provide the information called for by this Item.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (b) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of the our management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of March 31, 2017.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

ITEM 1A. RISK FACTORS.

As a smaller reporting company, we are not required to provide the information called for by this Item.

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

We issued shares of our Common Stock in the following transactions:

2017 Unit Offering

We sold securities under separate subscription agreements (each, a "Subscription Agreement"), by and between the Company and investors (each a "Purchaser" and collectively, the "Purchasers") pursuant to which we issued and sold to the Purchasers units (each a 'Unit" and collectively the "Units") consisting of shares of our Common Stock and warrants to purchase shares of our Common Stock.

From April 1, 2017 through May 8, 2017, we sold 1,583,331 Units for an aggregate purchase price of $190,000. Each Unit consisted of: (i) one (1) share of our Common Stock, and (ii) a five-year warrant to purchase one (1) share of our Common Stock at $0.12. No placement agent or broker dealer was used or participated in any offering or sale of the Units.

The foregoing summary of the Subscription Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which was filed with our Annual Report on Form 10-K on March 31, 2017.

Service Agreement

On April 10, 2017, we granted 100,000 shares of our Common Stock to a service provider. These shares are subject to a risk of forfeiture and vest quarterly in arrears commencing on April 1, 2017.

Settlement of Payable

On May 3, 2017, we settled a payable in the amount of $44,700 with a previously engaged broker dealer through the issuance 558,750 units. Each unit consisted of: (i) one (1) share of our Common Stock, (ii) a five-year warrant to purchase one (1) share of our Common Stock at $0.08 per share, (iii) a five-year warrant to purchase one (1) share of our Common Stock at $0.12 per share, and (iv) a five-year warrant to purchase one (1) share of our Common Stock at $0.16 per share.

The securities were issued in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations promulgated thereunder.

We may continue to offer securities and may use a placement agent or broker dealer in any such offering. Any future offering of securities may be on the same terms described in this Quarterly Report on Form 10-Q or on other terms. This Quarterly Report on Form 10-Q does not constitute an offer to sell, or a solicitation to purchase, any of our securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
10.1[1]	Form of Subscription Agreement
31.1[2]	Certification of the Chief Executive Officer pursuant to Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2[2]	Certification of the Chief Financial Officer pursuant to Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1[2]	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2[2]	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS[3]	XBRL Instance Document
101.SCH[3]	XBRL Taxonomy Extension Schema Document
101.CAL[3]	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF[3]	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB[3]	XBRL Taxonomy Extension Label Linkbase Document
101.PRE[3]	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Filed as an exhibit to the Annual Report on Form 10-K of the Company filed March 31, 2017.

(2) Filed herewith.

(3) Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of Section 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 15, 2017

CARDAX, INC.

By:	*/s/ David G. Watumull*
Name:	David G. Watumull
Title:	Chief Executive Officer and President

Exhibit 31.1

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

I, David G. Watumull, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 15, 2017

/s/ David G. Watumull
David G. Watumull
Chief Executive Officer

Exhibit 31.2

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

I, John B. Russell, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 15, 2017

/s/ John B. Russell
John B. Russell
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Cardax, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, David G. Watumull, Chief Executive Officer, do hereby certify, to my knowledge:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 15, 2017

By: */s/ David G. Watumull*
David G. Watumull
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Cardax, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, John B. Russell, Chief Financial Officer, do hereby certify, to my knowledge:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 15, 2017

By: */s/ John B. Russell*
John B. Russell
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.