Mirati Therapeutics, Inc. Form 10-O November 01, 2017 **Table of Contents**

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

FORM 10-O

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

For the quarterly period ended September 30, 2017

or

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

Commission File Number: 001-35921

MIRATI THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 46-2693615

(I.R.S. Employer

(State of Incorporation) Identification No.)

9393 Towne Centre Drive, Suite 200

San Diego, California 92121 (Address of Principal Executive Offices) (Zip Code)

(858) 332-3410

(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 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 S No o

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes S No o

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 Securities Exchange Act of 1934.

Large accelerated filer " Accelerated filer

Non-accelerated filer "(Do not check if a smaller reporting company) Smaller reporting company x

Emerging growth company x

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 financing accounting standards provided pursuant to Section 13(a) of the Exchange Act. x

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

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Total shares of common stock outstanding as of the close of business on October 30, 2017:

Class Number of Shares Outstanding

Common Stock, \$0.001 par value 25,301,341

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MIRATI THERAPEUTICS, INC. FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

MIRATI THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share amounts)

ASSETS Current assets \$20,784 \$22,383 Cash and cash equivalents \$4,178 34,351 Short-term investments \$4,439 2,821 Other current assets 79,401 59,555 Property and equipment, net 571 629 Other long-term assets \$2,089 3,260 Total assets \$2,089 3,640 Cother long-term assets \$2,089 3,640 Total assets \$2,089 3,640 Cother long-term assets \$2,089 3,640 Total assets \$2,089 3,640 Cother long-term assets \$13,580 \$15,002 Total current liabilities \$13,580 \$15,002 Other liabilities 329 133 Total current liabilities 329 133 Commitments and contingencies \$13,590 \$15,135 Commitments and contingencies \$1,201 \$2 Stockholders' equity \$2 \$2 Common stock, \$0.001 par value, 10,000,000 shares authorized; 24,977,720 and 19,937.095	(an incusumes, except for share and per share amounts)	September 30, 2017 (Unaudited)	31, 2016
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Total assets \$82,061 \$63,444 LIABILITIES AND STOCKHOLDERS' EQUITY **** ***** Current liabilities \$13,580 \$15,002 Accounts payable and accrued liabilities 13,580 \$15,002 Total current liabilities 329 133 Other liabilities 13,909 15,135 Commitments and contingencies *** *** Stockholders' equity *** *** Preferred stock, \$0.001 par value, 10,000,000 shares authorized; none issued and outstanding at both September 30, 2017 and December 31, 2016 *** *** Common stock, \$0.001 par value; 100,000,000 shares authorized; 24,977,720 and 19,937,095 issued and outstanding at September 30, 2017 and December 31, 2016, respectively 25 20 Additional paid-in capital 501,346 428,507 Accumulated other comprehensive income 9,514 9,533 Accumulated deficit (442,733) (389,751) Total stockholders' equity 68,152 48,309	Property and equipment, net	571	629
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities \$ 13,580 \$ 15,002 Accounts payable and accrued liabilities \$ 13,580 \$ 15,002 Total current liabilities \$ 329 \$ 133 Other liabilities \$ 13,909 \$ 15,135 Commitments and contingencies \$ 13,909 \$ 15,135 Commitments and contingencies \$ 13,909 \$ 15,135 Stockholders' equity \$ 13,909 \$ 15,135 Preferred stock, \$0.001 par value, \$ 10,000,000 shares authorized; none issued and outstanding at both September 30, 2017 and December 31, 2016 \$ 25 20 Common stock, \$ 0.001 par value; \$ 100,000,000 shares authorized; \$ 24,977,720 and \$ 19,937,095 \$ 25 20 issued and outstanding at September 30, 2017 and December 31, 2016, respectively \$ 501,346 \$ 428,507 Accumulated other comprehensive income 9,514 9,533 Accumulated deficit (442,733) (389,751) Total stockholders' equity 68,152 48,309	e	2,089	3,260
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Total liabilities and stockholders' equity \$82,061 \$63,444	* *	*	
	Total liabilities and stockholders' equity	\$ 82,061	\$63,444

See accompanying notes

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MIRATI THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Unaudited, in thousands, except for share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Expenses				
Research and development	\$13,482	\$16,106	\$42,841	\$52,535
General and administrative	3,119	3,475	10,467	11,391
Total operating expenses	16,601	19,581	53,308	63,926
Loss from operations	(16,601	(19,581)	(53,308)	(63,926)
Other income, net	251	160	773	530
Net loss	\$(16,350)	\$(19,421)	\$(52,535)	\$(63,396)
Unrealized gain (loss) on available-for-sale investments	13	(34)	(19)	26
Comprehensive loss	\$(16,337)	\$(19,455)	\$(52,554)	\$(63,370)
Basic and diluted net loss per share	\$(0.65)	\$(0.97)	\$(2.12)	\$(3.21)
Weighted average number of shares used in computing net loss per share, basic and diluted	24,970,90	519,924,005	24,770,430	619,739,935

See accompanying notes

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MIRATI THERAPEUTICS, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited, in thousands)

	Nine Months Ended September 30, 2017 2016		
Operating activities:			
Net loss	\$(52,535)	\$(63,396)	
Non-cash adjustments reconciling net loss to operating cash flows:			
Depreciation of property and equipment	138	139	
Amortization of discount or premium on short-term investments	(232) 6	
Share-based compensation expense	5,468	8,086	
Changes in operating assets and liabilities:			