U.S. 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: September 30, 2018

☐ 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: 1-36598

CELLECTAR BIOSCIENCES, INC.

(*Exact name of registrant as specified in its charter*)

DELAWARE	**04-3321804**
(*State or other jurisdiction of incorporation or organization*)	(*IRS Employer Identification No.*)

100 Campus Drive
Florham Park, New Jersey 07932
(*Address of principal executive offices*)

(608) 441-8120
(*Registrant's telephone number, including area code*)

3301 Agriculture Drive
Madison, Wisconsin 53716
(*Former name, former address and former fiscal year, if changed since last report)*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☒	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 ☒

Number of shares outstanding of the issuer's common stock as of the latest practicable date: 4,757,786 shares of common stock, $0.00001 par value per share, as of November 9, 2018.

CELLECTAR BIOSCIENCES, INC.

FORM 10-Q INDEX

This quarterly report on Form 10-Q of Cellectar Biosciences, Inc. (the "Company", "Cellectar", "we", "us", "our") contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Examples of our forward-looking statements include:

- our current views with respect to our business strategy, business plan and research and development activities;
- the progress of our product development programs, including clinical testing and the timing of commencement and results thereof;
- our projected operating results, including research and development expenses;
- our ability to continue development plans for CLR 131, CLR 1800 series, CLR 1900 series, CLR 2000 series, CLR 2100 series, CLR 2200 series and CLR 12120 series;
- the status of the disruption in supply of CLR 131 obtained from the Centre for Probe Development and Commercialization;
- our ability to maintain orphan drug designation in the United States for CLR 131 as a therapeutic for the treatment of multiple myeloma, neuroblastoma, rhabdomyosarcoma and Ewing's sarcoma, and the expected benefits of orphan drug status;
- our ability to pursue strategic alternatives;
- our ability to advance our technologies into product candidates;
- our consumption of current resources and ability to obtain additional funding;
- our current view regarding general economic and market conditions, including our competitive strengths;
- assumptions underlying any of the foregoing; and
- any other statements that address events or developments that we intend or believe will or may occur in the future.

In some cases, you can identify forward-looking statements by terminology such as "expects," "anticipates," "intends," "estimates," "plans," "believes," "seeks," "may," "should," "could" or the negative of such terms or other similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Forward-looking statements also involve risks and uncertainties, many of which are beyond our control. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this report.

You should read this report completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this report is accurate as of the date hereof only. Because the risk factors referred to herein could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this report, and particularly our forward-looking statements, by these cautionary statements.

This quarterly report on Form 10-Q contains trademarks and service marks of Cellectar Biosciences, Inc. Unless otherwise provided in this quarterly report on Form 10-Q, trademarks identified by ™ are trademarks of Cellectar Biosciences, Inc. All other trademarks are the properties of their respective owners.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CELLECTAR BIOSCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 16,373,474	$ 10,006,421
Restricted cash	55,000	55,000
Prepaid expenses and other current assets	685,967	412,173
Total current assets	17,114,441	10,473,594
Fixed assets, net	191,984	244,713
Goodwill	1,675,462	1,675,462
Long-term assets	540,823	465,823
Other assets	18,086	11,872
TOTAL ASSETS	$ 19,540,796	$ 12,871,464
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 2,571,550	$ 1,867,758
Derivative liability	86,000	105,050
Capital lease obligations, current portion	3,003	3,036
Deferred rent	—	138,944
Total current liabilities	2,660,553	2,114,788
LONG-TERM LIABILITIES:		
Capital lease obligation, less current portion	—	2,213
Total long-term liabilities	—	2,213
TOTAL LIABILITIES	2,660,553	2,117,001
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.00001 par value; 7,000 shares authorized;		
Series B preferred stock: none and 18 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	—	995,782
Series C preferred stock: 658 and none issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	3,514,039	—
Common stock, $0.00001 par value; 80,000,000 shares authorized; 4,269,989 and 1,666,144 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	43	16
Additional paid-in capital	107,126,925	94,107,981
Accumulated deficit	(93,760,764)	(84,349,316)
Total stockholders' equity	16,880,243	10,754,463
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 19,540,796	$ 12,871,464

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

CELLECTAR BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
COSTS AND EXPENSES:				
Research and development	$ 1,995,571	$ 2,333,058	$ 5,798,526	$ 6,365,868
General and administrative	1,091,921	1,150,710	3,647,412	3,146,605
Total costs and expenses	3,087,492	3,483,768	9,445,938	9,512,473
LOSS FROM OPERATIONS	(3,087,492)	(3,483,768)	(9,445,938)	(9,512,473)
OTHER INCOME:				
Gain on revaluation of derivative warrants	66,000	9,100	19,050	16,625
Interest income, net	6,558	3,969	15,440	12,297
Total other income, net	72,558	13,069	34,490	28,922
NET LOSS	(3,014,934)	(3,470,699)	(9,411,448)	(9,483,551)
DEEMED DIVIDEND ON PREFERRED STOCK	(2,241,795)	—	(2,241,795)	—
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	(5,256,729)	(3,470,699)	(11,653,243)	(9,483,551)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (1.65)	$ (2.58)	$ (5.29)	$ (7.30)
SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	3,184,856	1,347,097	2,204,554	1,298,643

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

CELLECTAR BIOSCIENCES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Par Amount			
BALANCE AT DECEMBER 31, 2016	17	$ 865,136	1,036,832	$ 10	$ 83,461,752	$ (70,787,026)	$ 13,539,872
Exercise of preferred	(17)	(865,136)	113,334	1	865,135	—	—
Exercise of warrants	—	—	195,651	2	2,934,757	—	2,934,759
Stock-based compensation	—	—	—	—	165,674	—	165,674
Net loss	—	—	—	—	—	(2,891,324)	(2,891,324)
BALANCE AT MARCH 31, 2017	—	—	1,345,817	13	87,427,318	(73,678,350)	13,748,981
Exercise of warrants	—	—	400	—	6,000	—	6,000
Stock-based compensation	—	—	—	—	231,086	—	231,086
Net loss	—	—	—	—	—	(3,121,528)	(3,121,528)
BALANCE AT JUNE 30, 2017	—	—	1,346,217	13	87,664,404	(76,799,878)	10,864,539
Exercise of warrants	—	—	1,500	—	22,500	—	22,500
Stock-based compensation	—	—	—	—	176,324	—	176,324
Net loss	—	—	—	—	—	(3,470,699)	(3,470,699)
BALANCE AT SEPTEMBER 30, 2017	—	$ —	1,347,717	$ 13	$ 87,863,228	$ (80,270,577)	$ 7,592,664
BALANCE AT DECEMBER 31, 2017	18	$ 995,782	1,666,144	$ 16	$ 94,107,981	$ (84,349,316)	$ 10,754,463
Exercise of preferred	(6.5)	(358,765)	34,690	1	358,764	—	—
Stock-based compensation	—	—	—	—	173,438	—	173,438
Vested restricted stock	—	—	9,333	—	—	—	—
Net loss	—	—	—	—	—	(3,475,823)	(3,475,823)
BALANCE AT MARCH 31, 2018	11.5	637,017	1,710,167	17	94,640,183	(87,825,139)	7,452,078
Exercise of preferred	(11.5)	(637,017)	61,594	1	637,016	—	—
Stock-based compensation	—	—	—	—	175,579	—	175,579
Vested restricted stock	—	—	3,333	—	—	—	—
Net loss	—	—	—	—	—	(2,920,691)	(2,920,691)
BALANCE AT JUNE 30, 2018	—	—	1,775,094	18	95,452,778	(90,745,830)	4,706,966
Issuance of common stock, warrants and preferred stock, net of issuance costs	1,114	5,949,301	1,355,000	14	9,075,762	—	15,025,077
Exercise of preferred	(456)	(2,435,262)	1,140,000	11	2,435,251	—	-
Stock-based compensation	—	—	—	—	163,896	—	163,896
Reverse stock split fractional shares	—	—	(105)	—	(762)	—	(762)
Net loss	—	—	—	—	—	(3,014,934)	(3,014,934)
BALANCE AT SEPTEMBER 30, 2018	658	$ 3,514,039	4,269,989	$ 43	$107,126,925	$ (93,760,764)	$ 16,880,243

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

CELLECTAR BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
CASH FLOWS FROM OPERATING ACTIVITIES:	**2018**	**2017**
Net loss	$ (9,411,448)	$ (9,483,551)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	50,051	294,195
Stock-based compensation expense	512,913	573,084
Gain on revaluation of derivative warrants	(19,050)	(16,625)
Gain on disposal of assets	(40,898)	—
Changes in:		
Accounts payable and accrued liabilities	703,792	602,798
Prepaid expenses and other current assets	(273,794)	(160,334)
Other assets and liabilities	(220,158)	(3,801)
Cash used in operating activities	(8,698,592)	(8,194,234)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(1,425)	(346,703)
Proceeds from sale of fixed assets	45,000	—
Cash provided by (used in) investing activities	43,575	(346,703)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	—	(86,591)
Proceeds from issuance of common stock, net of underwriting issuance costs	9,075,777	—
Proceeds from issuance of preferred stock, net of underwriting issuance costs	5,949,301	—
Proceeds from exercise of warrants	—	2,963,259
Reverse stock split fractional shares	(762)	—
Change in deferred issuance costs	—	(116,337)
Payments on capital lease obligations	(2,246)	(1,786)
Cash provided by financing activities	15,022,070	2,758,545
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	6,367,053	(5,782,392)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	10,061,421	11,499,619
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	$ 16,428,474	$ 5,717,227
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	$ —	$ 364

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

CELLECTAR BIOSCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. NATURE OF BUSINESS, ORGANIZATION AND GOING CONCERN

Cellectar Biosciences, Inc. (the "Company") is a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of drugs for the treatment of cancer. The Company's core objective is to leverage its proprietary phospholipid drug conjugate™ (PDCs™) delivery platform to develop PDCs that specifically target cancer cells to deliver improved efficacy and better safety as a result of fewer off-target effects.

The Company is subject to a number of risks similar to those of other small pharmaceutical companies. Principal among these risks are the need to obtain additional financing necessary to fund future operations, dependence on key individuals and suppliers, competition from substitute products and larger companies and the successful development and marketing of its products in a highly regulated environment.

The Company believes that it has sufficient liquidity to fund operations through 12 months from the filing of these financial statements, therefore, the accompanying financial statements have been prepared on a basis that assumes the Company will continue as a going concern and that contemplates the continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the normal course of business. However, its future results of operations and ability to obtain additional capital involve significant risks and uncertainties. The Company has devoted substantially all of its efforts toward research and development and has, during the nine months ended September 30, 2018, generated an operating loss of approximately $9,446,000. The Company expects that it will continue to generate operating losses for the foreseeable future.

The accompanying condensed consolidated balance sheet as of December 31, 2017 has been derived from audited financial statements. The accompanying unaudited condensed consolidated balance sheet as of September 30, 2018, the condensed consolidated statements of operations for the three months and nine months ended September 30, 2018 and 2017, the condensed consolidated statements of stockholders' equity for the nine months ended September 30, 2018 and 2017 and the condensed consolidated statements of cash flows for the nine months ended September 30, 2018 and 2017 and the related interim information contained within the notes to the 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 with the instructions, rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and the notes required by U.S. GAAP for complete financial statements, although the company believes that the disclosures made are adequate to make the information not misleading. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments which are of a nature necessary for the fair presentation of the Company's consolidated financial position at September 30, 2018 and consolidated results of its operations for the three months and nine months ended September 30, 2018 and 2017, the consolidated changes in its stockholders' equity for the nine months ended September 30, 2018 and 2017 and its cash flows for the nine months ended September 30, 2018 and 2017. The results for the nine months ended September 30, 2018 are not necessarily indicative of future results.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and related notes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2017, which was filed with the SEC on March 21, 2018.

Principles of Consolidation — The consolidated financial statements include the accounts of the Company and the accounts of its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications — Certain amounts in prior periods have been reclassified to conform to the current year presentation. Such classifications did not have a material effect on the Company's financial condition or results of operations as previously reported.

Restricted Cash — The Company accounts for cash that is restricted for other than current operations as restricted cash. Restricted cash at September 30, 2018 and December 31, 2017 consisted of a certificate of deposit of $55,000 required under the Company's lease agreement for its Madison, Wisconsin facility.

Goodwill — Goodwill is not amortized but is required to be evaluated for impairment annually or whenever events or changes in circumstances suggest that the carrying value of an asset may not be recoverable. The Company evaluates goodwill for impairment annually in the fourth fiscal quarter and additionally on an interim basis if an event occurs or there is a change in circumstances, such as a decline in the Company's stock price or a material adverse change in the business climate, which would more likely than not reduce the fair value of the reporting unit below its carrying amount. No such event or change in circumstances occurred; therefore, no changes in goodwill were made during the nine months ended September 30, 2018 and 2017.

In January 2017, the FASB issued ASU No. 2017-04, Simplifying the Test for Goodwill. The standard streamlines the methodology for calculating whether goodwill is impaired based upon whether the carrying amount of goodwill exceeds the reporting unit's fair value. ASU 2017-04 applies to public business entities and those other entities that have goodwill reported in their financial statements and have not elected the private company alternative for the subsequent measurement of goodwill and is effective for annual and interim reporting periods beginning after December 15, 2019, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on its financial statements.

Impairment of Long-Lived Assets — Long-lived assets other than goodwill consist primarily of fixed assets, which we periodically evaluate for potential impairment. Whenever events or circumstances change, an assessment is made as to whether there has been an impairment in the value of long-lived assets by determining whether projected undiscounted cash flows generated by the applicable asset exceed its net book value as of the assessment date. No such event or change in circumstances occurred; therefore, no such impairment occurred during the nine months ended September 30, 2018 and 2017.

Stock-Based Compensation — The Company uses the Black-Scholes option-pricing model to calculate the grant-date fair value of stock option awards. The resulting compensation expense, net of expected forfeitures, for awards that are not performance-based is recognized on a straight-line basis over the service period of the award, which is generally three years for stock options. For stock options with performance-based vesting provisions, recognition of compensation expense, net of expected forfeitures, commences if and when the achievement of the performance criteria is deemed probable. The compensation expense, net of expected forfeitures, for performance-based stock options is recognized over the relevant performance period. Awards of stock that are not performance-based are valued at the fair market value on the date of the grant and are amortized over the service period of the award. Non-employee stock-based compensation is accounted for in accordance with the guidance of Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 505, *Equity.* As such, the Company recognizes expense based on the estimated fair value of options granted to non-employees over their vesting period, which is generally the period during which services are rendered and deemed completed by such non-employees.

Fair Value of Financial Instruments — The guidance under FASB ASC Topic 825, *Financial Instruments*, requires disclosure of the fair value of certain financial instruments. Financial instruments in the accompanying financial statements consist of cash equivalents, accounts payable and long-term obligations. The carrying amount of cash equivalents and accounts payable approximate their fair value due to their short-term nature. The carrying value of remaining long-term obligations, including the current portion, approximates fair value because the fixed interest rate approximates current market interest rates available on similar instruments.

Derivative Instruments — The Company does not use derivative instruments to hedge exposures to cash flow or market risks. However, certain warrants to purchase common stock that do not meet the requirements for classification as equity, in accordance with the Derivatives and Hedging Topic of the FASB ASC, are classified as liabilities. In such instances, net-cash settlement is assumed for financial reporting purposes, even when the terms of the underlying contracts do not provide for a net-cash settlement. These warrants are considered derivative instruments because the agreements contain a certain type of cash settlement feature, "down-round" provisions whereby the number of shares for which the warrants are exercisable and/or the exercise price of the warrants is subject to change in the event of certain issuances of stock at prices below the then-effective exercise price of the warrants. The number of shares issuable under such warrants was 49,425 and 53,306 at September 30, 2018 and December 31, 2017, respectively. The primary underlying risk exposure pertaining to the warrants is the change in fair value of the underlying common stock. Such financial instruments are initially recorded at fair value with subsequent changes in fair value recorded as a component of gain or loss on derivatives on the consolidated statements of operations in each reporting period. If these instruments subsequently meet the requirements for equity classification, the Company reclassifies the fair value to equity. At September 30, 2018 and December 31, 2017, these warrants represented the only outstanding derivative instruments issued or held by the Company.

Leases — In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) which supersedes FASB ASC Topic 840, Leases (Topic 840) and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. The Company is currently evaluating the method of adoption and the impact of adopting ASU 2016-02 on its results of operations, cash flows and financial position.

Recent Accounting Pronouncements — In July 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815).* The amendments in Part I of this update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. The standard is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. The Company is currently evaluating the method of adoption and the impact of adopting ASU 2017-11 on its results of operations, cash flows and financial position.

2. FAIR VALUE

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC 820, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1: Input prices quoted in an active market for identical financial assets or liabilities.
- Level 2: Inputs other than prices quoted in Level 1, such as prices quoted for similar financial assets and liabilities in active markets, prices for identical assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Input prices quoted that are significant to the fair value of the financial assets or liabilities which are not observable or supported by an active market.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company issued warrants to purchase an aggregate of 8,250 common shares in a February 2013 public offering (the "February 2013 Public Offering Warrants"). On February 20, 2014, 2,750 of the February 2013 Public Offering Warrants expired. On May 20, 2016, 1,625 warrants were exercised. The remaining 3,875 warrants expired on February 20, 2018.

In August 2014, as part of an underwritten public offering, the Company issued 49,425 warrants to purchase common stock (the "August 2014 Warrants"). The August 2014 Warrants are listed on the Nasdaq Capital Market under the symbol "CLRBW," however, there are certain periods where trading volume is low; therefore, they are classified as Level 2 within the hierarchy.

The following tables set forth the Company's financial instruments carried at fair value using the lowest level of input applicable to each financial instrument as of September 30, 2018 and December 31, 2017:

	September 30, 2018			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Liabilities:				
August 2014 Warrants	$ —	$ 86,000	$ —	$ 86,000
Total	$ —	$ 86,000	$ —	$ 86,000

	December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Liabilities:				
February 2013 Public Offering Warrants	$ —	$ —	$ 5,050	$ 5,050
August 2014 Warrants	—	100,000	—	100,000
Total	$ —	$ 100,000	$ 5,050	$ 105,050

In order to estimate the value of the February 2013 Public Offering Warrants considered to be derivative instruments, the Company uses a modified option-pricing model together with assumptions that consider, among other variables, the fair value of the underlying stock, risk-free interest rates, volatility, the contractual term of the warrants, future financing requirements and dividend rates. The future financing estimates are based on the Company's estimates of anticipated cash requirements over the term of the warrants as well as the frequency of required financings based on its assessment of its historical financing trends and anticipated future events. As a result of the nature of these inputs and the valuation technique utilized, these warrants are classified within the Level 3 hierarchy.

The following table summarizes the modified option-pricing assumptions used:

	Nine Months Ended September 30, 2018	**Twelve Months Ended December 31, 2017**
Volatility	N/A	76-118%
Risk-free interest rate	N/A	1.03-1.39%
Expected life (years)	N/A	0.14-0.89
Dividend	N/A	0%

The following table summarizes the changes in the fair market value of the Company's warrants which are classified within the Level 3 fair value hierarchy:

	Nine Months Ended September 30, 2018	Twelve Months Ended December 31, 2017
Beginning balance – Fair value	$ 5,050	$ 27,125
(Gain) on derivatives resulting from change in fair value or extinguishment	(5,050)	(22,075)
Ending balance – Fair value	$ —	$ 5,050

In order to estimate the fair value of the August 2014 Warrants, the Company calculated the weighted average closing price for the trailing 10-day period with trades that ended on the balance sheet date.

3. STOCKHOLDERS' EQUITY

July 2018 Public Offering

On July 31, 2018, the Company sold 1,355,000 shares of common stock, 1,114 shares of Series C Convertible Preferred Stock (the "Series C Preferred Stock") convertible into 2,785,000 shares of common stock and Series E warrants to purchase 4,140,000 shares of common stock. The public offering price of a share of common stock together with a Series E warrant to purchase one share of common stock was $4.00. The public offering price of a share of Series C Preferred Stock, each of which is convertible into 2,500 shares of Common Stock, together with a Series E warrant to purchase 2,500 shares of common stock was $10,000. The Series E warrants have an exercise price of $4.00 per share and are exercisable until July 31, 2023. Gross offering proceeds to the Company were $16.56 million, with net proceeds to the Company of approximately $15.03 million after deducting underwriting discounts and commissions and related offering expenses.

In order to account for the July 2018 public offering, the Company allocated the proceeds to the common stock, the Series C Preferred Stock and the Series E warrants on a relative fair value basis. Then using the effective conversion price of the Series C Preferred Stock, the Company determined that there was a beneficial conversion feature ("BCF") of $2,241,795. The BCF did not impact total Stockholders' Equity but is reflected as a deemed dividend in arriving at net loss attributable to common stockholders.

The Series C Preferred Stock includes a beneficial ownership blocker but has no dividend rights (except to the extent that dividends are also paid on the common stock), liquidation preference or other preferences over common stock, and subject to limited exceptions, has no voting rights. As of September 30, 2018, 456 shares of Series C Preferred Stock were converted into 1,140,000 shares of common stock.

Reverse Stock Split

At a special meeting held on July 12, 2018, our stockholders approved an amendment to our certificate of incorporation to affect a reverse split of our common stock at a ratio between 1:5 to 1:10 and authorized the Board to determine the ratio at which the reverse split would be. The Board authorized the ratio of the reverse split, and effective at the close of business on July 16, 2018, the Company implemented a 1-for-10 reverse stock split of its outstanding common stock. The accompanying condensed consolidated financial statements and accompanying notes to the condensed consolidated financial statements give retroactive effect to the reverse stock split for all periods presented. The shares of common stock that the Company is authorized to issue remains unchanged at 80,000,000 and the par value remains at $0.00001 per share. Accordingly, stockholders' equity reflects the reverse stock split by reclassifying from common stock to additional paid-in capital an amount equal to the par value of the decreased shares resulting from the reverse stock split.

Authorized Share Increase

At a special meeting held on September 12, 2017, the Company's stockholders approved the ratification of the approval of the Certificate of Amendment to our Certificate of Incorporation to increase the number of authorized shares by 40,000,000 to 80,000,000 which was previously approved by the Company's stockholders at our annual meeting of stockholders held on May 31, 2017.

October 2017 Registered Direct Offering

On October 12, 2017, the Company closed on a registered direct offering (the "October 2017 Registered Direct Offering"), priced at-the-market, of 195,438 shares of its common stock and 41.0412949 shares of its Series B Preferred Stock. The Series B Preferred Stock was offered at $100,000 per share and is immediately convertible into approximately 5,337 shares of common stock for a total of 219,037 shares upon conversion at a price of $18.7375 per share. The common stock was offered at $18.7375 per share. Gross offering proceeds to the Company were $7.76 million. In a concurrent private placement, the Company offered purchasers in the registered direct offering Series D warrants to purchase an aggregate of 310,856 shares of common stock, or 0.75 shares of common stock for each share of common stock purchased directly or issuable upon conversion of shares of preferred stock. The Series B Preferred Stock is non-voting, has no dividend rights (except to the extent dividends are also paid on common stock), liquidation preference, or other preferences over common stock. The Series D warrants are immediately exercisable at an exercise price of $17.80 per share and expire seven years from the closing. The Series D warrants, which are callable by the Company under certain circumstances, will not trade. Gross proceeds were approximately $7.8 million with net proceeds to the Company of approximately $7.1 million.

In order to account for the October 2017 Registered Direct Offering, the Company allocated the proceeds to the common stock, the Series B Preferred Stock and the Series D warrants on a relative fair value basis. Then using the effective conversion price of the Series B Preferred Stock, the Company determined that there was a beneficial conversion feature of $1,448,945.

On or prior to December 31, 2017, 23 shares of Series B Preferred Stock issued in the October 2017 Registered Direct Offering were converted into 122,751 shares of common stock. During the nine months ended September 30, 2018 the remaining 18 shares of Series B Preferred Stock were converted into 96,284 shares of common stock.

Common Stock Warrants

The following table summarizes information with regard to outstanding warrants to purchase common stock as of September 30, 2018.

Offering	Number of Shares Issuable Upon Exercise of Outstanding Warrants		Exercise Price	Expiration Date
July 2018 Series E Warrants	4,140,000	$	4.00	July 31, 2023
October 2017 Series D Warrants	310,856	$	17.80	October 14, 2024
November 2016 Public Offering Series C	415,785	$	15.00	November 29, 2021
April 2016 Underwritten Registered Series A	362,694	$	30.40	April 20,2021
October 2015 Incremental Series A	30,006	$	21.30	October 20,2021
October 2015 Private Placement Series A	8,636	$	21.30	April 1, 2021
October 2015 Offering – Placement Agent	375	$	283.00	October 1, 2020
August 2014 Public Offering [(1)]	50,395	$	468.00	August 20, 2019
Total	5,318,747			

(1) These warrants have a certain type of cash settlement feature and they have been accounted for as derivative instruments as described in Note 1, with the exception of 970 warrants issued in August 2014.

4. STOCK-BASED COMPENSATION

Accounting for Stock-Based Compensation

The following table summarizes amounts charged to expense for stock-based compensation related to employee and director stock grants and stock option grants and recorded in connection with stock options granted to non-employee consultants:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Employee and director stock and stock option grants:				
Research and development	$ 31,409	$ 46,059	$ 102,161	$ 102,780
General and administrative	132,487	130,265	410,752	470,304
Total stock-based compensation	$ 163,896	$ 176,324	$ 512,913	$ 573,084

Assumptions Used In Determining Fair Value for Stock Options

Valuation and amortization method. The fair value of each stock option award is estimated on the grant date using the Black-Scholes option-pricing model. The estimated fair value of employee stock options is amortized to expense using the straight-line method over the vesting period. The estimated fair value of the non-employee options is amortized to expense over the period during which a non-employee is required to provide services for the award (usually the vesting period).

Volatility. The Company estimates volatility based on an average of (1) the Company's historical volatility since its common stock has been publicly traded and (2) review of volatility estimates of publicly held drug development companies with similar market capitalizations.

Risk-free interest rate. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant commensurate with the expected term assumption.

Expected term. The expected term of stock options granted is based on an estimate of when options will be exercised in the future. The Company applied the simplified method of estimating the expected term of the options, as described in the SEC's Staff Accounting Bulletins 107 and 110, as the historical experience is not indicative of the expected behavior in the future. The expected term, calculated under the simplified method, is applied to groups of stock options that have similar contractual terms. Using this method, the expected term is determined using the average of the vesting period and the contractual life of the stock options granted. The Company applied the simplified method to non-employees who have a truncation of term based on termination of service and utilizes the contractual life of the stock options granted for those non-employee grants which do not have a truncation of service.

Forfeitures. The Company records stock-based compensation expense only for those awards that are expected to vest. A forfeiture rate is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. An annual forfeiture rate of 2% was applied to all unvested options for the nine months ended September 30, 2018 and for the year ended December 31, 2017. Ultimately, the actual expense recognized over the vesting period will be for only those shares that vest.

Dividends. The Company has not historically recorded dividends related to stock options.

Exercise prices for all grants made during the nine months ended September 30, 2018 and 2017 were equal to the market value of the Company's common stock on the date of grant.

Stock Option Activity

A summary of stock option activity is as follows:

	Number of Shares Issuable Upon Exercise of Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contracted Term in Years	Aggregate Intrinsic Value
Outstanding at December 31, 2017	53,165	$ 73.82		
Granted	8,000	$ 11.70		
Expired	(2,204)	$ 491.43		
Forfeited	(2,607)	$ 19.46		
Outstanding at September 30, 2018	56,354	$ 51.18		
Exercisable, September 30, 2018	34,142	$ 67.13	7.61	$ —
Unvested, September 30, 2018	22,212	$ 26.68	8.57	$ —

The aggregate intrinsic value of options outstanding is calculated based on the positive difference between the estimated per-share fair value of common stock at the end of the respective period and the exercise price of the underlying options. There have been no options exercised during 2018. Shares of common stock issued upon the exercise of options are from authorized but unissued shares.

As of September 30, 2018, there was approximately $753,000 of total unrecognized compensation cost related to unvested stock-based compensation arrangements. Of this total amount, the Company expects to recognize approximately $170,000, $480,000, $96,000 and $7,000 during 2018, 2019, 2020 and 2021 respectively. The Company's expense estimates are based upon the expectation that all unvested stock grants and stock options will vest in the future, less the forfeiture rate discussed above. The weighted-average grant-date fair value of vested and unvested stock grants and stock options outstanding at September 30, 2018 was $45.67 and $21.34, respectively.

During the nine months ended September 30, 2018, the Company granted a total of 8,000 options.

*Restricted Stock Grant*s. During 2017, the Company granted 46,000 shares of restricted common stock with a weighted average grant date fair value of $21.00. The shares vest annually over a three year period. As of December 31, 2017, 38,000 shares of restricted common stock were outstanding. There were no restricted stock grants issued during the nine months ended September 30, 2018. A summary of restricted stock activity is as follows:

Outstanding non-vested restricted stock at December 31, 2017	38,000
Granted	—
Vested	(12,666)
Outstanding non-vested restricted stock at September 30, 2018	25,334

5. NOTES PAYABLE

During the three months ended March 31, 2017, the two loans with initial principal amounts totaling $450,000 from the Wisconsin Economic Development Corporation, dated September 15, 2010, were paid in full.

6. INCOME TAXES

The Company accounts for income taxes in accordance with the liability method of accounting. Deferred tax assets or liabilities are computed based on the difference between the financial statement and income tax basis of assets and liabilities, and net operating loss carryforwards (NOLs), using the enacted tax rates. Deferred income tax expense or benefit is based on changes in the asset or liability from period to period. The Company did not record a provision or benefit for federal, state or foreign income taxes for the nine months ended September 30, 2018 or 2017 because the Company has experienced losses on a tax basis since inception. Because of the continuing losses and uncertainty associated with the utilization of the NOLs in the future, management has provided a full allowance against the value of its gross deferred tax assets.

The Company also accounts for the uncertainty in income taxes related to the recognition and measurement of a tax position taken or expected to be taken in an income tax return. The Company follows the applicable accounting guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition related to the uncertainty in income tax positions. No uncertain tax positions have been identified.

7. NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of shares of common stock and the dilutive potential common stock equivalents then outstanding. Potential common stock equivalents consist of stock grants, stock options and warrants. Since there is a net loss attributable to common stockholders for the three months and nine months ended September 30, 2018 and 2017, the inclusion of common stock equivalents in the computation for those periods would be antidilutive. Accordingly, basic and diluted net loss per share is the same for all periods presented.

The following potentially dilutive securities have been excluded from the computation of diluted net loss per share since their inclusion would be antidilutive:

	Nine Months Ended September 30,	
	2018	**2017**
Warrants	5,318,747	872,653
Stock options	56,354	93,456
Non-vested restricted stock	25,334	38,000
Total potentially dilutive shares	5,400,435	1,004,109

8. COMMITMENTS AND CONTINGENCIES

Leases - On June 4, 2018, the Company entered into an Agreement of Lease. The Company will lease 3,983 square feet commencing on the date on which the tenant improvements being conducted have been substantially completed and for a term of 64 months from the commencement date. The Company also has an option to extend the term of the lease for one additional 60-month period. The landlord has agreed to provide the Company a contribution of up to $179,235 to the total cost of the tenant improvements. The anticipated completion date is expected during fourth quarter 2018 upon the Company taking possession and control of the physical use of the space.

Under the terms of the lease, the Company must pay a security deposit of $75,000 and the aggregate rent due over the term of the lease is approximately $828,000, which will be reduced to approximately $783,000 after certain rent abatements. The Company will also be required to pay its proportionate share of certain operating expenses and real estate taxes applicable to the leased premises.

The Company has agreed to extend its lease payments for its Madison, Wisconsin facility from September 14, 2018 to January 14, 2019. This additional time is needed for the Company to remove certain alterations, additions, and improvements required upon termination of the lease. Since this facility is no longer used by the Company, as of September 30, 2018 the company has recorded a liability of approximately $267,000 needed to meet its remaining obligations under the lease.

Supply of CLR 131 - On August 7, 2018, the Company was informed by Centre for Probe Development and Commercialization ("CPDC"), the Company's sole supplier of CLR 131, that CPDC is subject to an Import Alert 66-40 (the "Import Alert") by the United States Food and Drug Administration ("FDA"). While the basis for the Import Alert was not related to CLR 131, or CPDC's production facility associated with CLR 131, CPDC informed the Company on August 8, 2018 that CPDC would not be able to supply CLR 131 to the Company until the Import Alert is lifted or alternative agreements are reached with the FDA. On September 24, 2018 the Company announced that the FDA had initiated direct talks with the Company concerning a possible exemption for CLR 131 from the Import Alert.

On November 8, 2018, the FDA notified the Company that it has completed its initial review concerning a possible exemption for CLR 131 from the Import Alert placed on CPDC. The FDA authorized CPDC to send shipments to the investigator sites participating in the Company's ongoing hematology focused clinical trials, including our Phase 2 clinical study for relapsed or refractory multiple myeloma and a range of other B-cell malignancies, and its Phase 1 clinical study for relapsed or refractory multiple myeloma. As a result, the Company plans to resume patient enrollment in those clinical studies.

The Company awaits authorization from the FDA for any future shipments in connection with its Phase 1 study of pediatric patients with neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. As a result of the supply disruption, the Company is experiencing delays in patient enrollment for this clinical trial. At this time, the Company is not able to assess the extent of the delays or what impact the supply disruption will have on the Company, but the inability of CPDC to supply CLR 131 for this trial on a prolonged basis would result in further delayed patient enrollment. The Company intends to continue to work with CPDC and the FDA to resolve this issue as soon as practical.

Legal - The Company is involved in legal matters and disputes in the ordinary course of business. We do not anticipate that the outcome of such matters and disputes will materially affect the Company's financial statements.

9. SUBSEQUENT EVENT

On October 12, 2018, option awards were granted to purchase 429,000 shares of the Company's common stock at an exercise price of $2.61. The grant was divided into definitive grants of 199,950 option awards ("Definitive Grants") and grants of 229,050 option awards ("Contingent Grants") contingent upon the approval by the Company's stockholders of an increase of shares available under the Company's Amended and Restated 2015 Stock Incentive Plan at the Company's 2019 annual meeting of stockholders or other special meeting of stockholders called for that purpose.

The grant date for the Definitive and Contingent Grants was effective as of October 12, 2018 and the grants have a ten-year term. The Definitive Grants vest over a seven-month period for grantees who are non-employee members of the Company's board of directors and vest on the first anniversary of the date of grant for grantees who are employees of the Company.

The Contingent Grants vest immediately upon the aforementioned stockholders' approval for grantees who are non-employee members of the Company's board of directors. For grantees who are employees, the Contingent Grants vest over a period of three years from the grant date, vesting in twenty-four equal monthly installments over a 24- month period beginning on the first anniversary of the grant date.

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

Overview

We are a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of drugs for the treatment of cancer. Our core objective is to leverage our proprietary phospholipid drug conjugate™ ("PDCs™") delivery platform to develop PDCs that specifically target cancer cells to deliver improved efficacy and better safety as a result of fewer off-target effects. The PDC platform possesses the potential for the discovery and development of the next generation of cancer-targeting treatments, and we plan to develop PDCs independently and through research and development collaborations.

Supply of CLR 131

On August 7, 2018, we were informed by Centre for Probe Development and Commercialization ("CPDC"), our sole supplier of CLR 131, that CPDC is subject to an Import Alert 66-40 (the "Import Alert") by the United States Food and Drug Administration ("FDA"). While the basis for the Import Alert was not related to CLR 131, or CPDC's production facility associated with CLR 131, CPDC informed us on August 8, 2018 that CPDC would not be able to supply CLR 131 to us until the Import Alert is lifted or alternative agreements are reached with the FDA. On September 24, 2018 we announced that the FDA had initiated direct talks with us concerning a possible exemption for CLR 131 from the Import Alert.

On November 8, 2018, the FDA notified us that it has completed its initial review concerning a possible exemption for CLR 131 from the Import Alert placed on CPDC. The FDA authorized CPDC to send shipments to the investigator sites participating in our ongoing hematology focused clinical trials, including our Phase 2 clinical study for relapsed or refractory multiple myeloma and a range of other B-cell malignancies, and our Phase 1 clinical study for relapsed or refractory multiple myeloma. As a result, we plan to resume patient enrollment in those clinical studies.

We await authorization from the FDA for any future shipments in connection with our Phase 1 study of pediatric patients with neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. As a result of the supply disruption, we are experiencing delays in patient enrollment for this clinical trial. At this time, we are not able to assess the extent of the delays or what impact the supply disruption will have on us, but the inability of CPDC to supply CLR 131 for this trial on a prolonged basis would result in further delayed patient enrollment. We intend to continue to work with CPDC and the FDA to resolve this issue as soon as practical.

CLR 131 and PDC Platform

Our lead PDC candidate, CLR 131, provides targeted delivery of the cytotoxic (cell-killing) radioisotope iodine 131. CLR 131 is in a Phase 2 study in relapsed or refractory ("R/R") multiple myeloma ("R/RMM") and a range of other B-cell malignancies, and a Phase 1 clinical study for R/RMM. We plan to initiate a Phase 1 study for pediatric solid tumors and lymphomas and are planning a second Phase 1 study of CLR 131 in combination with external beam radiation for head and neck cancer ("HNC") at the University of Wisconsin Madison. Our pipeline also includes a PDC chemotherapeutic program in drug discovery, CLR 1900. CLR 1900 is being targeted for solid tumors with a payload that inhibits mitosis (cell division), which is a validated pathway for cell apoptosis.

We have leveraged our PDC platform to establish five active collaborations featuring five unique payloads and mechanisms of action. Through research and development collaborations, our strategy is to generate near-term capital, supplement internal resources, gain access to novel molecules or payloads, accelerate product candidate development and broaden our proprietary and partnered product pipelines.

Our PDC platform provides selective delivery of a diverse range of oncologic payloads to cancerous cells, whether a hematologic cancer or solid tumor, the primary tumor, or a metastatic tumor and cancer stem cells. Our PDC platform takes advantage of a metabolic pathway utilized by all currently identified tumor cell types in all currently identified stages of the tumor "cycle." This allows the PDC molecules to gain access to the intracellular compartment of the tumor cells and for the PDCs to continue to accumulate over time, which enhances drug efficacy. The PDC platform's mechanism of entry does not rely upon specific cell surface epitopes or antigens as are required by other targeted delivery platforms. Specific cell surface epitopes are limited in number on the cell surface, undergo internalization and cycling upon binding, and are not present on all tumor cells of a particular cancer type. This means a subpopulation of tumor cells will always remain. In addition to the benefits provided by the mechanism of entry, we believe PDCs offer the potential advantage of having the ability to be conjugated to molecules in numerous ways, thereby increasing the types of molecules selectively delivered via the PDC.

The PDC platform features include the capacity to link with almost any molecule and provide a significant increase in targeted oncologic payload delivery and the ability to target all tumor cells. As a result, we believe that we can generate PDCs to treat a broad range of cancers with the potential to improve the therapeutic index of oncologic drug payloads, enhance or maintain efficacy while reducing adverse events by minimizing drug delivery to healthy cells, and increasing delivery to cancerous cells and cancer stem cells.

We employ a drug discovery and development approach that allows us to efficiently design, research and advance drug candidates. We believe our iterative process allows us to systematically produce multiple generations of incrementally improved targeted drug candidates.

Clinical Pipeline

CLR 131 is a small-molecule, cancer-targeting radiotherapeutic PDC designed to deliver cytotoxic radiation directly and selectively to cancer cells and cancer stem cells. CLR 131 is our lead therapeutic PDC product candidate and is currently being evaluated in both Phase 2 and Phase 1 clinical studies. The Investigational New Drug ("IND") application was accepted by the FDA in March 2014. The Phase 2 study is evaluating CLR 131 as a potential therapy for R/RMM and was initiated in November of 2017. The primary goal of the study is to assess the compound's efficacy in a broad range of hematologic cancers. The Phase 1 study is designed to assess the compound's safety and tolerability in patients with R/RMM and was initiated in April 2015. This clinical study is a standard three-by-three dose escalation safety study. Multiple myeloma is an incurable cancer of the plasma cells and is the second most common form of hematologic cancers. This cancer type was selected for clinical, regulatory and commercial rationales, including multiple myeloma's highly radiosensitive nature and continued unmet medical need in the relapse/refractory setting, and has been determined to be a rare disease by the FDA based upon the current definition within the Orphan Drug Act. Secondary objectives include the evaluation of therapeutic activity by assessing surrogate efficacy markers, which include M protein, free light chain ("FLC"), progression free survival ("PFS") and overall survival ("OS").

In December 2014, the FDA granted orphan drug designation for CLR 131 for the treatment of multiple myeloma. In 2018, the FDA granted orphan drug and rare pediatric disease designations for CLR 131 for the treatment of neuroblastoma, rhabdomyosarcoma, Ewing's sarcoma and osteosarcoma. The FDA previously accepted our IND application for a Phase 1 open-label, dose-escalating study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. We plan to initiate this Phase 1 study.

Phase 2 Study in Patients with R/R select B-Cell Malignancies

In July 2016, we were awarded a $2,000,000 National Cancer Institute (NCI) Fast-Track Small Business Innovation Research grant to further advance the clinical development of CLR 131. The funds are supporting the Phase 2 study initiated in March 2017 to define the clinical benefits of CLR 131 in R/RMM and other niche hematologic malignancies with unmet clinical need. These niche hematologic malignancies include Chronic Lymphocytic Leukemia, Small Lymphocytic Lymphoma, Marginal Zone Lymphoma, Lymphoplasmacytic Lymphoma and Diffuse Large B-Cell Lymphoma ("DLBCL"). The study is being conducted in approximately 10 top U.S. cancer centers in patients with orphan-designated relapse or refractory hematologic cancers. The study's primary endpoint is clinical benefit response, with additional endpoints of PFS, median OS and other markers of efficacy following a single 25.0 mCi/m^2 dose of CLR 131, with the option for a second 25.0 mCi/m^2 dose approximately 75-180 days later. Based on the performance results from Cohort 5 of our Phase 1 study in patients with R/RMM, reviewed below, we intend to modify the dosing regimen of this trial to a fractionated dose of 15.625 mCi/m^2 administered on day 1 and day 8.

In July 2018, we announced that after a single 25mCi/m^2 IV administration of CLR 131, patients with relapsed/refractory aggressive DLBCL were assessed for response. These interim data show a 33% overall response rate (ORR) and a 50% clinical benefit response (CBR). In addition, the observed responses to date show overall tumor reduction ranged from 60% to greater than 90%. As a result of these favorable outcomes, we have expanded this cohort to include up to 30 additional patients. We also announced that a patient in the lymphoplasmacytic lymphoma (LPL) arm with advanced Waldenstrom macroglobulinema showed a 94% reduction in tumor burden and complete resolution in four of five targeted masses after two doses of CLR 131 separated by 123 days.

Phase 1 Study in Patients with R/R Multiple Myeloma

CLR 131 in combination with dexamethasone is currently under investigation in a Phase 1 trial in adult patients with R/RMM following treatment with both a proteasome inhibitor and an immunomodulatory agent. All patients have been heavily pretreated with an average of 5 prior lines of therapy. To date, four single dose cohorts have been examined: 12.5 mCi/m^2, 18.75 mCi/m^2, 25 mCi/m^2, and 31.25 mCi/m^2, all in combination with 40 mg dexamethasone weekly. An independent Data Monitoring Committee has deemed all four single dose levels safe and tolerable. Of the five patients in the first cohort, four achieved stable disease and one patient progressed at Day 15 after administration and was taken off the study. Of the five patients that have been admitted to the second cohort, four achieved stable disease and one patient progressed at Day 41 after administration and was taken off the study. Four patients were enrolled to the third cohort and all achieved stable disease. In September 2017, we announced results for Cohort 4 results, showing that a single 30-minute infusion of 31.25mCi/m^2 of CLR 131 was safe and well tolerated by the three patients in the cohort. Additionally, all three patients experienced clinical benefit with one patient achieving a partial response ("PR"). We are monitoring response rates via surrogate markers of efficacy including M protein and FLC. The International Myeloma Working Group defines a PR as a greater than or equal to 50% decrease in FLC levels (for patients in whom M protein is unmeasurable) or 50% decrease in M protein. The patient experiencing a PR had an 82% reduction in FLC. This patient did not produce M protein, received seven prior lines of treatment including radiation, stem cell transplantation and multiple triple combination treatments including one with daratumumab that was not tolerated. One patient experiencing stable disease attained a 44% reduction in M protein. We have recently converted the Phase 1a clinical data (single CLR 131 dose) to pooled data for presentation of the total performance of the results to date. This is beneficial as it is a compilation of all the data and results in an N of 15, which gives the data more weight and a sense of maturity compared to reporting on individual cohorts with an N of 3-4 in each. As of October 2, 2018, the preliminary pooled OS data from the first four cohorts was 19.4 months.

Based on the safety observed to date as well as various efficacy signals, including reductions in M protein and FLC and a pooled median OS that has not yet been reached, the study protocol was modified for cohort 5 to introduce a fractionated dose of 15.625 mCi/m^2 administered on day 1 and day 8 to further determine the optimal dose-range for CLR 131. Results from Cohort 5 indicate enhanced tolerability and safety in comparison to Cohort 4 despite an 18% increase in total average dose from 55.29 mCi to 65.15 mCi of CLR 131. Patients in Cohort 5 required less supportive care such as transfusions of platelets or packed red blood cells than seen in previous cohorts. Furthermore, a review of surrogate efficacy markers demonstrated that patients in Cohort 5 monitored by M-protein showed a nearly 50% further reduction in M-Protein than seen in Cohort 4. Based on the results and an independent Data Monitoring Committee recommendation, the company plans to initiate a sixth cohort using a fractionated two dose regimen of 18.75 mCi/m^2 administered one week apart.

Phase 1 Study in R/R Pediatric Patients with Select Solid Tumors, Lymphomas and Malignant Brain Tumors.

On December 14, 2017, we filed an IND application with the Division of Oncology at the FDA for a proposed Phase 1 study of CLR 131 in children and adolescents with select rare and orphan designated cancers. The Phase 1 clinical trial of CLR 131 is an open-label, sequential-group, dose-escalation study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. Secondary objectives of the study are to identify the recommended Phase 2 dose of CLR 131 and to determine preliminary antitumor activity (treatment response) of CLR 131 in children and adolescents. Over the period of time from March 2018 to September 2018, the FDA granted orphan drug designation and rare pediatric disease designations for CLR 131 for the treatment of neuroblastoma, rhabdomyosarcoma, Ewing’s sarcoma and pediatric osteosarcoma. We plan to initiate this Phase 1 study at 3-5 pediatric cancer centers across the US.

Phase 1 Study in R/R Head and Neck Cancer

In August 2016, the University of Wisconsin Carbone Cancer Center (“UWCCC”) was awarded a five-year Specialized Programs of Research Excellence (SPORE) grant from the National Cancer Institute and the National Institute of Dental and Craniofacial Research to improve treatments and outcomes for head and neck cancer, HNC, patients. HNC is the sixth most common cancer across the world with approximately 56,000 new patients diagnosed every year in the U.S. As a key component of this grant, the UWCCC researchers will test CLR 131 in various animal HNC models as well as initiating the first human clinical trial combining CLR 131 and external beam radiation in patients with recurrent HNC. The UWCCC is currently anticipated to initiate this clinical trial in the second half of 2019.

Preclinical Pipeline

- CLR 1800 Series is a collaborative PDC program with Pierre Fabre that was entered into in December 2015 and extended in October 2017. Pierre Fabre is the third largest French pharmaceutical company with an extensive oncology research and development infrastructure. The objective of the collaboration is to leverage Cellectar's expertise in conjugation, linker chemistry and phospholipid ether chemistry to codesign a library of PDCs employing Pierre Fabre's chemotherapeutics. The newly developed PDCs may provide enhanced therapeutic indices to otherwise highly potent, nontargeted payloads through the targeted delivery to cancer cells provided by our proprietary phospholipid ether delivery platform. Significant progress has been achieved, including showing improved tolerability in animal models, and the program continues to rapidly advance with a number of PDC molecules being evaluated for candidate selection and progression to IND enabling studies.

- CLR 1900 Series is an internally developed proprietary PDC program leveraging a novel small molecule cytotoxic compound as the payload. The payload inhibits mitosis (cell division) and targets a key pathway required to inhibit rapidly dividing cells that results in apoptosis. We believe that this program could produce a product candidate targeted to select solid tumors. Currently, the program is in early preclinical development.

- CLR 2000 Series is a collaborative PDC program with Avicenna Oncology, or Avicenna, that we entered into in July 2017. Avicenna is a leading developer of antibody drug conjugates ("ADCs"). The objective of the research collaboration is to design and develop a series of PDCs utilizing Avicenna's proprietary cytotoxic payload. Although Avicenna is a leading developer of ADCs, this collaboration was sought as a means to overcome many of the challenges associated with ADCs, including those associated with the targeting of specific cell surface epitopes.

- CLR 2100 and 2200 Series are collaborative PDC programs with Onconova Therapeutics, Inc., or Onconova, that we entered into in September 2017. Onconova is a biotechnology company specializing in the discovery and development of novel small molecule cancer therapies. The collaboration is structured such that we will design and develop a series of PDCs utilizing different small molecules that Onconova was developing as payloads with the intent to show improved targeting and specificity to the tumor. At least one of the molecules was taken into Phase 1 clinical trials previously by Onconova. We would own all new intellectual property associated with the design of the new PDCs, and both companies will have the option to advance compounds.

- CLR 12120 Series is a collaborative PDC program with Orano Med for the development of novel PDCs utilizing Orano Med's unique alpha emitter, lead 212 conjugated to Cellectar's phosolipid ether (PLE); the companies intend to evaluate the new PDCs in up to three oncology indications.

We believe our PDC platform has potential to provide targeted delivery of a diverse range of oncologic payloads, as exemplified by the product candidates listed above, that may result in improvements upon current standard of care for the treatment of a broad range of human cancers.

Results of Operations

Research and development expense. Research and development expense consists of costs incurred in identifying, developing and testing, and manufacturing product candidates, which primarily include salaries and related expenses for personnel, costs of our research and manufacturing facility, cost of manufacturing materials and contract manufacturing fees paid to contract research organizations, fees paid to medical institutions for clinical trials, and costs to secure intellectual property. The Company analyzes its research and development expenses based on four categories as follows: clinical project costs, pre-clinical project costs, manufacturing and related costs, and general research and development costs that are not allocated to the functional project costs, including personnel costs, facility costs, related overhead costs and patent costs.

General and administrative expense. General and administrative expense consists primarily of salaries and other related costs for personnel in executive, finance and administrative functions. Other costs include insurance, costs for public company activities, investor relations, directors' fees and professional fees for legal and accounting services.

Three Months Ended September 30, 2018 and 2017

Research and Development. Research and development expense for the three months ended September 30, 2018 was approximately $1,996,000 compared to approximately $2,333,000 for the three months ended September 30, 2017.

The following table is a comparison summary of research and development costs for the three months ended September 30, 2018 and September 30, 2017:

	Three Months Ended September 30,		
	2018	**2017**	**Variance**
Clinical project costs	$ 415,000	$ 598,000	$ (183,000)
Manufacturing and related costs	164,000	691,000	(527,000)
Pre-clinical project costs	437,000	311,000	126,000
General research and development costs	980,000	733,000	247,000
	$ 1,996,000	$ 2,333,000	$ (337,000)

The overall decrease in research and development expense of $337,000, or 14%, was primarily a result of a decrease in clinical project costs because of increased NCI contract reimbursements. Manufacturing and related costs decreased as a result of the Import Alert to CPDC by the FDA creating a supply interruption of CLR 131 during the months of August and September 2018. Pre-clinical studies increased because of additional expenditures for outsourced services. The increase in general research and development costs was primarily a result of the recording of a charge of approximately $267,000 in connection with the decommissioning of our manufacturing facility.

General and Administrative. General and administrative expense for the three months ended September 30, 2018 was approximately $1,092,000, compared to approximately $1,151,000 in the three months ended September 30, 2017. The $59,000 or 5% decrease resulted from a decrease in legal fees of $207,000 offset by an increase of $74,000 in personnel related costs and an increase of $81,000 in purchased services

Nine Months Ended September 30, 2018 and 2017

Research and Development. Research and development expense for the nine months ended September 30, 2018 was approximately $5,799,000 compared to approximately $6,366,000 for the nine months ended September 30, 2017.

The following table is a comparison summary of research and development costs for the nine months ended September 30, 2018 and September 30, 2017:

	Nine Months Ended September 30,		
	2018	**2017**	**Variance**
Clinical project costs	$ 999,000	$ 1,338,000	$ (339,000)
Manufacturing and related costs	1,214,000	1,150,000	64,000
Pre-clinical project costs	1,453,000	531,000	922,000
General research and development costs	2,133,000	3,347,000	(1,214,000)
	$ 5,799,000	$ 6,366,000	$ (567,000)

The overall decrease in research and development expense of approximately $567,000, or 9%, was due primarily to a decrease in general research and development which consists primarily of research and development personnel and related costs. Pre-clinical project costs increased due to additional expenditures for outsourced services and clinical project costs decreased as a result of increased NCI contract reimbursements which are recorded as an offset against expense.

General and Administrative. General and administrative expense for the nine months ended September 30, 2018 was approximately $3,647,000, compared to approximately $3,147,000 in the nine months ended September 30, 2017. The increase of approximately $500,000, or 16%, was due to an increase of approximately $311,000 in purchased services, primarily consulting, accounting and investor relations and an increase of approximately $138,000 in personnel related costs. In connection with the decision to outsource our manufacturing, we incurred approximately $81,000 of one-time personnel related costs in the nine months ended September 30, 2018.

Our combined research and development and general and administrative headcount decreased from 15 at December 31, 2017 to 7 at September 30, 2018.

Liquidity and Capital Resources

As of September 30, 2018, we had cash and cash equivalents of approximately $16,373,000 compared to $10,006,000 as of December 31, 2017. This increase was due to the approximately $15,000,000 of net proceeds received in connection with the July 2018 public offering. Cash used in operating activities was approximately $8,699,000 during the nine months ended September 30, 2018. Net cash used in operating activities during the nine months ended September 30, 2017 was approximately $8,194,000.

Our cash requirements have historically been for our research and development activities, finance and administrative costs, capital expenditures and overall working capital. We have experienced negative operating cash flows since inception and have funded our operations primarily from sales of common stock and other securities. As of September 30, 2018, we had an accumulated deficit of approximately $93,761,000.

We believe our cash on hand is adequate to fund operations into first quarter of 2020. However, our future results of operations involve significant risks and uncertainties.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Based on our management's evaluation (with the participation of our principal executive officer and principal financial officer), as of September 30, 2018, our management has concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Changes in internal control over financial reporting. There have not been any significant changes in the Company's internal control over financial reporting.

The Chief Executive Officer and the Audit Committee perform significant roles in ensuring the accuracy and completeness of our financial reporting and the effectiveness of our disclosure controls and procedures. We have not identified any changes that occurred during the Company's fiscal quarter ended September 30, 2018 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Important Considerations. Any system of controls, however well designed and operated, can provide only reasonable, and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part on certain assumptions about the likelihood of future events. The effectiveness of our disclosure controls and procedures is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Because of these and other inherent limitations of control systems, there can be no assurance that any system of disclosure controls and procedures will be successful in achieving its stated goals, including but not limited to preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management, under all potential future conditions, regardless of how remote.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Factors that could materially adversely affect our business and our equity securities are described in the Risk Factors previously disclosed in the prospectus filed with the SEC on July 27, 2018 pursuant to Rule 424(b) of the Securities Act (the "Prospectus"). This information should be considered carefully, together with other information in this report and other reports and materials we file with the SEC. In addition, the following risk factor included substantive changes from those disclosed in the Prospectus:

We rely on a collaborative outsourced business model, and disruptions with these third-party collaborators, including potential disruptions at our sole source supplier of CLR 131, Centre for Probe Development and Commercialization ("CPDC"), may impede our ability to gain FDA approval and delay or impair commercialization of any products.

We are in the preclinical and clinical trial phases of product development and commercialization. We have closed manufacturing operations located at our corporate headquarters, and are implementing a collaboration outsourcing model to more efficiently manage costs. We rely, and will increasingly rely, on contracts with third parties to use their facilities to conduct our research, development and manufacturing.

We have engaged CPDC, which has been a validated Current Good Manufacturing Practices ("cGMPs") manufacturing organization specializing in radiopharmaceuticals, as our exclusive source to supply drug product for our ongoing research and clinical trials, including our Phase 1 and Phase 2 studies of CLR 131. On August 7, 2018, we were notified by CPDC, our sole supplier of CLR 131, that it is subject to an Import Alert 66-40 (the "Import Alert") by the FDA. While the basis for the Import Alert was not related to CLR 131, or CPDC's production facility associated with CLR 131, CPDC informed us on August 8, 2018 that CPDC would not be able to supply CLR 131 to us until the Import Alert is lifted or alternative agreements are reached with the FDA. On September 24, 2018, we announced that the FDA had initiated direct talks with us concerning a possible exemption for CLR 131 from the Import Alert. On November 8, 2018, the FDA notified us that it has completed its initial review concerning a possible exemption for CLR 131 from the Import Alert placed on CPDC. The FDA authorized CPDC to send shipments to the investigator sites participating in our ongoing hematology focused clinical trials, including our Phase 2 clinical study for relapsed or refractory multiple myeloma and a range of other B-cell malignancies, and our Phase 1 clinical study for relapsed or refractory multiple myeloma. As a result, we plan to resume patient enrollment in those clinical studies.

We continue to await authorization from the FDA for any future shipments in connection with our Phase 1 study of pediatric patients with neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. As a result of the supply disruption, we are experiencing delays in enrollment in this clinical trial. At this time, we are not able to assess the extent of the delays or what impact the supply disruption will have on us, but the inability of CPDC to supply CLR 131 for this trial on a prolonged basis would result in further delayed patient enrollment. We intend to continue to work with CPDC and the FDA to resolve this issue as soon as practical.

In addition, we rely exclusively on contract research organizations to conduct research and development. Any inability of these organizations to fulfill the requirements of their agreements with us may delay or impair our ability to gain FDA approval and commercialization of our drug delivery technology and products.

Our reliance on third-party collaborators may expose us to the risk of not being able to directly oversee the activities of these parties. Furthermore, these collaborators, whether foreign or domestic, may experience regulatory compliance difficulties, mechanical shutdowns, employee strikes, or other unforeseeable acts that may delay fulfillment of their agreements with us. Failure of any of these collaborators to provide the required services in a timely manner or on commercially reasonable terms could materially delay the development and approval of our products, increase our expenses, and materially harm our business, prospects, financial condition and results of operations.

We believe that we have a good working relationship with our third-party collaborators. However, should the situation change, we may be required to relocate these activities on short notice, and we do not currently have access to alternate facilities to which we could relocate our research, development and/or manufacturing activities. The cost and time to establish or locate an alternate research, development and/or manufacturing facility to develop our technology would be substantial and would delay obtaining FDA approval and commercializing our products.

Furthermore, if our products are approved for commercial sale, we will need to work with our existing third-party collaborators to ensure sufficient capacity, or engage additional parties with the capacity, to commercially manufacture our products in accordance with FDA and other regulatory requirements. There can be no assurance that we would be able to successfully establish any such capacity or identify suitable manufacturing partners on acceptable terms.

Item 6. Exhibits

Exhibit No.	Description	Filed with this Form 10-Q	Incorporation by Reference		
			Form	Filing Date	Exhibit No.
3.1	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation		8-K	July 13, 2018	3.1
3.2	Form of Certificate of Designation of Series C Preferred Stock		S-1/A	July 18, 2018	3.11
4.1	Form of Series E Common Stock Purchase Warrant		S-1/A	July 18, 2018	4.5
4.2	Form of Series C Preferred Stock Certificate		S-1/A	July 18, 2018	4.6
4.3	Form of Warrant Agency Agreement		S-1/A	July 18, 2018	4.7
10.1	Form of Underwriting Agreement		S-1/A	July 18, 2018	1.1
10.2	Agreement of Lease between the Company and KBS II 100-200 CAMPUS DRIVE, LLC dated June 4, 2018		S-1/A	July 18, 2018	10.35
10.3*	Form of Non-Statutory Stock Option (Definitive/Contingent – Employees)**	X			
10.4*	Form of Non-Statutory Stock Option (Definitive/Contingent – Directors)**	X			
10.5*	Employment Agreement between the Company and Brian Posner dated November 9, 2018**	X			
31.1	Certification of chief executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of chief financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of chief executive officer and chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101	Interactive Data Files	X			

* Filed herewith.
** Management contract or compensatory plan or arrangement.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELLECTAR BIOSCIENCES, INC.

Date: November 13, 2018

By: */s/ James Caruso*
James Caruso
President and Chief Executive Officer

Exhibit 10.3

NON-STATUTORY STOCK OPTION
(Definitive/Contingent – Employees)

Granted by

Cellectar Biosciences, Inc. (the "Company")

Under the 2015 Stock Incentive Plan (as amended and restated)

This Option is and shall be subject in every respect to the provisions of the Company's 2015 Stock Incentive Plan, as amended from time to time, which is incorporated herein by reference and made a part hereof. The holder of this Option (the "Holder") hereby accepts this Option subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Holder and his or her heirs and legal representatives.

1. **Name of Holder:**

2. **Date of Grant:**

3. **Maximum Number of Shares for which this Option is exercisable:**

   Definitive Grant:

   Contingent Grant:

4. **Exercise (purchase) price per share**: $

5. **Payment method:**

   a personal, certified or bank check or postal money order payable to the order of the Company for an amount equal to the exercise price of the shares being purchased; or

   with the consent of the Company, any of the other methods set forth in the Plan.

6. **Expiration Date of Option:**

7. **Vesting Schedule:** The Definitive Grant shall vest as to all shares on the first anniversary of the Date of Grant. The Contingent Grant shall vest subject to the following conditions: (i) approval by the Company's stockholders of an increase in shares available under the 2015 Stock Incentive Plan at the Company's 2019 annual meeting of stockholders or other special meeting of stockholders called for such purpose (the "Stockholder Approval"); and (ii) to the extent the Stockholder Approval is received, the Contingent Grant shall vest over a period of three years from the Date of Grant, vesting in 24 equal monthly installments over a 24 month period beginning on the first anniversary of the Date of Grant.

Notwithstanding the foregoing, and with respect to the Contingent Grant subject to the issuance of such Contingent Grant upon obtaining the Stockholder Approval, the vesting of this Option shall accelerate with respect to all of the then unvested shares upon a Termination Event.

As used herein, a "Termination Event" shall mean either of the following events, but only if such event occurs within one year of a "Change of Control" (as defined in the Plan):

(i) termination by the Company of the Holder's employment or service relationship with the Company for any reason other than for "Cause," as defined in the Plan; or

(ii) the Holder's resignation as an employee of, or service provider to, the Company , other than for reasons of Disability (as defined in the Plan), following (x) a significant reduction in the nature or scope of the Holder's duties, responsibilities, authority or powers, from the duties, responsibilities, authority or powers exercised by the Holder immediately prior to the Change of Control, or (y) a reduction in the Holder's annual base salary (or base fees, as applicable) or benefits as in effect on the date of the Change of Control, except for across-the-board salary or benefits reductions affecting all similarly situated personnel of the Company, or (z) a transfer of the Holder from the office of the Company where he is based immediately before the Change of Control to an office more than twenty-five (25) miles away such office (unless the distance the Holder has to travel to work is actually shortened as a result of such transfer).

For purposes of this Section 7, "Company" shall include any surviving entity, in the case of a merger or acquisition in which the Company is not the surviving entity.

8. **Termination of Employment or Provision of Services.** This Option shall terminate on the earliest to occur of:

(i) the date of expiration thereof;

(ii) immediately upon termination of the Holder's employment with, or provision of services to, the Company by the Company for Cause (as defined in the Plan);

(iii) thirty (30) days after the date of voluntary termination of employment or provision of services by the Holder (other than upon death, or for Disability or Normal Retirement, each as defined in the Plan);

(iv) ninety (90) days after the date of involuntary termination of the Holder's employment with, or provision of services to, the Company by the Company without Cause (as defined in the Plan), or termination of the Holder's employment or provision of services by reason of Disability or Normal Retirement (each as defined in the Plan); or

(v) 180 days after the date of termination of the Holder's employment with, or provision of services to, the Company by reason of death.

9. **Lock-Up Agreement.** The Holder agrees for a period of up to 180 days from the effective date of any registration of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), upon request of the Company or underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any shares issued pursuant to the exercise of this Option, without the prior written consent of the Company and such underwriters.

10. **Tax Withholding.** The Company's obligation to deliver shares shall be subject to the Holder's satisfaction of any federal, state and local income and employment tax withholding requirements.

11. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, 100 Campus Drive, Florham Park, NJ 07932, attention of the president, or such other address as the Company may hereafter designate.

Any notice to be given to the Holder hereunder shall be deemed sufficient if addressed to and delivered in person to the Holder at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Holder at such address.

IN WITNESS WHEREOF, the parties have executed this Option, or caused this Option to be executed, as of the Date of Grant.

CELLECTAR BIOSCIENCES, INC.

By: _____

The undersigned Holder hereby acknowledges receipt of a copy of the Plan and this Option, and agrees to the terms of this Option and the Plan.

_____
Holder

Exhibit 10.4

NON-STATUTORY STOCK OPTION
(Definitive/Contingent – Directors)

Granted by

Cellectar Biosciences, Inc. (the "Company")

Under the 2015 Stock Incentive Plan (as amended and restated)

This Option is and shall be subject in every respect to the provisions of the Company's 2015 Stock Incentive Plan, as amended from time to time, which is incorporated herein by reference and made a part hereof. The holder of this Option (the "Holder") hereby accepts this Option subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Holder and his or her heirs and legal representatives.

1. **Name of Holder:**

2. **Date of Grant:**

3. **Maximum Number of Shares for which this Option is exercisable:**

   Definitive Grant:

   Contingent Grant:

4. **Exercise (purchase) price per share**: $

5. **Payment method:**

   a personal, certified or bank check or postal money order payable to the order of the Company for an amount equal to the exercise price of the shares being purchased; or

   with the consent of the Company, any of the other methods set forth in the Plan.

6. **Expiration Date of Option:**

7. **Vesting Schedule:** The Definitive Grant shall vest in equal monthly installments over a seven month period from the Date of Grant. The Contingent Grant shall vest subject to the following conditions: (i) approval by the Company's stockholders of an increase in shares available under the 2015 Stock Incentive Plan at the Company's 2019 annual meeting of stockholders or other special meeting of stockholders called for such purpose; and (ii) to the extent stockholder approval is received, the Contingent Grant shall vest immediately upon obtaining such stockholder approval.

8. **Termination of Services.** This Option shall terminate on the earliest to occur of:

(i) the date of expiration thereof;

(ii) thirty (30) days after the date of voluntary termination of provision of services by the Holder (other than upon death, or for Disability or Normal Retirement, each as defined in the Plan);

(iv) 180 days after the date of termination of the Holder's provision of services to the Company by reason of death.

9. **Lock-Up Agreement.** The Holder agrees for a period of up to 180 days from the effective date of any registration of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), upon request of the Company or underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any shares issued pursuant to the exercise of this Option, without the prior written consent of the Company and such underwriters.

10. **Tax Withholding.** The Company's obligation to deliver shares shall be subject to the Holder's satisfaction of any federal, state and local income and employment tax withholding requirements.

11. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, 100 Campus Drive, Florham Park, NJ 07932, attention of the president, or such other address as the Company may hereafter designate.

Any notice to be given to the Holder hereunder shall be deemed sufficient if addressed to and delivered in person to the Holder at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Holder at such address.

IN WITNESS WHEREOF, the parties have executed this Option, or caused this Option to be executed, as of the Date of Grant.

CELLECTAR BIOSCIENCES, INC.

By: _____

The undersigned Holder hereby acknowledges receipt of a copy of the Plan and this Option, and agrees to the terms of this Option and the Plan.

_____
Holder

Exhibit 10.5

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of November 9, 2018, between **CELLECTAR BIOSCIENCES, INC.,** a Delaware corporation (the "Company"), and **Brian Posner** ("Executive").

RECITALS

The Company and Executive desire to enter into this Agreement to document the terms and conditions of Executive's employment by the Company. The parties hereto agree as follows:

1. Employment. The Company shall employ Executive, and Executive hereby agrees to employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on the Effective Date (as defined below) and ending as provided in Section 4 hereof (the "Employment Period").

2. Position and Duties.

(a) During the Employment Period, Executive will serve as the Vice President and Chief Financial Officer of the Company. Executive will have the normal duties, responsibilities and authority of his role, subject to the overall direction and authority of the Board of Directors of the Company (the "Board") and the Chief Executive Officer.

(b) During the Employment Period, except as otherwise determined by the Board, Executive will report to the Chief Executive Officer, and will devote his full business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company. During the Employment Period, Executive shall not serve as an officer or director of, or otherwise perform services for compensation for, any other entity without the prior written consent of the Board (which shall not be unreasonably withheld or delayed); provided that Executive may serve as an officer or director of or otherwise participate in purely educational, welfare, social, religious, recreational and civic organizations so long as such activities do not interfere with Executive's employment.

(c) For purposes of this Agreement, the term "Company" shall include all of the Company's Subsidiaries. The term "Subsidiaries" shall mean any corporation or other entity of which the securities or other ownership interests having the voting power to elect a majority of the board of directors or other governing body are, at the time of determination, owned by the Company, directly or through one or more Subsidiaries.

3. Compensation and Benefits.

(a) Compensation.

(i) Base Salary. During the Employment Period, Executive's base salary will be three thousand dollars ($300,000) per annum (as may be adjusted from time to time by the Board, the "Base Salary"), which salary will be payable by the Company in regular installments in accordance with the Company's general payroll practices (in effect from time to time). Executive's Base Salary for any partial year will be prorated based upon the number of days elapsed in such year.

(ii) Bonus. During the Employment Period, Executive will be eligible to earn an annual bonus each calendar year, under the terms and conditions of the Company's annual incentive compensation plan for which Executive's initial target shall be thirty percent (30%) of Base Salary.

(b) Benefits.

(i) During the Employment Period, Executive will be entitled to participate in all of the Company's employee benefit programs for which senior executive employees of the Company are generally eligible in accordance with the terms and conditions of such program s as the same may be modified from time to time.

(ii) In addition to the benefits described in Section 3(b)(i) above, during the Employment Period, Executive will also be entitled to the following (without duplication):

(A) Vacation. Three weeks of paid vacation each calendar year, which if not taken during any year may not be carried forward to subsequent calendar year(s) or otherwise paid; and

(B) Personal Days. Four paid personal days each calendar year, which if not taken during any year may not be carried forward to subsequent calendar year(s) or otherwise paid; and

(C) Business Expenses. Reimbursement for all reasonable business expenses incurred by Executive in the course of performing his duties and responsibilities under this Agreement, and that are excludable from gross income, with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(D) Relocation Reimbursement. Executive is expected to relocate to a location closer to the Company's current headquarters in Florham Park, New Jersey on or prior to April 1, 2019, or such later time as determined by the Company's Chief Executive Officer. The Company will reimburse Executive for reasonable relocation expenses up to a maximum of $10,000.

(c) Withholding. All amounts payable to Executive as compensation hereunder shall be subject to all required and customary withholding by the Company.

4. Termination and Obligations of the Company Upon Termination.

(a) At-Will Employment. Executive's employment is at-will and shall be of no specific period. Executive is free to resign at any time, for any reason or no reason, as Executive deems appropriate. Subject to this Section 4, the Company has a similar right to terminate Executive employment at any time, with or without Cause (as defined below).

(b) Death. If Executive's employment is terminated due to Executive's death, the Company will pay to Executive's estate Executive's (i) Base Salary through the date of termination to the extent not theretofore paid, any accrued vacation pay to the extent not theretofore paid and any reimbursement of business expenses as described in Section 3(b)(ii)(B) above (together, the "Accrued Obligations") and (ii) the bonus described in Section 3(a)(ii) above for the calendar year in which such termination occurs if Executive would have otherwise been entitled to receive such bonus had his employment not been terminated (provided that if the date of such termination occurs prior to the last day of the calendar year in respect of which such bonus is awarded, then such bonus will be prorated upon the number of days elapsed prior to Executive's date of termination). Any such bonus amount payable under this Section 4(b) will be payable at such time as such amount would have been payable had Executive's employment not been terminated.

(c) Disability. If Executive's employment is terminated either by Executive or the Company due to Executive's Disability, Executive will be entitled to receive (i) his Accrued Obligations, (ii) such benefits as are available to Executive under the Company's long-term disability insurance plans (if any) as in effect on the date of termination, (iii) continuation of Company provided health insurance at the Company's cost during the COBRA continuation period, and (iv) the bonus described in Section 3(a)(ii) above for the calendar year in which such termination occurs if Executive would have otherwise been entitled to receive such bonus had his employment not been terminated (provided that if the date of such termination occurs prior to the last day of the calendar year in respect of which such bonus is awarded, then such bonus will be prorated upon the number of days elapsed prior to Executive's date of termination). Any such bonus amount payable under this Section 4(c) will be payable at such time as such amount would have been payable had Executive's employment not been terminated. "Disability" means any physical or mental condition of Executive that (i) results in a qualification for benefits under the Company's long term disability insurance plans (referred to above) or (ii) in the good faith judgment of the Board, based upon the receipt of competent medical advice, results in the inability of Executive to perform his services under this Agreement and such incapacity will likely continue for a period of at least 180 consecutive days or at least 180 days in any 365 consecutive day period.

(d) Resignation or Termination for Cause. If Executive's employment is terminated due to Executive's resignation without Good Reason (as defined below) or a termination by the Company for Cause, Executive will be entitled to receive his Accrued Obligations.

(e) Termination by the Company Without Cause, or by Executive for Good Reason. If Executive's employment is terminated by (i) the Company without Cause, or (ii) by Executive for "Good Reason," Executive will be entitled to receive (A) his Accrued Obligations, (B) a cash severance payment equal to fifty percent (50%) of Executive's Annual Base Salary, payable in regular installments in accordance with the Company's general payroll practices (in effect from time to time) beginning on the first pay date following the date of termination and ending on the sixth monthly anniversary date of the first pay date, (C) addition of the cost of Company-provided health insurance to each severance payment made in accordance with Section 4(e)(B) above, and (D) the bonus described in Section 3(a)(ii) above for the calendar year in which such termination occurs if Executive would have otherwise been entitled to receive such bonus had his employment not been terminated (provided that if the date of such termination occurs prior to the last day of the calendar year in respect of which such bonus is awarded, then such bonus will be prorated upon the number of days elapsed prior to Executive's date of termination). Any such bonus amount payable under this Section 4(e) will be payable at such time as such amount would have been payable had Executive's employment not been terminated. In addition to the foregoing, the Company shall provide to Executive, for a period of up to six (6) months following the date of termination of employment with the Company, outplacement services, including, but not limited to: instruction and counseling to assess and develop job goals and interviewing, networking and negotiating skills; assistance with resume preparation and initiation of a job search; secretarial support, and the use of private offices at the outplacement firm's premises. Executive and the Company shall agree upon the outplacement services provider, and the aggregate cost of such services under this Section 4(e) shall not exceed Seventy Five Hundred Dollars ($7,500).

As a condition to the Company's obligations to make the payments described in this Section 4(e), the Company and Executive will execute and deliver within 30 days after the date of termination of employment a general mutual release in the form reasonably required by the Company. Notwithstanding anything in this Agreement to the contrary, the Company will have no obligation to pay any amounts payable under this Section 4(e) during such times as Executive is in breach of Sections 5, 6, or 7 hereof.

(f) Other. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination or expiration of the Employment Period shall cease upon such termination or expiration, other than those expressly required under applicable law.

(g) Definition of "Cause." For purposes of this Agreement, "Cause" shall mean:

(l) the commission by Executive of a (i) felony or (ii) to the extent it compromises the best interests of the Company or renders Executive unfit or unable to perform his services and duties hereunder, any other criminal act (excluding any such acts involving the operation of a motor vehicle);

(2) the commission by Executive of any act or any omission to act by Executive involving fraud, dishonesty or disloyalty with respect to the Company or any of its customers or suppliers;

(3) the continued failure by Executive to perform substantially his duties to the Company (other than any such failure resulting from Executive's Disability) after written notice thereof (specifying the particulars thereof in reasonable detail and requirements for remediation) and a reasonable opportunity to be heard and cure such failure, if cure is possible under the circumstances, are given to Executive by the Board (it being agreed that such opportunity to be heard and cure period shall not cumulatively exceed thirty (30) consecutive days from the date written notice of such failure to perform is delivered by Executive); or

(4) a breach by Executive of Sections 5, 6, or 7 hereof.

Notwithstanding the foregoing, immediately following a "Change in Control" of the Company, the definition of Cause shall exclude Subsection 4(g)(3) above.

(h) Definition of Good Reason. A termination by Executive for "Good Reason" means Executive's resignation from employment by the Company, after any of the following and not later than thirty (30) days following the expiration of the Cure Period (defined below):

(1) a decrease of ten percent (10%) or more in Executive's Base Salary;

(2) a material diminution in Executive's authority, duties, or responsibilities;

(3) a requirement that Executive relocate his primary office to a location more than fifty (50) miles away from the Company’s current headquarters in Florham Park, New Jersey; or

(4) any other action or inaction that constitutes a material breach by the Company of this Agreement.

No occurrence shall constitute a basis for a termination for "Good Reason" unless Executive notifies the Company, in writing, within thirty (30) days after such occurrence that Executive considers such occurrence to be a basis for a termination with "Good Reason" and, the Company fails to cure such occurrence within (30) days following receipt of such notice. The Company and Executive intend that a resignation by Executive for Good Reason, as defined above, constitutes an involuntary separation from service within the meaning of Section 409A of the Internal Revenue Code (the "Code").

(i) Definition of Change in Control. For purposes of this Agreement, "Change in Control" shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any person or group (within the meaning of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder as then in effect) of shares representing more than 50% of the aggregate voting power represented by the issued and outstanding capital stock of the Company entitled to vote in the election of directors, (b) the occupation of a majority of the seats (other than vacant seats) on the Board by persons who were neither (i) nominated by the Board; nor (ii) appointed by directors so nominated, (c) the dissolution or liquidation of the Company, (d) a reorganization, merger, or consolidation of the Company with one or more entities as a result of which the holders of the Company's outstanding equity securities prior to such transaction do not hold equity securities representing a majority of the voting power of the surviving entity, or (e) the sale of all or substantially all of the Company's assets.

5. Confidential Information and Trade Secrets.

(a) "Confidential Information" means information (to the extent it is not a Trade Secret), whether oral, written, recorded, magnetically or electronically or otherwise stored and whether originated by Executive or otherwise coming into the possession or knowledge of Executive, which is possessed by or developed for the Company and which relates to the Company's existing or potential business, which information is not reasonably ascertainable by the Company's competitors or by the general public through lawful means, and which information the Company treats as confidential, including but not limited to information regarding the Company's products or services, specifications, designs, processes, business affairs, business plans, strategies, finances, computer programs, research, customer development, planning, purchasing, finance, marketing, customer relations and customer information, and other information received by the Company from others which the Company has an obligation to treat as confidential. "Trade Secret" means a trade secret as that term is defined under Wis. Stat. §134.90.

(b) Confidentiality Obligations. During the Employment Period and for a period of two (2) years after the termination of Executive's employment with the Company, regardless of the reason for such termination, Executive shall not use or disclose any of the Company's Confidential Information. Additionally, during and after termination of employment with the Company, Executive shall not use or disclose the Company's Trade Secrets so long as they remain Trade Secrets.

6. Intellectual Property; Inventions and Patents. Executive acknowledges and agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether or not patentable) which relate to the Company's or any of its Subsidiaries' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive while employed by the Company ("Work Product") belong to the Company or such Subsidiary. Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

7. Noncompetition; Non-Solicitation.

(a) Noncompetition. Executive acknowledges that in the course of his employment with the Company he shall become familiar with the Company's trade secrets and with other Confidential Information concerning the Company and its Subsidiaries and that his services shall be of special and unique value to the Company and its Subsidiaries. Therefore, Executive agrees that, during the period of Executive's employment with the Company and for period of twelve (12) consecutive months immediately following the date of Executive's termination of employment by the Company (the "Noncompete Period"), he shall not, without prior written approval by the Board, directly or indirectly participate in any country in which the Company is doing business at the time of Executive's termination of employment with the Company in any business competing with the businesses of the Company or its Subsidiaries conducted during the Employment Period (collectively, the "Business"), either as a partner, proprietor, shareholder, officer, director, agent, employee, consultant or otherwise. Executive agrees and acknowledges that the potential harm to the Company of its non-enforcement outweighs any harm to Executive of its enforcement by injunction or otherwise. Executive further acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area. Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding securities of any publicly traded company engaged in the Business, so long as Executive has no active participation in the Business of such company, unless otherwise approved by the Board.

(b) Non-Solicitation. During the Noncompete Period, Executive shall not directly or indirectly (i) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary (other than through general advertisements for employment not directed at employees of the Company or any of its Subsidiaries), (ii) solicit to hire any person who was an employee of the Company or any Subsidiary at any time during the six (6) months preceding the termination of the Employment Period (other than through general advertisements for employment not directed at employees of the Company or any of its Subsidiaries) or (iii) solicit or attempt to solicit for the purpose of engaging in any business in which the Company was engaged at the time of Executive's termination of employment and in which the Company was still engaged at the time of Executive's solicitation, any customer who was a customer of the Company during the last twelve (12) months of Executive's employment with the Company.

(c) Enforcement. If at the time of enforcement of Sections 5, 6, or 7 of this Agreement a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope, or area. Because Executive's services are unique and because Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages would not be an adequate remedy for any breach of this Agreement. Therefore, in the event a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security). In addition, in the event of an alleged breach or violation by Executive of Section 7(a) or 7(b), the Noncompete Period will be tolled during the pendency of any proceeding (including any arbitration) over such breach or violation, provided that such proceeding was initiated during the Noncompete Period. Executive agrees that the restrictions contained in Sections 5, 6, and 7 are reasonable.

8. Section 280G.

(a) If any of the payments or benefits received or to be received by Executive (including, without limitation, any payment or benefits received in connection with a Change in Control or Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 8, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Executive of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to Executive if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section 8 shall be made in a manner determined by the Company that is consistent with the requirements of Section 409A.

(b) All calculations and determinations under this Section 8 shall be made by an independent accounting firm or independent tax counsel appointed by the Company (the "Tax Counsel") whose determinations shall be conclusive and binding on the Company and Executive for all purposes. For purposes of making the calculations and determinations required by this Section 8, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section 8. The Company shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

9. Section 409A.

(a) General Compliance. This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

(b) Specified Employee. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to Executive in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date or, if earlier, on Executive's death (the "Specified Employee Payment Date"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid to Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

(c) Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following:

(i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;

(ii) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

(d) Tax Gross-ups. Any tax gross-up payments provided under this Agreement shall be paid to Executive on or before December 31 of the calendar year immediately following the calendar year in which Executive remits the related taxes.

10. Miscellaneous.

(a) Survival. Except as otherwise provided in this Agreement, Sections 4 through 10, inclusive, shall survive and continue in full force in accordance with their terms notwithstanding the expiration or termination of the Employment Period.

(b) Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight courier service or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to Executive:

Brian Posner
1014 Whitehall Drive
Doylestown, PA 18901

Notices to the Company:

Cellectar Biosciences, Inc.
100 Campus Drive
Florham Park, New Jersey 07932

Attention: Board of Directors
Chief Executive Officer and Secretary

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered, sent or mailed.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any action in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(d) Complete Agreement. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(e) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(f) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(g) Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, “company” shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(h) Choice of Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of New Jersey, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New Jersey. Subject to Section 10(i) below, each party hereby expressly and irrevocably agrees that any case or controversy related to this Agreement must be conducted in state Circuit Court in Morris County, New Jersey, or the United States District Court for the State of New Jersey. Each party hereby irrevocably consents to personal jurisdiction in such court and to accept service of process in accordance with the provisions of the laws of the State of New Jersey. Executive hereby waives any and all right to trial by jury in any action or proceeding related to this Agreement.

(i) Dispute Resolution. Because disputes arising in connection with complex agreements are most quickly and economically resolved by an experienced and expert person, the parties agree that claims relating to an alleged breach of this Agreement (excluding claims arising under Sections 5, 6, and/or 7) shall be resolved by binding arbitration with a single arbitrator before the American Arbitration Association in New Jersey, pursuant to the then-applicable rules of the American Arbitration Association. If Executive is determined in such arbitration to be successful in asserting his rights, Executive shall be entitled to reimbursement of all legal fees reasonably incurred in asserting Executive's rights under the Agreement.

(j) Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company (as approved by the Board) and Executive, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement (including, without limitation, the Company's right to terminate the Employment Period for Cause) shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

(k) Insurance. The Company may, at its discretion, apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered advisable. Executive agrees to cooperate in any medical or other examination, supply any information and execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(l) Executive's Cooperation. During the Employment Period and thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial investigation or proceeding or any dispute with a third party as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CELLECTAR BIOSCIENCES, INC.

By: /s/ James V. Caruso

Its: President and Chief Executive Officer

EXECUTIVE

/s/ Brian Posner
Brian Posner

EXHIBIT 31.1

I, JAMES CARUSO, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cellectar Biosciences, Inc., a Delaware Corporation;

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

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

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

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

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

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

Date: November 13, 2018

/s/ *James Caruso*
James Caruso
President and Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

I, BRIAN M. POSNER, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cellectar Biosciences, Inc., a Delaware Corporation;

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

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

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

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

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

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

Date: November 13, 2018

/s/ Brian M. Posner
Brian M. Posner
Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cellectar Biosciences, Inc. (the "Company") for the quarter ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, James V. Caruso, President and Chief Executive Officer of the Company, and Brian M. Posner, Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that:

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

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

/s/ James V. Caruso
James V. Caruso
President and Chief Executive Officer (Principal Executive Officer)

Date: November 13, 2018

/s/ Brian M. Posner
Brian M. Posner
Chief Financial Officer (Principal Financial and Accounting Officer)

Date: November 13, 2018