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

Form 10-Q

(Mark One)
☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

OR

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

For the transition period from __________ to __________

COMMISSION FILE NUMBER 000-54697

THE CORETEC GROUP INC.
(Exact Name of small business issuer as specified in its charter)

Oklahoma (State or other jurisdiction of incorporation or organization)	73-1479206 (I.R.S. Employer Identification No.)

600 S. Wagner Rd., Ann Arbor, MI 48103
(Address of principal executive offices) (Zip Code)

(866) 916-0833
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
None	None	None

Indicate by check mark whether the registrant (1) has filed 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 (§232.405 of this chapter) 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 definition 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 ☒

As of October 31, 2022, the issuer had 267,556,422 outstanding shares of Common Stock.

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PART I

Item 1. Financial Statements.

THE CORETEC GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash	$ 2,776,077	$ 4,053,327
Prepaid expenses	129,720	133,491
Total current assets	2,905,797	4,186,818
Property and equipment, net	75,835	-
Other assets:		
Intangibles, net	927,632	989,604
Goodwill	166,000	166,000
Deposits-other	4,550	16,343
Total other assets	1,098,182	1,171,947
Total Assets	$ 4,079,814	$ 5,358,765
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	$ 91,498	$ -
Accounts payable and accrued expenses	303,068	307,096
Total current liabilities	394,566	307,096
Long term debt, net	1,398,560	1,187,518
Total Liabilities	1,793,126	1,494,614
Stockholders' equity:		
Preferred stock, Series A convertible, $0.0002 par value, 500,000 shares authorized; 345,000 shares issued and outstanding at September 30, 2022 and December 31, 2021	69	69
Common stock $0.0002 par value, 1,500,000,000 shares authorized; 257,256,422 and 254,055,581 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively.	51,449	50,809
Additional paid-in capital	17,435,148	17,295,262
Accumulated deficit	(15,199,978)	(13,481,989)
Total Stockholders' Equity	2,286,688	3,864,151
Total Liabilities and Stockholders' Equity	$ 4,079,814	$ 5,358,765

See notes to unaudited condensed consolidated financial statements

THE CORETEC GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Income:				
Revenue	$ -	$ -	$ -	$ -
Expenses:				
Research and development	80,167	192,255	400,524	428,251
General and administrative	301,004	2,480,697	1,172,463	5,340,325
Interest	52,831	44,077	148,273	175,015
Total expenses	434,002	2,717,029	1,721,260	5,943,591
Other income	2,324	45,124	3,271	45,124
Net loss	$ (431,678)	$ (2,671,905)	$ (1,717,989)	$ (5,898,467)
Loss per share:				
Basic and diluted	$ (0.002)	$ (0.011)	$ (0.007)	$ (0.024)
Weighted average shares outstanding, basic and diluted	256,912,934	251,965,750	255,923,378	240,775,933

See notes to unaudited condensed consolidated financial statements

THE CORETEC GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 and NINE MONTHS ENDED SEPTEMBER 30, 2021
(unaudited)

	Series A Preferred Stock		Common Stock		Additional		
	Shares	Par Value	Shares	Par Value	Paid-In Capital	Accumulated Deficit	Total
Balance December 31, 2021	345,000	$ 69	254,055,581	$ 50,809	$17,295,262	$ (13,481,989)	$ 3,864,151
Options issued for compensation and services	-	-	-	-	70,973	-	70,973
Common stock issued for liabilities	-	-	660,210	132	17,166	-	17,298
Exchange of stock options for common stock	-	-	900,000	180	(180)	-	-
Net loss for the period	-	-	-	-	-	(679,342)	(679,342)
Balance March 31, 2022	345,000	$ 69	255,615,791	$ 51,121	17,383,221	$ (14,161,331)	$ 3,273,080
Common stock issued for liabilities	-	-	867,782	174	20,393	-	20,567
Options issued for compensation and services	-	-	-	-	18,723	-	18,723
Net loss for the period	-	-	-	-	-	(606,969)	(606,969)
Balance June 30, 2022	345,000	$ 69	256,483,573	$ 51,295	17,422,337	$ (14,768,300)	$ 2,705,401
Common stock issued for liabilities	-	-	772,849	154	8,710	-	8,864
Warrants issued	-	-	-	-	4,101	-	4,101
Net loss for the period	-	-	-	-	-	(431,678)	(431,678)
Balance September 30, 2022	345,000	$ 69	257,256,422	$ 51,449	17,435,148	$ (15,199,978)	$ 2,286,688
Balance December 31, 2020	345,000	$ 69	213,751,145	$ 42,750	$ 8,033,313	$ (7,339,175)	$ 736,957
Cumulative change in accounting for beneficial conversion feature	-	-	-	-	(988,900)	126,125	(862,775)
Debt converted to common stock	-	-	1,519,757	304	49,696	-	50,000
Common stock issued for liabilities	-	-	1,716,447	343	69,921	-	70,264
Exchange of stock options for common stock	-	-	1,200,000	240	(240)	-	-
Private placement stock issuance	-	-	23,500,000	4,700	4,908,500	-	4,913,200
Warrants issued	-	-	-	-	62,785	-	62,785
Options issued for compensation and services	-	-	-	-	18,723	-	18,723
Net loss for the period	-	-	-	-	-	(438,422)	(438,422)
Balance March 31, 2021	345,000	$ 69	241,687,349	$ 48,337	12,153,798	$ (7,651,472)	$ 4,550,732
Debt converted to common stock	-	-	5,471,125	1,094	178,906	-	180,000
Common stock issued for liabilities	-	-	3,327,280	665	322,645	-	323,310
Exchange of stock options for common stock	-	-	900,000	180	(180)	-	-
Options issued for compensation and services	-	-	-	-	2,340,723	-	2,340,723
Net loss for the period	-	-	-	-	-	(2,788,140)	(2,788,140)
Balance June 30, 2021	345,000	$ 69	251,385,754	$ 50,276	14,995,892	$ (10,439,612)	$ 4,606,625
Exchange of stock options for common stock	-	-	900,000	180	(180)	-	-
Options issued for compensation and services	-	-	-	-	2,221,223	-	2,221,223
Net loss for the period	-	-	-	-	-	(2,671,905)	(2,671,905)
Balance September 30, 2021	345,000	$ 69	252,285,754	$ 50,456	17,216,935	$ (13,111,517)	$ 4,155,943

See notes to unaudited condensed consolidated financial statements

THE CORETEC GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30,	
	2022	**2021**
Cash Flows from Operating Activities		
Net loss	$ (1,717,989)	$ (5,898,467)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,430	-
Amortization - patents and other intangibles	61,972	60,772
Amortization - debt discount	45,394	73,720
Options issued for compensation and services	89,696	4,580,669
Change in:		
Prepaid expenses	105,215	52,363
Deposits	11,793	11,750
Accounts payable and accrued liabilities	42,701	308,779
Net cash used in operating activities	(1,356,788)	(810,414)
Cash Flows from Investing Activities		
Capitalized website costs	-	(12,007)
Purchases of equipment	(80,265)	-
Net cash used in investing activities	(80,265)	(12,007)
Cash Flows from Financing Activities		
Payments on notes payable	(9,946)	(90,505)
Proceeds from debt and warrants issued	169,749	334,651
Proceeds from private placement stock issued	-	4,913,200
Net cash provided by financing activities	159,803	5,157,346
Net change in cash	(1,277,250)	4,334,925
Cash, beginning of period	4,053,327	22,219
Cash, end of period	$ 2,776,077	$ 4,357,144
Supplemental Disclosure of Cash flow Information		
Cash paid during the period for interest	$ 106,783	$ 92,434
Non-Cash Financing Activities		
Notes payable converted to common stock	$ -	$ 230,000
Stock options exchanged for common stock	$ 180	$ 600
Common stock issued to satisfy liabilities	$ 46,729	$ 393,574

See notes to unaudited condensed consolidated financial statements

Note 1 – Business Organization, Nature of Business and Basis of Presentation

Nature of Business

The Coretec Group Inc. (the "Group") (formerly 3DIcon Corporation) ("3DIcon") was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. The articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. From January 1, 2001, 3DIcon's primary activity has been the raising of capital in order to pursue its goal of becoming a significant participant in the development, commercialization and marketing of next generation 3D display technologies.

Coretec Industries, LLC ("Coretec"), a wholly owned subsidiary of the Group (collectively the "Company"), was organized on June 2, 2015 in the state of North Dakota. Coretec is currently developing, testing, and providing new and/or improved technologies, products, and service solutions for energy-related industries including, but not limited to oil/gas, renewable energy, and distributed energy industries. Many of these technologies and products also have application for medical, electronic, photonic, display, and lighting markets among others. Early adoption of these technologies and products is anticipated in markets for energy storage (Li-ion batteries), renewable energy (BIPV), and electronics (Asset Monitoring).

Basis of Presentation

The accompanying condensed consolidated financial statements of the Company have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's year-end audited consolidated financial statements and related footnotes included in the previously filed Form 10-K, and in the opinion of management, reflects all adjustments necessary to present fairly the consolidated financial position of the Company. The consolidated results of operations for interim periods may not be indicative of the results which may be realized for the full year.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Group and its wholly owned subsidiary, Coretec. Intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is recorded over the estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized.

Intangibles

Intangible assets consist of patents and capitalized website costs. Intangible assets are recorded at cost (or fair value as of the date of acquisition in business combinations), and intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives.

Goodwill

The Company evaluates the carrying value of goodwill on an annual basis and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of goodwill below its carrying amount. When assessing whether goodwill is impaired, management considers first a qualitative approach to evaluate whether it is more likely than not the fair value of the goodwill is below its carrying amount; if so, management considers a quantitative approach by analyzing changes in performance and market-based metrics as compared to those used at the time of the initial acquisition. For the periods presented, no impairment charges were recognized.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument held by the Company:

Current assets and current liabilities – The carrying value approximates fair value due to the short maturity of these items.

Notes payable – The fair value of the Company's notes payable has been estimated by the Company based upon the liability's characteristics, including interest rates, embedded instruments and conversion discounts. The carrying value approximates fair value.

Basic and Diluted Loss Per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if securities or other instruments to issue common stock were exercised or converted into common stock. The following securities are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	September 30,	
	2022	**2021**
Options	53,158,160	53,711,609
Warrants	142,814,000	142,604,000
Series A convertible preferred stock	115,000	115,000
Convertible debt	45,155,537	40,914,134
Total potentially dilutive shares	**241,242,697**	**237,344,743**

Research and Development

Research and development costs are expensed as incurred.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the condensed consolidated financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements, except as disclosed in Note 6.

Income Taxes

The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. In estimating future tax consequences, the Company generally considers all expected future events other than enactments of changes in tax laws or rates. The effect on deferred tax assets and liabilities of a change in tax rates will be recognized as income or expense in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company's tax benefits are fully offset by a valuation allowance due to the uncertainty that the deferred tax assets would be realized. Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying consolidated financial statements.

Recent Accounting Pronouncements

The following is a summary of recent accounting pronouncement recently adopted by the Company:

In May 2021, the FASB issued ASU 2021-04, *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* which clarifies the accounting for a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after a modification or exchange and the related EPS effects of such transaction if recognized as an adjustment to equity. The Company adopted ASU 2021-04 on January 1, 2022. The Company will consider this guidance for modifications or exchanges of freestanding equity-classified written call options.

Note 3 – Intangibles

The following table sets forth patents:

Patents		**September 30, 2022**		**December 31, 2021**
Gross Carrying Amount	$	1,400,000	$	1,400,000
Accumulated Amortization		(481,375)		(421,203)
	$	918,625	**$**	978,797

The patents were obtained with the September 30, 2016 reverse acquisition of the 3DIcon Corporation. Amortization expense for the next five fiscal years and thereafter is expected to be approximately $80,000 annually through the year ended December 31, 2034.

Intangible assets include $12,007 of capitalized website costs during 2021. Accumulated amortization was $3,000 and $1,200 as of September 30, 2022 and December 31, 2021, respectively. Amortization expense for the next four fiscal years is expected to be approximately $2,400, annually.

Note 4 –Notes Payable

The following table sets forth the notes payable:

	September 30, 2022	December 31, 2021
Notes payable:		
5.26% Insurance premium finance agreement due June 2023	$ 91,498	$ -
Notes payable - current	**$** 91,498	**$** -
Long term debt:		
10% Promissory note due January 2024	**$** 1,485,617	**$** 1,310,617
Less:		
Warrants issued	(63,684)	(93,929)
Debt issue costs	(23,373)	(29,171)
Total long term debt	**$** 1,398,560	**$** 1,187,518

5.26% Insurance premium finance agreement, due by June 2023

The Company entered into an insurance financing agreement in August 2022 totaling $101,444. The monthly payments under the agreement are due in ten installments of $10,391. The Company has made payments on the note of $10,391 as of September 30, 2022.

10% Promissory note due January 2024, *net*

On October 4, 2019, the Company entered into a Credit Agreement and related Promissory Note with Diversified Alpha Fund of Navigator Global Fund Manager Platform SPC ("DAF"), the Lender. DAF is a segregated portfolio fund of Navigator Global Fund Manager Platform SPC. DAF is managed and controlled by Mollitium Investment Management (Mollitium). Mollitium utilizes Diversified Global Investment Advisors Ltd. ("DGIA") to act in an advisory role. DGIA maintains an Investment Committee to support the services to Mollitium. Simon Calton serves as part of this five-member investment committee and in accordance with the investment committee's guidelines, Mr. Calton does not participate in matters or voting that pertain to the Company due to his conflict of interest. Investment advice provided by DGIA to Mollitium are recommendations only and the final decision on actions are the responsibility of Mollitium. Carlton James Global Management, Ltd (CJGM) serves as a distributer of investments by introducing funds available to the market of which DAF is included in CJGM's group of funds. Compensation to CJGM occurs when investments are made into funds that they introduce. CJGM is part of the Carlton James Group of which Mr. Calton is CEO.

The 10% Promissory Note, in a principal amount of $2,500,000, is due on the 15th day of the 4th anniversary of each advance with the first capital payment due on March 15, 2024. The Promissory Note has attached warrants to subscribe for and purchase 3,000,000 shares of common stock at an exercise price of $0.052 per share. Under the terms of the Credit Agreement, DAF will fund the Promissory Note in sixteen (16) tranches in amounts of $125,000 and $175,000 per month beginning in October 2019. The funding of the Promissory Note is at the discretion of DAF and may differ from the planned schedule. As of September 30, 2022, DAF has advanced $2,345,000 with no definitive date or commitment to advance the remaining $155,000. Interest is accrued monthly and paid in advance for the first 12 months and thereafter interest only payments shall be paid quarterly.

On November 16, 2021, the Company countersigned a letter of variation (the "Variation") to the credit agreement entered into, on October 4, 2019, with DAF. Pursuant to the Variation, the Lender agreed to extend the repayment days for each advance made by Lender under the credit agreement until the fourth anniversary of such advance. DAF also communicated to the Company that interest only payments would be due on a quarterly basis, effective January of 2022.

Under the terms of the Promissory Note, DAF has the right to elect to convert all or part of the Promissory Notes at a price equal to seventy percent (70%) of the average closing price of the Company's common stock as reported on the over-the-counter quotation system on the OTC Markets during the fifteen (15) calendar days prior to the loan closing date of October 4, 2019, which calculates to $0.0329 per share.

Under the terms of the Credit Agreement, warrants to subscribe for and purchase 3,000,000 shares of common stock at an exercise price of $0.052 per share were issued to DAF. The estimated value of the warrants granted monthly, with each advance, is calculated using the Black-Scholes option pricing model. The resulting estimated value of the warrant is used to proportionally allocate the fair value of the debt advance and the fair value of the warrants. As of September 30, 2022, 2,814,000 warrants have been granted under the terms of the DAF Credit Agreement. There were 210,000 warrants issued under the Credit Agreement during the nine months ended September 30, 2022. The allocated cost of the warrants amounted to $4,101 and $62,784 during the nine months ended September 30, 2022 and the year ended December 31, 2021. The allocated cost of the warrants is amortized over the life of the debt, with $34,346 and $35,358 amortized during the nine months ended September 30, 2022 and 2021, respectively.

Additionally, under the terms of the Credit Agreement, the Company agreed to pay a commitment fee of 3% of each advance and reimburse DAF for certain expenses in connection with the preparation, interpretation, performance and enforcement of the Credit Agreement. Those costs amounted to $5,250 and $10,350 for nine months ended September 30, 2022 and the year ended December 31, 2021. Those costs are being amortized over the life of the debt. The Company amortized $11,048 and $11,978 during the nine months ended September 30, 2022 and 2021, respectively.

Note 5 – Commitments and Contingencies

Warrants

Warrants to subscribe for and purchase up to 3,000,000 shares of common stock at an exercise price of $0.052 per share were included under the terms of the DAF Credit Agreement. The warrants will be issued in amounts of 150,000 and 210,000 per month during the funding period. In the event that funding advances deviate from the planned schedule then warrants will be issued pro-rata at 1.2 warrants for every $1 of funding. Warrants granted under the terms of the DAF Credit Agreement as of September 30, 2022 total 2,814,000. The estimated value of the warrants granted monthly, with each advance, is calculated using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the warrant is based on historical exercise behavior and expected future experience. The resulting estimated value of the warrant is used to proportionally allocate the fair value of the debt advance and the fair value of the warrants.

On March 2, 2021, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with a single institutional investor in a private placement to sell (i) 23,500,000 shares of its common stock, (ii) pre-funded warrants to purchase up to an aggregate of 51,500,000 shares of its common stock, and (iii) warrants to purchase up to an aggregate of 82,500,000 shares of its common stock for gross proceeds of approximately $6,000,000. The combined purchase price for one share of common stock and associated Warrant is $0.08 and for one Pre-Funded Warrant and associated Warrant is $0.0799. The sale of the securities under the Purchase Agreement closed on March 5, 2021. The pre-funded warrants have an exercise price of $0.0001 per share, subject to adjustment as set forth in the pre-funded warrants for stock splits, stock dividends, recapitalizations and similar events. The pre-funded warrants will be exercisable immediately and may be exercised at any time until all of the pre-funded warrants are exercised in full. In addition, the Company agreed to issue to the placement agent (or its designees) warrants to purchase a number of shares equal to 8.0% of the aggregate number of shares and pre-funded warrant shares sold under the Purchase Agreement, or warrants to purchase an aggregate of up to 6,000,000 shares. The placement agent warrants generally will have the same terms as the warrants, except they will have an exercise price of $0.10.

Warrants Summary

The following table summarizes the Company’s warrants as of September 30, 2022:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, December 31, 2021	142,604,000	$ 0.0515		
Granted	210,000	0.0520		
Outstanding, September 30, 2022	142,814,000	$ 0.0515	3.89	$ 1,333,850

Options

Stock options for employees, directors or consultants are valued at the date of award, which does not precede the approval date, and compensation cost is recognized in the period the options are vested. Stock options generally become exercisable on the date of grant and expire based on the terms of each grant.

The estimated fair value of options for common stock granted is determined using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience

On June 8, 2020, the Board of Directors consented to a share exchange agreement with holders of 21,500,000 options awarded on August 7, 2019. The agreement allows for holders to exchange their options for rule 144 common stock at an exchange rate of 0.6 shares per 1 option. The modification of these options did not result in any additional compensation because there was no change in the fair value. During the nine months ended September 30, 2022, 1,500,000 options were exchanged for 900,000 shares that were issued under the executed exchange agreement.

On March 23, 2022 the Company granted 950,000 options at an average grant date fair value of $0.055 determined using the Black-Scholes option pricing model. The options were granted to an employee and independent contractor for the Company.

The following table summarizes the Company's option activity during the nine-month period ended September 30, 2022:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, December 31, 2021	53,711,609	$ 0.093		
Options granted	950,000	0.055		
Options expired	(3,449)	70.260		
Exchanged for common stock	(1,500,000)	0.041		
Outstanding, September 30, 2022	**53,158,160**	**$ 0.089**	**3.48**	**$ -**
Exercisable, September 30, 2022	**53,158,160**	**$ 0.089**	**3.48**	**$ -**

The following table summarizes the Company's options as of September 30, 2022:

Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 0.041	12,500,000	1.85	12,500,000
$ 0.055	950,000	4.48	950,000
$ 0.065	1,000,000	2.75	1,000,000
$ 0.105	38,500,000	4.00	38,500,000
$ 0.240	208,160	4.47	208,160
Total	**53,158,160**	**3.48**	**53,158,160**

Litigation, Claims, and Assessments

The Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. In the opinion of management, such matters are currently not expected to have a material impact on the Company's condensed consolidated financial statements. The Company records legal costs associated with loss contingencies as incurred and accrues for all probable and estimable settlements.

Leases

The Company is headquartered in Ann Arbor, Michigan where it is leasing office space and a wet laboratory in the same facility, under gross lease terms. On December 14, 2021, the Company entered into an annual lease for a wet laboratory. The annual rent obligation is $12,600 payable in equal monthly installments. The Company began using the wet laboratory space in March of 2022. On May 1, 2022 the Company entered into an annual lease for dedicated office space. The annual office rent obligation is $42,000 payable in equal monthly installments.

Rent expense for the operating leases was $29,952 and $11,340 for the nine months ended September 30, 2022 and 2021, respectively.

Note 6 – Subsequent Events

On October 14, 2022, the Company granted options to purchase a total of 24,000,000 shares of the Company's common stock at an exercise price of $0.0277 per share. The options are exercisable for a period of five years from the date of issuance. Of the 24,000,000 total options granted, (i) options to purchase 3,000,000 shares of common stock were granted to Victor Keen, the Company's co-chairman; (ii) options to purchase 3,000,000 shares of common stock were issued to Simon Calton, the Company's co-chairman; (iii) options to purchase 7,000,000 shares of common stock were issued to Matthew Kappers, the Company's Chief Executive Officer and Director; (iv) options to purchase 5,000,000 shares of common stock were issued to Matthew Hoffman, the Company's Chief Financial Officer; and (vi) options to purchase an aggregate of 6,000,000 shares of common stock were issued to various employees and consultants of the Company. Specific individuals and positions held are relative to the time of the grant awards.

On October 18, 2022 the Company announced the appointment of Matthew Hoffman to Chief Operating Officer and full-time employee of the Company. Mr. Hoffman will retain his role as Chief Financial Officer and Corporate Secretary. In connection with Mr. Hoffman's appointment as Chief Operating Officer, the Company entered into an employment agreement with Mr. Hoffman, pursuant to which he will receive an annual base salary of $200,000. The Company also accepted the resignation of Michael Kraft as President. Mr. Kraft will remain associated with the Company in the role of Senior Advisor.

On October 21, 2022 an investor provided notice of cash exercise for pre-funded warrants with a price per share of $0.0001. The warrant exercise results in an issuance of 10,300,000 common shares for cash consideration of $1,030.

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

Forward-Looking Statements

The information in this report contains forward-looking statements. All statements, other than statements of historical fact made in this report, are forward-looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as “believes,” “estimates,” “could,” “possibly,” “probably,” “anticipates,” “projects,” “expects,” “may,” “will,” or “should” or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Our actual results may differ significantly from management’s expectations.

This Quarterly Report on Form 10-Q includes the accounts of The Coretec Group Inc., an Oklahoma corporation, together with its wholly-owned subsidiary, Coretec Industries LLC, a North Dakota limited liability corporation formed in North Dakota (individually referred to as “Coretec”). References in this Report to “the Company,” “we,” “our,” “us,” or the “Group” refer to The Coretec Group Inc. and its consolidated subsidiary unless context dictates otherwise. The following discussion and analysis should be read in conjunction with our consolidated financial statements, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

Plan of Operation

Background:

On June 22, 2017, the Group filed an Amended Certificate of Incorporation (the “Amendment”) with the Secretary of State of the State of Oklahoma, to (i) change its name from “3DIcon Corporation” to “The Coretec Group Inc.” and to (ii) effect a 1-for-300 reverse stock split. The Name Change and Reverse Split became effective with the State of Oklahoma on June 28, 2017 and with FINRA on June 29, 2017.

The Group was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. The articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. On July 15, 2005, the Group entered into a Sponsored Research Agreement (“SRA”) with the University of Oklahoma (the “University” or “OU”), which expired on January 14, 2007, under which they conducted a research project entitled "Investigation of 3-Dimensional Display Technologies”. On February 23, 2007, they entered into an SRA with the University, which expired on March 31, 2010, under which they conducted a research project entitled "3-Dimensional Display Development". The development to date has resulted in multiple new technologies, two working laboratory prototypes (Lab Proto 1 and Lab Proto 2), and eight provisional patents; five of the eight provisional patents have been combined and converted to five utility patents. Under the SRA, the Group has obtained the exclusive worldwide marketing rights to these 3D display technologies.

The Company has since launched a new battery development program, called Endurion, which utilizes a surface-functionalized silicon-based anode. Endurion aims to disrupt the battery industry by developing a fast-charging, improved cycling and increased energy density lithium-ion battery. These battery innovations are made possible by the opening of the Company’s fully operational wet laboratory on February 24, 2022.

Cyclohexasilane Business

The Company’s business model is to identify and commercialize disruptive technologies in silicon serving advanced technology markets. Sources of disruptive technology are licensed technology created by major universities, institutes, national laboratories and other research centers. Where technology does not already exist, the Company intends to sponsor and jointly develop research with its customers.

Coretec is developing, testing, and providing new and/or improved technologies and resulting product solutions for energy-related industries including, but not limited to energy storage, renewable energy, energy conservation, and distributed energy industries. Many of these technologies and resulting product solutions can also be applied to the broader markets of anti-counterfeit packaging, medical devices, electronics, photonics, and displays. The initial technologies and product solutions are based on new innovations in:

- Cyclohexasilane (Si6H12)
- Silicon quantum dots (Si QDs)
- “Stacked” polysilane ((R2Si)n)
- Doped alloy variants of the various silicon innovations
- Future, high-refractive-index siloxane polymers (HRISP)

Early adoption of these technologies and resulting product solutions is anticipated in markets for energy storage (lithium-ion batteries), solid-state lighting (LEDs), solar energy, and printable electronics.

Cyclohexasilane, in particular, stands at the center of the Company’s technology. With the highest number of silicon atoms per molecule of any currently available silicon precursor, it has the best potential for higher process yields.

Battery Development Business

The Company is developing a lithium-ion battery with a silicon-based anode under the name Endurion. The battery industry acknowledges silicon as the next frontier in increasing battery life and utility. To date, battery developers have experienced expansion and contraction problems with silicon anodes including continual formation and degradation of solid-electrolyte-interphase (SEI) material as lithium-ions are absorbed and discharged. During this process, silicon particles can break down, immediately reducing the charging capacity of the anodes. Additionally, the continual formation of SEI material consumes lithium-ions that are then unavailable for charging and can cause negative effects on cycle life. The Company’s battery development program, Endurion, addresses this problem by using silicon-based nanoparticles to mitigate the swelling and pulverization issues that are common in early iterations of silicon anodes. Additionally, Endurion nanoparticles are being engineered to create silicon-based nanoparticles with an inherent SEI layer that will allow better conduction of lithium-ions across the SEI layer, thus leading to better cycle life.

Using a bottom-up wet chemistry approach, Endurion is being designed to increase energy density in batteries and allow for greater endurance, enhanced performance, and larger capacity in burgeoning applications such as electric vehicles, military technologies, mobile devices, and space exploration.

Coretec’s management leverages years of expertise and experience in equipment and services for the energy storage industry, procuring and managing investments and financial services, and in R&D and commercialization of material and chemical technologies.

Volumetric 3D Display Business

The Company owns the rights to a patented volumetric 3D display technology that was developed by and with the University of Oklahoma (the “University”) under a Sponsored Research Agreement (“SRA”). The development to date has resulted in multiple technologies, two working laboratory prototypes (Lab Proto 1 and Lab Proto 2), and eight provisional patents. Five of the eight provisional patents have been combined and converted to five utility patents. Under the SRA, the Company has obtained the exclusive worldwide marketing rights to these 3D display technologies.

On May 26, 2009, the United States Patent and Trademark Office ("USPTO") approved the patent called "Volumetric Liquid Crystal Display" for rendering a three-dimensional image and converted it to U.S. patent No. 7,537,345. On December 28, 2010, USPTO approved the patent called “Light Surface Display for Rendering a Three-Dimensional Image,” and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called “3D Volumetric Display” and issued the US Patent No. 8,247,755. These patents describe the foundation of what is called CSpace® technology (“CSpace”).

On January 11, 2022, the Company entered into a partnership with The University of Adelaide, one of the global top universities in the field of applied glass science and photonics, to develop a glass to be used as part CSpace’s 3D static, volumetric display.

The Company plans to commercialize the CSpace volumetric 3D technology through customer-funded research-and-development contracts and technology licensing agreements for such high-value applications as air-traffic control, design visualization, and medical imaging. The Company plans to develop products for contract engineering and with joint development customers. At this time the Company does not have any commercialized products and does not plan to develop its own products based on the CSpace technology due to the high–value, low-volume nature of the best-fit initial applications for this technology. These applications include but are not limited to the following:

- Healthcare (diagnostics, surgical planning, training, telemedicine, bio surveillance)
- Cybersecurity data visualization
- Military (operational planning, training, modeling and simulation, battlespace awareness, damage assessment, autonomous piloting)
- Physical security (passenger, luggage & cargo screening)
- Mining, oil & gas exploration
- Meteorological and oceanographic data visualization

Near-Term Revenue Opportunities

Opportunities for near-term revenue continue to be explored in battery and microelectronic markets. Interest in the use of silicon in Li-ion batteries continues to increase driven by the growing demand for electrical vehicles, the exploitation of mobile electronics, and energy storage systems for backup power and improved efficiency of home and commercial wind and solar systems. Discussions are ongoing with suppliers of Li-ion battery anode materials that are seeking next generation materials to further increase performance while improving lifetime, charging time, safety and reliability. We believe these suppliers will be well positioned to take advantage of the benefits provided by cyclohexasilane (CHS) when combined as a liquid with other solid-based materials. While we believe the use of CHS in Li-ion batteries will provide near term revenue, we also continue to explore revenue opportunities in microelectronics and especially those early adopter markets where advanced microelectronics are being developed in lower volumes and with less price sensitivity.

Recent Developments

On January 11, 2022, the Company announced that it had partnered with The University of Adelaide, one of the global top universities in the field of applied glass science and photonics, to develop a glass to be used in the Company's CSpace, a 3D static volumetric display technology. This project will be jointly funded by The University of Adelaide.

On January 25, 2022, the Company named Katie Merx its Vice President of Communications. Merx will have overall responsibility for the Company's global communications, including brand messaging, corporate and financial communications, executive support, and media relations.

On February 24, 2022, the Company announced the hiring of a full-time research scientist and opening of a new wet laboratory. The Company plans to use the lab to develop CHS, create silicon quantum dots, and create silicon-anode active materials for lithium-ion batteries. The lab design includes a fume hood and glove box, which is necessary to handle pyrophoric materials such as silane gases and certain hydrides.

On February 28, 2022, the Company filed a full utility patent on its provisional patent for the development of advanced silicon anodes using CHS and other silanes. This patent application covers the use of CHS to produce a wide variety of silicon anodes for use in lithium-ion batteries.

On March 16, 2022 the Company presented at a two-day U.S. conference on accelerating the development of a domestic battery supply chain. Representing the Company was Dr. Michelle Tokarz, Vice President of Partnerships and Innovation. Tokarz spoke about The Company's development of a lithium-ion battery with a silicon anode. The Company is using the unique characteristics of cyclohexasilane and similar molecules to enhance the performance of silicon anodes. The Company's approach is new to the industry and protected by the company's recent application for a full utility patent.

On April 29, 2022 the Company held its Q1 2022 shareholder call and announced its battery development program, Endurion. Endurion is being designed to improve battery cycling stability, enable longer run times, and allow for greater energy density in applications such as electric vehicles, military technologies, mobile devices, and space exploration.

On June 3, 2022 the Company filed a trademark application with the U.S. Patent and Trademark Office for Endurion.

On June 7, 2022 the Company announced its participation and planned attendance in electric vehicles and battery conferences and tradeshows. The Company plans to leverage the EV and battery industries' top technical, business, and networking events to strengthen and expand its relationships, meet potential partners and clients, and grow awareness of the Company's Endurion battery development program.

On June 28, 2022 the Company announced the appointment of cleantech public relations firm FischTank PR to bolster visibility in cleantech, automotive and electric vehicle sectors. FischTank PR will cover the responsibilities of Katie Merx, Vice President of Communications who left the Company in June of 2022.

On August 17, 2022 the Company held a shareholder call to discuss the Company's achievements in 2022, while also providing insights into the growth and development goals the Company aims to achieve. In the first half of this year, Coretec devoted significant time and resources toward the development of its Endurion battery program, which applies the Company's expertise in silicon nanoparticles to manufacture silicon anodes for faster-charging, improved cycling, and increased energy density lithium-ion batteries. The Company also discussed the opening of its own, fully operational wet laboratory, the hiring of Research Scientist, Dr. Nathanael Downes, Ph.D. and filing a full utility patent on the company's provisional patent for the development of advanced silicon anodes using CHS and other silanes.

On September 7, 2022 the Company provided an update on its CSpace technology partnership with The University of Adelaide. For background, the Company's CSpace technology controls two invisible infrared lasers to generate visible, 3D image pixels in an imaging chamber. The imaging chamber relies on rare earth ions that are dispersed within the chamber material to create visible pixels at the locations where the two lasers intersect. 3D images are created by scanning the two lasers across the imaging chamber material. The Company has previously examined the use of low-phonon energy $NaYF_4$ single crystal, and ZBLAN fluoride glass as the imaging chamber material.

The challenge in creating high-quality imaging is both materials are difficult to produce at a sufficient quality and size, certainly not enough to be considered commercially useful. Currently, the University is examining four types of alternative low-phonon energy glasses that hold potential for large-scale manufacturing with high optical quality.

As a first proof-of-concept step, they have fabricated four small-scale (1-inch) glasses, doped with the same amount of the rare earth ion $Er3+$ which can generate green image pixels using a dual-infrared laser system. According to preliminary results, a specific type of heavy metal oxide glass is brighter than the reference ZBLAN fluoride glass under the pulsed dual-infrared laser system at Adelaide, while the other types of glasses are considerably dimmer.

On September 27, 2022 the Company reported initial findings from its cyclohexasilane (CHS) testing with the French Alternative Energies and Atomic Energy Commission. Earlier this year, the Company began working with Pascale Chenevier, Senior Scientist in nanosciences for energy at The CEA in France, to test the potential growth of silicon nanowires, a key material in the development of lithium-ion batteries.

The goal of the tests was to determine the ability to grow silicon nanowires from the Company's proprietary CHS technology. During initial testing, The CEA found promising results. The organization has previously used several silane-based materials in their research and revealed that CHS demonstrated the lowest deposition temperatures they have observed to date and showed the highest yields of silicon nanomaterials. Additionally, the testing found a unique hybrid of composite materials, consisting of both nanowires as well as nanoflakes, when using CHS as a silicon source.

On October 14, 2022, the Company granted options to purchase a total of 24,000,000 shares of the Company's common stock at an exercise price of $0.0277 per share. The options are exercisable for a period of five years from the date of issuance. Of the 24,000,000 total options granted, (i) options to purchase 3,000,000 shares of common stock were granted to Victor Keen, the Company's co-chairman; (ii) options to purchase 3,000,000 shares of common stock were issued to Simon Calton, the Company's co-chairman; (iii) options to purchase 7,000,000 shares of common stock were issued to Matthew Kappers, the Company's Chief Executive Officer and Director; (iv) options to purchase 5,000,000 shares of common stock were issued to Matthew Hoffman, the Company's Chief Financial Officer; and (vi) options to purchase an aggregate of 6,000,000 shares of common stock were issued to various employees and consultants of the Company.

On October 17, 2022, Michael Kraft resigned as President of the Company with immediate effect. Following Mr. Kraft's resignation, he will serve as Senior Advisor to the Company.

On October 18, 2022, the Company announced the appointment of Matthew Hoffman, Chief Financial Officer of the Company, as Chief Operating Officer of the Company. In connection with Mr. Hoffman's appointment as COO, the Company entered into an employment agreement ("Employment Agreement") with Mr. Hoffman. Pursuant to the Employment Agreement, Mr. Hoffman will receive an annual base salary of $200,000. Mr. Hoffman will also be eligible for an annual incentive bonus, with a target payout of twenty percent (20%) of his then-current base salary, beginning with the Company's 2023 fiscal year, upon meeting objectives set by the board of directors.

Results of Operations

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2021.

Revenue

We did not have revenue for the three-month periods ended September 30, 2022 and 2021.

Research and Development Expenses

The research and development expenses were approximately $80,000 and $192,000 for the three months ended September 30, 2022 and September 30, 2021, respectively. The approximate $112,000 decrease is related to a decrease of $105,000 of stock option expense and approximate$37,000 decrease for research materials which was offset by increases of approximately $23,000 for labor costs and $7,000 for wet laboratory operations.

General and Administrative Expenses

Our general and administrative expenses were approximately $301,000 for the three months ended September 30, 2022, as compared to $2,481,000 for the three months ended September 30, 2021. The approximate $2,180,000 expense reduction includes a decrease in stock option expense of approximately $2,116,000, a decrease in general administrative consulting expenses of approximately $54,000, and a decrease in sales and marketing consulting expenses of approximately $44,000. These reductions were offset by approximate increases of $16,000 for discretionary marketing expenses, $10,000 for payroll and labor expenses, and an aggregate increase of approximately $8,000 for other costs.

Interest Expense

Interest expense for the three months ended September 30, 2022 was approximately $53,000 as compared to $44,000 for the three months ended September 30, 2021. The approximate $9,000 net increase was the result of an increase in interest charges and amortization costs pursuant to the DAF promissory note terms and conditions.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2021.

Revenue

We did not have revenue for the nine-month periods ended September 30, 2022 and 2021.

Research and Development Expenses

The research and development expenses were approximately $400,000 and $428,000 for the nine months ended September 30, 2022 and September 30, 2021, respectively. The approximate $28,000 expense reduction includes a decrease stock option expense of approximately of $223,000, and a decrease in consulting expense of approximately $11,000. These decreases were offset by an increase in sponsored research and material expenses of approximately $93,000, an increase of labor related expenses of approximately $69,000, an increase of wet laboratory operations of approximately $34,000, and an aggregate increase of approximately $10,000 for other costs.

General and Administrative Expenses

Our general and administrative expenses were approximately $1,172,000 for the nine months ended September 30, 2022, as compared to $5,340,000 for the nine months ended September 30, 2021. The approximate $4,168,000 expense decrease includes decrease in stock option expense of approximately $4,268,000, a decrease in sales and marketing consulting expense of approximately $35,000, a decrease in general consulting expense of approximately $54,000, and a decrease in discretionary marketing expenses of $19,000. These cost reductions were offset by increases of approximately $141,000 for professional fees, an increase in outside service expense of approximately $25,000, an increase in rent expense of approximately $17,000, an increase in labor related expenses of approximately $15,000, and an aggregate increase of approximately $4,000 for other costs.

Interest Expense

Interest expense for the nine months ended September 30, 2022 was approximately $148,000 as compared to approximately $175,000 for the nine months ended September 30, 2021. The approximate $27,000 net decrease was the result of a reduction in interest charges and amortization costs pursuant to the DAF promissory note terms and conditions.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. As a result of the securities purchase agreement and capital raise of $6,000,000 in March of 2021, management believes that the Company has sufficient capital commitments to fund the development of its planned products and to pay operating expenses for a period of more than one year following the issuance of these consolidated financial statements. In addition, the Company will continue to leverage stock-for-services whenever possible.

The operating budget consists of the following expenses:

- General and administrative expenses: salaries, insurance, investor related expenses, rent, travel, website, etc.
- Hiring and retaining executive officers for technology, operations and finance.
- Professional fees for accounting, audit, and mergers and acquisitions; legal services for securities and financing; patent research and protection.
- Continued development of Endurion, CHS, and similar silicon technologies.

We had net cash of $2,776,077 at September 30, 2022.

We had positive working capital of $2,511,231 at September 30, 2022.

During the nine months ended September 30, 2022, we used $1,356,788 of cash for operating activities, a net increase of $546,374 or 67% compared to the nine months ended September 30, 2021. The net increase in the use of cash for operating activities was a result of a decrease in the net loss of $4,180,478, a decrease in amortization and depreciation of $22,696, a decrease in expense of options of $4,490,973, an increase in the change in prepaid expenses of $52,852, an increase in the change in deposits of $43, and a decrease in the change in accounts payable and accrued liabilities of $266,078.

During the nine months ended September 30, 2022, we used $80,265 of cash for investing activities, a net increase of $68,258 or 568% compared to the nine months ended September 30, 2021. The net increase in the use of cash for investing activities was a result of $80,265 used for equipment during the nine months ended September 30, 2022 compared to $0 for the nine months ended September 30, 2021. The cash used for equipment was offset by $0 used for capitalized website costs compared to $12,007 for the nine months ended September 30, 2021.

During the nine months ended September 30, 2022, there was $159,803 of net cash provided by financing activities, a decrease of $4,997,543 compared to the nine months ended September 30, 2021. The decrease was a result of $4,913,200 in net proceeds of private placement stock issued and $164,902 in net proceeds of debt and warrants issued, offset by a reduction of $80,559 for payments on notes payable compared to the nine months ended September 30, 2021.

We expect to fund the ongoing operations through the existing cash on hand and financing in place.

Our ability to fund the operations of the Company is highly dependent on the underlying stock price of the Company.

Significant Accounting Policies

There has been no change in the significant accounting policies summarized in our Form 10-K for the year ended December 31, 2021, which was filed on March 21, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is a smaller reporting company, as defined by Rule 229.10(f)(1) and is not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2022. The term "disclosure controls and procedures," as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2022, our disclosure controls and procedures were not effective at a reasonable assurance level as we do not have sufficient resources in our accounting function, which restricts the Company's ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, management will engage financial consultants and perform additional analysis and other procedures to help address this material weakness. Until remediation actions are fully implemented, and the operational effectiveness of related internal controls are validated through testing, the material weaknesses described above will continue to exist.

Notwithstanding the assessment that our disclosure controls and procedures were not effective and that there is a material weakness as identified herein, we believe that our consolidated financial statements contained in this Quarterly Report fairly present our consolidated financial position, results of operations and cash flows for the periods covered thereby in all material respects.

Changes in Disclosure Controls and Procedures. There has been no change in our disclosure controls and procedures identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2022, that has materially affected, or is reasonably likely to materially affect, our disclosure controls and procedures.

PART II

Item 1. Legal Proceedings.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

Item 1A. Risk Factors.

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not Applicable.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit
31.1*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certifications of Chief Executive Officer.
32.2*	Section 1350 Certifications of Chief Financial Officer.
101.INS	Inline XBRL Instance
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation
101.DEF	Inline XBRL Taxonomy Extension Definition
101.LAB	Inline XBRL Taxonomy Extension Labels
101.PRE	Inline XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*	Filed herewith

SIGNATURES

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

THE CORETEC GROUP INC.

Date: October 31, 2022

/s/ Matthew J. Kappers
Name: Matthew J. Kappers
Title: Chief Executive Officer

/s/ Matthew L. Hoffman
Name: Matthew L. Hoffman
Title: Chief Financial Officer

Exhibit 31.1

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

I, Matthew J. Kappers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Coretec Group Inc.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 controls over financial reporting (as defined in Exchange46 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 quarterly 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;

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

5. I have disclosed, based on my 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 function):

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

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

Dated: October 31, 2022

By: /s/ Matthew J. Kappers
Matthew J. Kappers
Chief Executive Officer

Exhibit 31.2

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

I, Matthew L. Hoffman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Coretec Group Inc.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 controls 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 quarterly 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;

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

5. I have disclosed, based on my 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 function):

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

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

Dated: October 31, 2022

By: /s/ Matthew L. Hoffman
Matthew L. Hoffman
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of The Coretec Group Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew J. Kappers, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, 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.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: October 31, 2022

By: /s/ Matthew J. Kappers
Matthew J. Kappers
Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of The Coretec Group Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew L. Hoffman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, 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.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: October 31, 2022

By: /s/ Matthew L. Hoffman
Matthew L. Hoffman
Chief Financial Officer