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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013.

or

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

For the transition period from_____ to_____.

Commission File Number: 0-27545

QUICK-MED TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada	**65-0797243**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

902 N.W. 4th Street
GAINESVILLE, FLORIDA 32601
(Address of Principal Executive Offices) (Zip Code)

(888) 835-2211
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name, Former Address and Former Fiscal Year, If Changes 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

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 May 20, 2013, there were 37,346,154 shares of common stock, par value $0.0001 per share, outstanding.

QUICK-MED TECHNOLOGIES, INC.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

QUICK-MED TECHNOLOGIES, INC.

CONDENSED FINANCIAL STATEMENTS

AS OF AND FOR THE NINE MONTHS ENDED

MARCH 31, 2013 AND 2012

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Condensed Financial Statements (unaudited):

QUICK-MED TECHNOLOGIES, INC.
CONDENSED BALANCE SHEETS
(UNAUDITED)

ASSETS

	March 31, 2013	June 30, 2012
Current assets:		
Cash and cash equivalents	$ 151,833	$ 80,502
Accounts receivable	275,291	105,123
Total current assets	427,124	185,625
Property and equipment, net	3,485	1,084
Other assets:		
Prepaid expenses	25,616	8,472
Intangible asset, net	399,026	416,669
Total other assets	424,642	425,141
Total assets	$ 855,251	$ 611,850

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	$ 324,611	$ 714,110
Unearned revenue	1,341,110	100,957
Accrued expenses	99,412	188,275
Current maturity of note payable -related party	81,707	102,025
Current maturity of note payable -related party	6,166,181	5,913,737
Current maturity of note payable - related party	1,306,072	1,242,834
Total current liabilities	9,319,093	8,261,938
License payable	160,000	160,000
Long-term liability - convertible note payable	-	-
Long-term liability - convertible note payable	259,973	254,986
Total liabilities	9,739,066	8,676,924
Commitments and contingencies		
Stockholders' deficit:		
Common stock, $0.0001 par value; 100,000,000 authorized shares; 37,346,154 shares issued and outstanding at March 31, 2013 and June 30, 2012	3,735	3,735
Additional paid-in capital	15,448,353	15,448,353
Outstanding stock options	3,865,978	4,131,709
Accumulated deficit	(28,201,881)	(27,648,871)
Total stockholders' deficit	(8,883,815)	(8,065,074)
Total liabilities and stockholders' deficit	$ 855,251	$ 611,850

See Notes to Unaudited Condensed Financial Statements

QUICK-MED TECHNOLOGIES, INC.
CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2013 AND 2012
(UNAUDITED)

	3 months ended March		9 months ended March	
	2013	**2012**	**2013**	**2012**
Revenues				
Royalty and license fees	$ 137,217	$ 117,867	$ 459,333	$ 319,604
Product sales	124,788	77,433	265,578	284,655
Research and development service	-	3,000	-	113,000
Total revenues	262,005	198,300	724,911	717,259
Expenses:				
Cost of sales	6,475	6,358	17,483	17,724
Research and development	117,942	210,235	405,639	683,889
General and administrative expenses	(142,039)	210,712	262,411	742,443
Licensing and patent expenses	53,743	62,323	194,734	230,233
Depreciation and amortization	32,487	15,757	63,939	48,583
Total operating expenses	68,608	505,385	944,205	1,722,872
Operating profit (loss)	193,397	(307,085)	(219,294)	(1,005,613)
Other income (expense):				
Interest income	87	58	660	1,371
Interest expense	(108,808)	(111,819)	(334,375)	(338,153)
Total other expense	(108,721)	(111,761)	(333,715)	(336,782)
Profit (Loss) before provision (benefit) for income taxes	84,676	(418,846)	(553,010)	(1,342,395)
Provision (benefit) for income taxes	-	-	-	-
Net loss	$ 84,676	$ (418,846)	$ (553,010)	$ (1,342,395)
Net loss per share - basic and diluted	$ 0.00	$ (0.01)	$ (0.01)	$ (0.04)
Weighted average common shares outstanding - basic and diluted	37,346,154	37,346,154	37,346,154	37,346,154

See Notes to Unaudited Condensed Financial Statements

QUICK-MED TECHNOLOGIES, INC.
CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(UNAUDITED)

	Common Stock		Additional Paid-in	Accumulated	Outstanding Stock	
	Shares	Amount	Capital	Deficit	Options	Total
Balance at December 31, 2012	37,346,154	$ 3,735	$ 15,448,353	$ (28,286,557)	$ 4,131,709	$ (8,702,760)
Forfeited stock-based compensation					(265,731)	(265,731)
Net profit	-			84,676	-	84,676
Balance at March 31, 2013	37,346,154	$ 3,735	$ 15,448,353	$ (28,201,881)	$ 3,865,978	$ (8,883,815)

See Notes to Unaudited Condensed Financial Statements

QUICK-MED TECHNOLOGIES, INC.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 AND 2012
(UNAUDITED)

	9 Months Ended	
	March 31, 2013	March 31, 2012
Cash flows from operating activities:		
Net loss	$ (553,010)	$ (1,342,395)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	63,939	48,583
Forfeited stock-based compensation	(265,731)	45,901
Increase (decrease) in:		
Accounts receivable	(170,168)	144,089
Prepaid expenses	(17,144)	(6,161)
Increase (decrease) in:		
Accounts payable	(389,401)	(79,812)
Accrued interest	324,253	318,098
Unearned revenue	1,240,153	
Accrued expenses and other current liabilities	(88,863)	23,452
Net cash provided by (used in) operating activities	144,027	(848,245)
Cash flows from investing activities:		
Property and equipment	(3,211)	(2,315)
Intangible assets	(45,485)	(93,259)
Net cash used in investing activities	(48,696)	(95,574)
Cash flows from financing activities:		
Proceeds from stock issuance	-	28,000
Decrease in notes payable - officer	(24,000)	(12,000)
Net cash (used in) provided by financing activities	(24,000)	16,000
Net increase (decrease) in cash and cash equivalents	71,330	(927,819)
Cash and cash equivalents at beginning of period	80,502	949,367
Cash and cash equivalents at end of period	151,832	21,548
Cash paid for:		
Interest	10,122	10,027
Income taxes	$ -	$ -
Total	10,122	10,027
Non-cash disclosures of investing and financing activities:		
Forfeited stock-based compensation	$ (265,731)	$ 45,901

QUICK-MED TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements of Quick-Med Technologies, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the management of the Company, the accompanying unaudited financial statements contain all the adjustments (which are of a normal recurring nature) necessary for a fair presentation. Operating results for the nine months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the year ending June 30, 2013. For further information, refer to the financial statements and the footnotes thereto contained in the Company's Annual Report on Form 10-K for the year ended June 30, 2012, as filed with the Securities and Exchange Commission.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has continuing losses from operations, negative working capital and an accumulated deficit that raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

All highly liquid investments purchased with maturity of three months or less from the time of purchase are considered to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intangible Assets

The costs of obtaining license agreements along with the costs to defend the patents underlying the license agreements are capitalized and amortized using the straight-line method over the estimated useful lives of the underlying license agreements. The costs of obtaining and maintaining new patents are capitalized and amortized using the straight-line method over the estimated useful lives of the patents. The cost of patents in process is not amortized until the patent is issued.

Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is computed using the straight-line method over the expected useful lives of the assets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable as of March 31, 2013 represents amounts due from its customers and is reported on the balance sheet reduced by an allowance for doubtful accounts for estimated losses resulting from receivables not considered to be collectible.

Research and Development Costs

Research and development costs are expensed as incurred.

Earnings Per Share

Basic net loss per common share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options and warrants. For the period ended March 31, 2013 16,523,575 diluted common stock equivalents have been excluded from the calculation of diluted earnings per share, as their inclusion would have been anti-dilutive.

Fair Value Measurements

The Company adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. This new accounting standard does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various other accounting pronouncements.

This accounting standard establishes a hierarchy for information and valuations used in measuring fair value, which is broken down into three levels. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities. Level 2 valuations are based on inputs, other than quoted prices included within Level 1, which are observable, either directly or indirectly. Level 3 valuations are based on information that is unobservable and significant to the overall fair value measurement.

The Company also adopted FASB ASC 825, *Financial Instruments,* which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Revenue Recognition

The Company's revenues consist of the following sources: product sales, royalty and license fees, research and development service.

Under the agreement for product development, manufacturing and distribution (the "Agreement") with BASF, the Company shares proportionately on the net sales and related expenses in accordance with the terms of the Agreement. The Company recognizes revenue of its royalties from the sale of products by BASF when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is probable.

The Company recognizes royalty fee income based on the net sales of Bioguard® product by our licensee, Derma Sciences Inc. in accordance with the specified terms of the license agreement.

The Company recognizes revenue of its research and development service including the small business innovation research program and the US Army medical research program based on the research work performed in accordance with the program requirements or statements of work for the joint development agreements.

The Company also recognizes revenue from the non-refundable exclusivity license fee derived from its licensees on a pro rata basis over the term of the related exclusive license agreements. Further, the Company recognizes the exclusive option fee as revenue on a pro rata basis over the term of the related exclusive option agreement.

Unearned Revenue

The amount of unearned revenue represents the exclusive option fee, the license fee, and advance royalty fee yet to be earned on a pro rata basis over the exclusive option period of the related option and license agreements.

Stock Compensation

The Company records share-based payment awards at fair value on the grant date of the awards, based on the estimated number of awards that are expected to vest. The fair value of stock options was determined using the Black-Scholes option-pricing model. The fair value of the restricted stock awards was based on the closing price of the Company's common stock on the date of grant.

Concentration of credit risk of financial instruments

Financial instruments that potentially subject the Company to credit risk consist of cash equivalents and accounts receivable. As of March 31, 2013 and 2012, the Company's cash levels did not exceed the federally insured limit.

Income Taxes

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

NOTE 3 – STOCK OPTIONS AND WARRANTS

The Company adopted a qualified equity incentive plan (the "Plan") on March 4, 2001. Under the Plan the Company is authorized to grant up to 3,000,000 shares of common stock. On December 13, 2004, the shareholders approved the Plan and ratified the amendment to increase the total number of shares to be granted under the Plan from 3,000,000 to 4,000,000 effective November 1, 2004. On November 13, 2007 the shareholders ratified the amendment to increase the total number of shares to be granted under the Plan from 4,000,000 to 6,000,000. The plan expired on March 4, 2011.

On November 17, 2009, the Board of Directors (the "Board') granted 681,785 stock options to the board members, employees, and consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2009. In addition, the Board granted 248,564 warrants payments to consultants for payments of their services and incentive performance awards. Of 681,785 stock options grant, approximately 115,428 were awarded to the board members for their services and were vested on the date of grant. Of 248,564 warrants issued, 99,977 warrants were vested immediately on the grant date. The remainder 566,357 stock options and 148,587 warrants were vested one-third immediately, one-third were vested on November 17, 2010 and the remaining one-third were vested on November 17, 2011, assuming the person receiving the equity awards is employed or being utilized by the Company at the time of vesting. The exercise price of those stock options and warrants is $0.77 per share. The weighted average grant date fair value of options and warrants was $0.48 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant.

On October 27, 2008, the Board granted 1,335,102 stock options to the board members, employees, and consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2008. In addition, the Board granted 705,302 warrants payments to consultants for payments of their services and incentive performance awards. Further, 60,000 shares of restricted common stock were issued to a consultant as payment for services. Of the 1,335,102 stock options grant, approximately 464,102 were awarded to the board members for their services and were vested on the date of grant. Of the 705,302 warrants issued, 240,302 warrants were vested immediately on the grant date. The remainder 871,000 stock options and 465,000 warrants were vested one-third immediately, one-third were vested on October 27, 2009 and the remaining one-third were vested on October 27, 2010, assuming the person receiving the equity awards is employed or being utilized by the Company at the time of vesting. The exercise price of those stock options and warrants is $0.20 per share, which was the closing price of the common stock on the date of grant. The weighted average grant date fair value of options and warrants was $0.19 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant.

On April 18, 2008, the Board granted 148,571 shares of restricted common stock as payment for the services rendered by the board members for the year ended June 30, 2007 for those elected to receive common stocks and all shares were immediately vested. In addition, the Board granted 1,074,666 stock options to the board members, employees, consultants as payments for their services and in recognition of individual performance for the year ended June 30, 2007. The stock options were vested one-third immediately, one-third were vested on April 17, 2009 and the remaining one-third were vested on April 17, 2010, assuming the person receiving the equity awards is employed by the Company at the time of vesting. The exercise price of those stock options is $0.42 per share, which was the closing price of the common stock on the date of grant. The weighted average grant date fair value of options was $0.32 per share based on the Black-Scholes option-pricing model. The options and warrants expire five years from the date of grant.

On August 6, 2007, the Board granted 484,056 non-qualified stock options to the Chief Executive Officer ("CEO") at an exercise price of $0.75 per share. These options were fully vested and immediately exercisable at the date of grant. In addition, the Board granted 1,452,167 non-qualified stock options at an exercise price of $0.74 per share on September 25, 2007, as part of the CEO's employment agreement. The second stock options are vested and become exercisable 1/16th of the total 1,452,167 options on each three-month anniversary beginning on June 11, 2007. The average grant date fair value of the options was $0.46 per share based on the Black-Scholes option-pricing model. These options expire six years from the date of grant.

On December 20, 2006, the Company issued 790,770 stock options to board members, management, employees, and consultants for their services. These options have an exercise price of $1.05 per share. The stock options were vested one-third immediately, one-third were vested on December 20, 2007 and the remaining one-third were vested on December 20, 2008, assuming the person receiving the equity awards is employed by the Company at the time of vesting. The weighted average grant date fair value of options was $0.69 per share based on the Black-Scholes option-pricing model. The options expire five years from the date of grant. All of the options were forfeited or expired.

No options and warrants were granted during the nine months ended March 31, 2013 and 2012.

QUICK-MED TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

A summary of options for the periods ended March 31, 2013 and 2012 is shown below:

	March 31, 2013		March 31, 2012	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	4,341,115	$ 0.57	4,797,270	$ 0.57
Granted				
Exercised				
Forfeited	(861,153)	0.60		
Expired	(257,145)	0.60	(456,155)	$ 1.05
Outstanding at end of period	3,222,817	$ 0.60	4,341,115	$ 0.59
Exercisable at end of period	3,222,817		4,341,115	
Available for issuance at end of period	-		-	

The following is a summary of warrants granted, exercised, canceled and outstanding involving the grants in the periods ended March 31, 2013 and 2012:

	March 31, 2013		March 31, 2012	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	958,299	$ 0.46	974,920	$ 0.47
Granted			10,714	$ 0.02
Exercised				
Expired			(26,351)	$ 1.02
Outstanding at end of period	958,299	$ 0.36	959,283	$ 0.45
Exercisable at end of period	958,299		959,283	

QUICK-MED TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 4 – NOTES PAYABLE

Related Party	Maturity	Interest Rate	Conversion Price	March 31, 2013	June 30, 2012
Senior Convertible Note	2013	8%	$ 0.60	1,053,000	1,053,000
Accrued Interest				253,072	189,834
Total				1,306,072	1,242,834
Less current portion				1,306,072	1,242,834
Total long-term				-	-
Others					
Senior Convertible Note	2014	8%	$ 0.50	150,000	150,000
Senior Convertible Note	2014	8%	0.50	100,000	100,000
Acrued interest				9,973	4,986
Total long-term				259,973	254,986
Related Party					
Note Payable	2013	8%		$ 65,155	89,155
Accrued interest				16,552	12,870
Total				81,707	102,025
Less current portion				81,707	102,025
Total long-term				-	-
Related Party					
Senior Convertible Note	2013	6-8%	$ 0.18-0.74	3,547,580	3,547,580
Senior Convertible Note Payable 2		8%	0.42-0.63	375,000	375,000
Senior Convertible Note Payable 3		8%	0.60	600,000	600,000
Accrued interest				1,643,601	1,391,157
Total				6,166,181	5,913,737
Less current portion				6,166,181	5,913,737
Total long-term				$ -	-

QUICK-MED TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

On March 31, 2013, the Company restructured several of its outstanding and previously issued notes payable to the largest shareholder into a single senior convertible promissory note in the amount of $3,547,580. The original notes were issued on September 30, 2003, June 14, 2007, October 30, 2007, February 11, 2008, May 17, 2008, September 12, 2008, February 26, 2009, May 12, 2009 and March 15, 2010 in the principal amounts of $1,268,625, $208,955, $300,000, $370,000, $485,000, $150,000, $175,000, $375,000 and $215,000, respectively. This senior convertible note is secured by the Company's revenues and assets and is subordinate to the additional senior convertible notes issued to the various parties listed below. Interest rates for these convertible notes range from 6% to 8% and conversion rates range from $0.18 to $0.74.

On March 31, 2010, the Company issued a senior convertible promissory note to a major shareholder for the principal amount of $1,053,000, which consisted of $600,164 in cash, $375,000 principal balance of a prior senior convertible note together with unpaid accrued interest thereon of $77,836. This senior convertible note is secured by the Company's revenues and assets with the same priority as the Notes 2 and 3 to the Shareholder and the senior convertible notes totaling $250,000. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. This note has the conversion price of $0.60 per share of common stock. The Company has recorded approximately $859,950 as an interest expense as a result of the beneficial conversion feature.

On March 31, 2010, the Company issued two senior convertible promissory notes totaling $250,000 to third parties. These senior convertible notes are secured by the Company's revenues and assets with the same priority as the Note 2 and 3 to the Shareholder and the March 31, 2010 senior convertible note to a major shareholder. These notes have an annual interest rate of 8% with a maturity date of June 30, 2014. These notes have the convertible price of $1.00 per share of common stock. The Company has recorded approximately $22,500 as an interest expense as a result of the beneficial conversion feature. During the year ended June 30, 2011, the conversion price of the $150,000 senior convertible promissory note was reduced to $0.50 per share of common stock as part of the arrangement of the additional investment in the Company's restricted common stock by the note holder. In addition, the conversion price on the $100,000 senior convertible promissory note was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

On December 16, 2010, the Company issued a promissory note to an officer for the principal amount of $113,155, which consisted of a total 100,000 principal balance of four prior convertible notes together with unpaid accrued interest thereon of $13,155. This note has an annual interest rate of 8%, a maturity date of December 31, 2013. The outstanding principal amount will be paid at a rate of $1,000, $2,000 and $3,000 each month for the first 12 months, the second 12 months and the third 12 months, respectively. As of March 31, 2013, the Company paid an aggregate principal amount of approximately $65,000 to the officer. The remaining outstanding principal balance and accrued interest will be paid on the maturity date.

In November 2009, the Company finalized and issued a $600,000 2009 senior convertible note payable ("Note 3") to the Shareholder. The Company received the borrowings (the "Advances") in a series of $45,000 on September 8, 2009, $25,000 on September 11, 2009, $125,000 on September 23, 2009, $100,000 on October 14, 2009, $50,000 on October 28, 2009, $175,000 on November 12, 2009, $50,000 on December 14, 2009, and $30,000 on February 26, 2010 totaling $600,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the March 31, 2010 senior convertible notes, it has a 8% annual interest rate and has a maturity date of December 31, 2013. This note has the conversion price of $0.60 per share of common stock. The Company has recorded approximately $215,500 as an interest expense to date for the Advances received as a result of the beneficial conversion feature. As part of the terms of this note, the maturity dates of all other outstanding senior convertible notes owed to the Shareholder were extended to December 31, 2013. During the year ended June 30, 2011, the conversion price on a $135,000 portion of the Note 3 was also reduced to $0.50 per share of common stock as a result of the additional investment in the Company's restricted common stock.

Effective May 12, 2009, the Company issued a 2009 senior convertible note payable ("Note 2") to the Shareholder to combine the borrowings (the "Advances") in a series of $35,000 each from May 12, 2009 through August 12, 2009, $50,000 and $45,000 on August 14 and 27, 2009, respectively totaling $375,000. This senior convertible note is secured by the Company's revenues and assets with the same priority as the March 31, 2010 senior convertible notes and has a maturity date of December 31, 2013. This note has the conversion prices determined by the closing trading prices of the Company's common stock on the dates the Advances were received.

At March 31, 2013, the Company accrued interest of $253,072, $9,973, $16,550, and $1,643,601 on the convertible notes with a related party, convertible notes with third parties, notes payable with related party, and the convertible notes payable with the Shareholder, respectively.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Company adopted FASB ASC 820, *Fair Value Measurements and Disclosures,* for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. FASB ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

FASB ASC 820 also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. FASB ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of March 31, 2013:

	Carrying Value	Level 1	Level 2	Level 3
Financial Assets				
Cash equivalents (1)	$ 176,914	176,914		
Total financial assets	$ 176,914	176,914		

	Carrying Value	Level 1	Level 2	Level 3
Financial Liabilities				
Convertible notes payable (2)	$ 7,732,226			7,325,279
Total financial liabilities	$ 7,732,226			7,325,279

NOTE 6 – RELATED PARTY TRANSACTIONS

As fully described in Note 4, the Company has several senior convertible note payables with the Shareholder, a major stockholder, and third parties and a promissory note with a related party during the periods ended March 31, 2013, and June 30, 2012.

NOTE 7 – SUBSEQUENT EVENT

On May 14, 2013 the Company was awarded a contract by the U.S. Department of Defense for research on the "Development of Technologies to Control Scar Contracture after Burn Injuries." The Phase I research contract is valued at about $150,000. Work is expected to commence on May 15, 2013 and is expected to take approximately 6 months. Follow-on phases of the award could potentially bring the total value of the contract to approximately $1 million and would help develop the proof of concept to commercial readiness.

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

The following discussion should be read in conjunction with our financial statements and related notes appearing elsewhere in this Form 10-Q and our Annual Report on Form 10-K for our fiscal year ended June 30, 2012. The terms “Quick-Med”, the "Company," "we," "our" or "us" refer to Quick-Med Technologies, Inc., a Nevada corporation. This discussion contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements are based on our current expectations, assumptions, and estimates. The words or phrases "believe," "expect," "may," "anticipates," or similar expressions are intended to identify "forward-looking statements." In addition, any statements that refer to trends in our businesses, future financial results, and our liquidity and business plans are forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties pertaining to our business, including without limitation: (a) we may not be able to successfully manage our business or achieve profitability because we have a limited operating history and our technologies are still evolving; (b) our technology and product development processes, which include regulatory approvals, are lengthy and expensive and there is no assurance that we will have sufficient resources to complete development related to these processes; (c) our history of losses makes it difficult for you to evaluate our current and future business and prospects and future financial results; (d) we have negative cash flow from operations and an accumulated deficit that raises substantial doubt about our ability to continue as a going concern; (e) our future business is dependent upon third parties to market, manufacture, and distribute our technologies and/or products or jointly developed products; (f) there is no assurance that our technologies or products will be accepted in the marketplace; (g) we do not currently carry product liability insurance and, therefore, should we be subject to a product liability claim, our financial condition may be adversely affected; (h) our operations are currently funded by our revenues and our debt or equity financings, but there are no assurances that these revenues and financings will be sufficient to ensure our future financial performance and viability; (i) we have substantial debt obligations due to our largest shareholder and a major shareholder, who have funded our operations, debt obligations, including those that are secured by our assets and revenues and are senior obligations; (j) there is no assurance that we will be able to attract and retain highly skilled scientific, technical and management personnel, who are critical to our success; (k) based on our cash position at March 31, 2013, we cannot continue to satisfy our current cash requirements for a period of twelve (12) months through our existing capital; and (l) other risk factors discussed in our annual report for the fiscal year ended June 30, 2012 and other periodic filings, which may be accessed at http://www.sec.gov. Statements made herein are as of the date of the filing of this Form 10-Q with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and we specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

Overview

Quick-Med is a life sciences company focused on developing proprietary, broad-based technologies in the consumer and healthcare markets. Our four core technologies are: (1) Novel Intrinsically Micro-Bonded Utility Substrate (NIMBUS®), a family of advanced polymers bio-engineered to have antimicrobial, hemostatic, and other properties that can be used in a wide range of applications, including wound care, catheters, tubing, films, and coatings; (2) Stay Fresh® , a novel antimicrobial based on sequestered hydrogen peroxide, that can provide durable antimicrobial protection to items such as textiles through numerous laundering cycles; (3) NimbuDerm™ , a novel copolymer for application as a persistent hand sanitizer with long lasting protection against germs; and (4) MultiStat®, a family of advanced patented methods and compounds shown to be effective in skin therapy applications. NIMBUS technology was first commercialized in June 2009 in a wound care product line by one of our licensees in the worldwide institutional markets (i.e. hospitals and health care facilities). It has also been licensed in separate agreements for medical adhesives, and for wound care products in India. We are targeting NIMBUS technology for additional advanced wound care products, catheters, incontinence products, and other medical devices. MultiStat has been commercialized in a cosmetic product line with the anti-aging products. *Stay Fresh* has been commercialized in the consumer textile market and has broad further applications within both consumer and institutional markets both for textiles and for health care. NimbuDerm is a technology currently being developed for commercialization.

Our strategy is to further develop our core technologies as well as develop additional technologies. We will attempt to commercialize these technologies through strategic licensing partnership agreements, joint ventures, or co-development agreements. We do not intend to manufacture or distribute final products; instead, we plan to seek partnership arrangements and/or license agreements with third parties to develop products that use our technologies and who will perform the manufacturing, marketing, and distribution functions associated with our technologies.

Our business model has been to pursue the following revenue segments:

- Royalty and license fees;
- Profit sharing revenues;
- Research and development fees paid to us in connection with joint development agreements; and
- Government research and development grants.

Our potential revenues will likely be derived from and the following types of industries in connection with our NIMBUS, *Stay Fresh* , NimbuDerm and MultiStat technologies as well as government agencies:

- Healthcare and medical;
- Apparel and textile; and
- Personal care and cosmetics.

Uncertainties and Trends

Our revenues are dependent now and in the future upon, among other things, the following factors:

- Acceptance of our products or future products in the marketplace;
- Our partners' ability to develop, market and distribute our technologies under a strategic partnership agreement;
- Demand for products or future products that utilize our technologies;
- Our ability to secure license or profit sharing related agreements and secure government research and development grants;
- Our ability to market our technologies to health care, apparel, cosmetic, and personal care companies;
- Our ability to successfully conduct laboratory and clinical testing of our potential products;

- Our ability to obtain regulatory approval of our future products; and
- Other risk factors discussed in our annual report for the fiscal year ended June 30, 2012 and other periodic reports.

Uncertainties or trends that may affect our business also include the possibility (i) that known or unknown competitors may develop products with similar applications to our proposed products, which may prove to be superior in performance and/or price to our products and (ii) that proposed applications involving our products have collateral effects which render the application undesirable or unmarketable.

Government Regulation

Many of the end-user applications for our technology are regulated in the U.S. as medical devices by the Food and Drug Administration ("FDA") and/or as treated articles by the Environmental Protection Agency ("EPA").

The FDA's regulations govern, among other things: pre-clinical testing; product design and development; pre-market clearance or approval; advertising and promotion; labeling; manufacturing; product import/export; storage; record keeping; reporting of adverse events; corrective actions and removals; recalls; and distribution.

One of the exemptions to the requirement of pre-market clearance is 510(k) pre-market notification, which is submitted to the FDA to demonstrate that the new device is "substantially equivalent" to a previously cleared 510(k) device or a device that was in commercial distribution before May 29, 1976 (or to a pre-1976 Class II device for which the FDA has not yet called for the submission of pre-market approval ("PMA"). Such devices are deemed to be "predicate devices" for future applications. A PMA must be submitted if the device cannot be cleared through the 510(k) process. The PMA process is much more demanding than the 510(k) pre-market notification process.

If a medical device is found NSE (not substantially equivalent) by the FDA and therefore a 510(k) pathway is not available, a second alternative pathway to the lengthy and costly PMA is available for low risk devices. This is called the De Novo application. The FDA Modernization Act of 1997 amended Section 513 (f)(2) of the Federal Food, Drug and Cosmetic Act (the "FFDC Act") to provide this mechanism to reclassify statutorily classified class III products. This is considered a fairly unique pathway for clearance and typically is only allowed for new technologies of low risk. The FDA allows unlimited responses when on this pathway, different than the three allowed responses under a normal 510(k). A device placed into class I or II in this written order can then be commercially distributed, subject to other applicable provisions of the FFDC Act. A device classified into class I or II under this new provision becomes a predicate device for future pre-market notification submissions, which means that a manufacturer may show that a new device is substantially equivalent to this predicate. This route to clearance is referred to as De Novo because it establishes a new alternative for a new technology.

On February, 2009, we received clearance from the FDA for our De Novo application of our patented NIMBUS barrier gauze wound care dressings. This represents the first FDA clearance for NIMBUS – a technology that was put through FDA's De Novo process, a special clearance program for medical devices that are found to be "not substantially equivalent" to any predicate device.

In October, 2009, the FDA issued a guidance document specific to one of the NIMBUS active agents, Poly Diallyl Dimethyl Ammonium Chloride, or "pDADMAC" The guidance supports the February 2009 clearance and protects the future applications and submissions for pDADMAC to our patented claims and uses.

In September, 2011, we submitted a 510(k) application for NIMBUS Adhesive Dressings, a medical device incorporating our novel NIMBUS Polyurethane Quat (PUQ) technology. This submission represents our first application for the NIMBUS PUQ technology. We are in communication with the FDA regarding the classification of the medical device.

In June 2012, we submitted a 510(k) application for the Stay Fresh Skin Fold Management Textile, a medical device incorporating our novel Stay Fresh technology. This represents our first FDA submission involving our Stay Fresh antimicrobial technology. Our application is currently under review by FDA.

This section should be read in conjunction with our annual report on Form 10-K for fiscal year ended June 30, 2012 filed with the SEC for further discussions in the sections entitled, "Government Regulation," "510(k) Clearance Pathway" and "De Novo: Alternative Pathway to PMA."

EPA regulations govern the sale and distribution of pesticides in the United States. EPA requires registration of a new pesticide or a "new use" of a previously registered pesticide. EPA regulations also govern the particular types of claims that manufacturers and marketers may make on products or articles that are treated with registered pesticides. To obtain a registration, EPA requires specific studies and tests to insure that the pesticide, when used according to label directions, does not pose unreasonable risks to human health or to the environment. After review by EPA, a Notice of Pesticide Registration is issued and the pesticide can be used legally in the U.S., provided that the use and claims are consistent with the EPA approved product label.

In January, 2011, EPA granted registration for our patented *Stay Fresh* antimicrobial technology. *Stay Fresh* is the only antimicrobial technology containing hydrogen peroxide approved by EPA for antimicrobial preservation of textiles. Our EPA registration covers a range of textile applications including apparel, interior furnishings, automotive upholstery and carpeting. In August, 2012, EPA granted an expanded registration for Stay Fresh to expand both the range of products for which the treatment is registered, as well as formulation range.

Capital Expenditures and Requirements

From 2000 to March 2013, we have spent $1,066,000 on the acquisition of patents and exclusive license agreements. We owe an additional $160,000 to Dr. Richard Galardy which is due when certain milestones are met in connection with a September 2000 license agreement we have with Dr. Galardy and Dr. Damian Grobelny. This license agreement provided that we compensated approximately 80,000 common shares, 80,000 stock options and $50,000 in cash each, to Dr. Galardy and Dr. Grobelny for the exclusive license of the Ilomastat technology, which they invented.

We do not expect any significant additions to property, plant and equipment.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations are based upon our Condensed Financial Statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. The estimates and assumptions are evaluated on an on-going basis and are based on historical experience and on various other factors that management believes to be reasonable under the circumstances. Estimates and assumptions include, but are not limited to economic useful lives of fixed and intangible assets, income taxes, valuation of options and warrants granted, and contingencies. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably likely to occur could materially impact the financial statements. We believe that the estimates, assumptions and judgments involved in revenue recognition, receivables and allowances for doubtful accounts, accruals including stock-based compensation, deferred costs, research and development, and impairment of intangible assets have the greatest potential impact on our condensed financial statements, so we consider these to be our critical accounting policies. Management believes that there have been no significant changes during the nine months ended March 31, 2013 to the items that we disclosed as our critical accounting policies and estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended June 30, 2012.

Results of Operations

Comparison of Nine Months Ended March 31, 2013 and 2012

Revenues. During the nine months ended March 31, 2013, we had $724,911 of revenues, compared to $717,259 of revenues for the nine months ended March 31, 2012, representing a $7,652 or 1% increase. Revenues consisted of: (a) 459,333 royalty and license fees consisting of $163,901 in royalty fees from the sales of BIOGUARD® advanced wound care product by Derma Sciences, Inc. ("Derma"), $50,000 in royalties from Biosara, $95,432 in license and other related fees representing the earned portion of the license fees from our licenses, and $150,000 in license fees related to a terminated license agreement; and (b) $265,578 which represented our royalties in the form of revenue share from MultiStat product sales by BASF Corporation ("BASF"), in connection with a manufacturing and distribution agreement we have with BASF for product development, manufacturing and distribution (the "BASF Agreement"). We had no revenue from research and development services for the period ended March 31, 2013.

In July 2012, we and Derma entered into a Patent and Technology License Agreement (the "Agreement") to license our proprietary NIMBUS intellectual property exclusively on a worldwide basis other than India. The Agreement supersedes a Patent and Technology License Agreement, as amended, dated March 23, 2007 (the "Prior Agreement") to Derma on an exclusive basis within the United States and Canada. Our royalty fees from Derma were lower due to an adjustment a lower royalty rate under the Agreement from the prior Agreement. In addition, Derma paid us $1.3 million upfront fee and will pay other future remunerations based on certain milestones as stipulated in the Agreement. We anticipate that our royalty fees from Derma will be lower in the near future due to a lower royalty rate.

Our royalties in the form of a revenue share from MultiStat product sales declined $19,077 or 7%, reflecting a lower total sales of MultiStat product from comparable prior period. We cannot anticipate MultiStat product sales by BASF for subsequent quarters given current economic market uncertainties in general and the retail cosmetic industry in particular.

We granted BASF the exclusive and non-exclusive licenses to develop and market our Ilomastat product for the field of over-the-counter anti-aging (chronological aging or photoaging) cosmetics. Under the terms of this agreement, we and BASF shared the net revenues in each contract calendar year beginning January 1, 2008 until December 31, 2010 in accordance with certain sharing percentages as defined in the agreement. Both parties extended the BASF Agreement until December 31, 2014.

Operating Loss. Operating loss for the nine months ended March 31, 2013 was $219,295 as compared to $1,005,613 for the nine months ended March 31, 2012, representing a decrease of 78% or $786,318. The decrease was primarily attributable to a decrease in operating expenses of $778,666. The decrease in operating expenses was primarily due to the following: (a) a decrease in general and administrative expenses of $480,032 or 65%; (b) a decrease in research and development expenses of $278,250 or 41%; (c) a decrease in licensing and patent expenses of $35,499 or 15% and (d) an increase in depreciation and amortization of 15,356 or 32%.

Research and Development Expense. Research and development expense decreased by $278,250 or 41%. The decrease is primarily attributable to a reduction in compensation expense resulting from a lower number of employees and the absence of stock-based compensation expense in the current period.

General and Administrative Expense. General and administrative expense decreased by $480,032 or 65%. This decrease is mainly attributed to the reversal of stock-based compensation expense from expired and forfeited stock options in the amount of $265,731, termination of the third-party investor relations program support, certain consulting services, lower compensation expense from reduced headcount and lower salaries, the absence of stock-based compensation expense offset by higher royalty fees due to our licensor in connection with the up front license fee received under the new license agreement.

Licensing and Patent Expense. Licensing and patent expense decreased by $35,499 or 15%. This decrease was primarily due to lower legal and consultant fees offset by higher patent maintenance fees.

Interest Expense. Interest expense of $334,375 remained consistent in comparison to $338,153 for the nine months ended March 31, 2012, as there was no new notes payable issued between March 31, 2012 to March 31, 2013.

Net Loss. Net loss for the nine months ended March 31, 2013 was $553,010 or $0.01 per share compared to $1,342,395 or $0.04 per share for the nine months ended March 31, 2012. This decrease is primarily attributable to reductions in general and administrative expenses, research and development expenses, and licensing and patent expenses.

Comparison of Three Months Ended March 31, 2013 and 2012

Revenues. During the three months ended March 31, 2013, we had $262,005 of revenues, compared to $198,300 for the three months ended March 31, 2012, representing a $63,705 or 32% increase. Revenues consisted of: (a) 137,217 royalty and license fees consisting of $55,638 in royalty fees from the sales of BIOGUARD® advanced wound care product by Derma Sciences, Inc. ("Derma"), $50,000 royalties from Biosara and $31,579 in license and other related fees representing the earned portion of the license fees from our licenses; and (b) $124,788 which represented our royalties in the form of revenue share from MultiStat product sales by BASF Corporation (“BASF”), in connection with a manufacturing and distribution agreement we have with BASF for product development, manufacturing and distribution (the “BASF Agreement”). We had no revenue from research and development services for the three months ended March 31, 2013.

Our royalties in the form of a revenue share from MultiStat product sales increased $47,355 or 61%. We cannot anticipate MultiStat product sales by BASF for subsequent quarters given current economic market uncertainties in general and the retail cosmetic industry in particular.

Operating Profit. Operating profit for the three months ended March 31, 2013 was $193,398 as compared to a loss of $307,085 for the three months ended March 31, 2012, representing a decreased loss of 163% or $500,483. The decrease loss was primarily attributable to a decrease in operating expenses of $436,777 and an increase in revenues of $63,705. The decrease in operating expenses was primarily due to the following: (a) a decrease in research and development expenses of $92,293 or 44%; (b) a decrease in general and administrative expenses of $352,751 or 167%; and (c) a decrease in licensing and patent expenses of $8,580 or 14%.

Research and Development Expense. The $92,293 decrease in research and development expense is primarily attributable to a reduction in compensation expense resulting from a lower number of employees and the absence of stock-based compensation expense in the current period.

General and Administrative Expense. The $352,751 decrease is mainly attributed to the reversal of stock-based compensation expense from expired and forfeited stock options in the amount of $265,731, lower consulting services, lower compensation expense from reduced headcount and lower salaries and the absence of financing expense and stock-based compensation expense.

Licensing and Patent Expense. The $8,580 decrease was primarily due to lower patent legal fees partially offset by higher patent maintenance fees.

Interest Expense. Interest expense of $108,808 on notes payable remained consistent in comparison to $111,819 the three months ended March 31, 2012, as there was no new notes payable issued between March 31, 2012 to March 31, 2013.

Net Profit. Net profit for the three months ended March 31, 2013 was $84,676 or $0.002 per share compared to a loss of $418,846 or $0.01 per share for the three months ended March 31, 2012. This decrease is primarily attributable to reductions in general and administrative expenses, research and development expenses, and licensing and patent expenses and an increase in revenue.

Liquidity and Capital Resources

Our auditors have issued a going concern opinion on our audited financial statements for the fiscal years ended June 30, 2012 and 2011 as we have experienced recurring losses and negative cash flows from operations in these periods. In addition, we have a net capital deficiency. These matters raise substantial doubt about our ability to continue as a going concern.

Total cash on hand at March 31, 2013 was $151,833 as compared with $80,502 at June 30, 2012.

In July 2012, we and Derma entered into a Patent and Technology License Agreement (the "Agreement") to license our proprietary NIMBUS intellectual property exclusively on a worldwide basis other than India. The Agreement supersedes a Patent and Technology License Agreement, as amended, dated March 23, 2007 (the Prior Agreement) to Derma on an exclusive basis within the United States and Canada. Under the Agreement, we grant Derma certain rights under our proprietary NIMBUS intellectual property basis to make, use, sell and offer for sale the traditional wound care products, as defined, to the institutional market and the veterinary and dental institutional market, as defined.

In consideration for the execution of the Agreement, Derma paid an upfront license fee of $1.3 million to us shortly after signing with additional license fee payments to be paid to us based on future sales of the licensed products reaching certain milestones. In addition, the royalty rate on the licensed products will be a sliding scale and declining as the sales volume increases as stipulated in the Agreement. Further, Derma agreed to commercialize products utilizing our intellectual property in certain geographic regions within certain time periods measured from the effective date in order to maintain the exclusivity of the intellectual property rights granted in these regions under the Agreement. The Agreement shall continue to be in effect until the expiration of the last to expire of the Company's proprietary intellectual property. The Company may revoke the exclusive nature of the license or terminate this agreement early if Derma fails to reach certain revenue milestones. Derma may terminate this agreement at any time upon 60 days notice. We anticipate that our royalty fees from Derma will be lower in the near future than under the prior Agreement. We are unable to determine how much of the royalty fees we will receive in the future at this time. We expect minimal direct expenses in relation to this Agreement.

In November 2011, we entered into a License Agreement (the “Agreement”) with Biosara Corporation ("Biosara") effective as of October 1, 2011(the "Effective Date") on an exclusive basis. In consideration for the execution of the Agreement and for the exclusive license, Biosara paid the Company a non-refundable and non-creditable payment upon signing the Agreement. The Company expects to receive another non-refundable and non-creditable payment of $50,000 upon the first commercial product sale or twelve (12) months from the Effective Date. Further, the Company will receive royalty payments on the product sales at different royalty rates pursuant to the sales volumes stipulated in the Agreement. Biosara must pay a certain minimum royalty amount to the Company each quarter of $25,000 in the next twelve months, otherwise the Company may at its option, cancel Biosara’s exclusivity arrangement or terminate the license altogether.

In March 2010, we entered into a License Agreement (the “Agreement”) on an exclusive basis with a division of a major consumer products company (the "Licensing Party"). In consideration for the execution of the Agreement and for the exclusivity, the Licensing Party paid the Company a non-refundable and non-creditable payment. The Licensing Party did not meet the first commercial sale by the agreed date which requires a milestone payment to the Company. In addition, the Company has met a condition subsequent to March 31, 2011, which requires another milestone payment from the Licensing Party to the Company. We have served a termination notice to the Licensing Party in accordance with the terms of the Agreement subsequent to being informed of the Licensing Party of its intent to discontinue the Agreement. The parties agreed to terminate the Agreement and we received the payment of $150,000 in connection with the milestone payments in accordance with the terms of the termination agreement.

Equity Financing and our Cash Requirements

Based on our cash position at March 31, 2013, we cannot continue to satisfy our current cash requirements for a period of twelve (12) months through existing capital. We anticipate total estimated, operating and research and development expenditures, and patent related legal fees of approximately $105,000 per month or an aggregate of approximately $1,260,000 over the next twelve (12) months, in the following areas:

- Research and development expenditures of approximately $28,000 per month or an aggregate $336,000 over the next twelve (12) months, which will consist of the following estimated monthly expenditures: (a) $16,000 in payroll for scientists; (b) $3,000 for outside research and development expenditures; and (c) $9,000 for chemical supplies and laboratory operating expenses, including rent expense;

- Patent related expenditures of approximately $25,000 per month or an aggregate of $300,000 annually; and

- Operating expenses of approximately $52,000 per month or an aggregate $624,000 over the next twelve (12) months, including business developments, personnel costs, investors relations, director and officer insurance, general liability insurance, investors relations, rent, consulting fees, utilities, legal and accounting fees, and travel.

Our current cash balance of $151,833 as of March 31, 2013, accounts receivable of $275,291, will satisfy our cash requirements for approximately no more than four (4) months assuming no further receipt of revenues from our licensees, additional debt or equity financing, other licensing alternative, and further reduction of personnel and or expenses. If we are unable to satisfy the remainder of our obligations by equity and/or debt financings and other licensing alternative, we will be unable to satisfy our cash requirements beyond approximately more than four (4) months assuming no further receipts of revenues and additional debt or equity financing.

We are attempting to raise additional cash by means of equity and or debt financing as well as exploring other strategic and licensing alternatives. Effective August 15, 2012, we made certain management changes including the voluntary resignations of our CEO and our VP of Research and Development. These responsibilities were assumed by our current employees. These changes result in a net cash savings of approximately $350,000 per year.

Further, we are implementing a cash conservation strategy by extinguishing certain obligations through share-based payments and reducing our use of consulting services. However, our ability to raise cash through equity or debt financing with third parties will be difficult in the current credit environment. There are no assurances that any equity offering and/or debt financing we enter into will be successful or sufficient to meet our cash requirements or that our cash conservation strategy will be successful. Even if we were able to obtain debt or equity financing, the terms of such financing may be very unfavorable to us. Further, any sale of newly issued debt or equity securities could result in additional dilution to our current stockholders.

As of March 31, 2013, we have three senior convertible notes payable outstanding to our largest shareholder totaling $6,166,181 including accrued interest with interest rates ranging from 6% to 8% per annum and maturity dates of December 31, 2013. These notes are convertible at conversion prices ranging from $0.18 to $0.74 per share and are secured by our revenues and assets. We also have a senior convertible note payable to a major stockholder with a balance of $1,306,072 including accrued interest. The senior convertible note has an 8% interest rate per annum with a conversion price of $0.60 per share, a maturity date of December 31, 2013, and is secured by our revenues and assets. Further, we have two senior convertible notes totaling $250,000 with third parties. These notes have an 8% interest rate per annum with a conversion prices ranging from $0.50 per share, a maturity date of June 30, 2014. In addition, we have a promissory note payable with a related party totaling $81,707, including accrued interest with an interest rate of 8% per annum and a maturity date of December 31, 2013.

If we are unable to successfully repay our debt and/or meet our current operating expenses, we may have to liquidate our business and undertake any or all the steps outlined below.

- Significantly reduce, eliminate or curtail our business, operating and research and development activities so as to reduce operating costs;
- Sell, assign or otherwise dispose of our assets, if any, to raise cash or to settle claims by creditors, including the major shareholder, and the senior shareholder notes from third parties;
- Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
- If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;
- File a Certificate of Dissolution with the State of Nevada to dissolve our corporation and close our business;
- Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and
- Make the appropriate filings with FINRA to affect a delisting of our stock.

Based upon our cash requirements for our plan of operations and our current dividend policy of investing any available cash to our operations we do not plan to distribute any cash to our stockholders.

At March 31, 2013, we had a negative working capital of $8,891,969 that primarily consists of: (a) cash of $151,833; (b) accounts receivable of $275,291; (c) accounts payable of $324,611; (d) accrued expenses of $99,412; (e) unearned revenue of $1,341,110; and (d) a current portion of long term notes payable of $7,553,960. At March 31, 2013, we had a stockholders' deficit of $8,883,815 a portion of which is due to non-cash share based compensation expense and non-cash interest expense from the notes payable conversions and the beneficial conversion feature of certain convertible notes.

Cash provided by operating activities was $144,027 for the nine months ended March 31, 2013. Net cash used in investing activities was $48,696. Net cash used in financing activities was $24,000.

Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2013:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt obligations (a)	$ 7,813,933	$ 7,553,960	$ 259,973	$ -	$ -
Operating lease obligations (b)	$ 44,000	$ 24,000	$ 20,000	$ -	$ -

(a) The principal and accrued interest on the notes payable owed to the largest shareholder, to a major shareholder, to a related party and to third parties are fully discussed in note 4 of the accompanying condensed footnotes to the financial statements.
(b) We have an operating lease for our laboratory in Gainesville, Florida with an expiration on January 31, 2015.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangement that have, or are reasonably likely to have, a current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 reports is recorded, processed summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on our management's evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")), our Chief Executive Officer and our Chief Financial Officer have concluded that as of March 31, 2013, the end of the period covered by this Quarterly Report on Form 10-Q, such disclosure controls and procedures are effective at a reasonable level.

Changes in Internal Controls over Financial Reporting

As of the end of our quarter ended March 31, 2013, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The Company does not have any material legal proceedings as of March 31, 2013.

Item 1A. Risk Factors

Item 1A is not required to be disclosed by smaller reporting issuers such as the Company.

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

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

None.

Item 5. Other Information.

None

Item 6. Exhibits

Exhibit Number	Description
2.1	Merger Agreement dated March 19, 2001 between Above Average Investments Ltd. and Quick-Med Technologies, Inc. (1)
2.2	Amendment to Merger Agreement (1)
3.1	Articles of Incorporation (1)
3.2	Bylaws (1)

31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a), filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a), filed herewith.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Quick-Med Technologies, Inc.

(Registrant)

Date: May 20, 2013

By: /s/ Bernd Liesenfeld
Bernd Liesenfeld
President (Principal Executive Officer)

Date: May 20, 2013

By: /s/ Paul H Jenssen
Paul H Jenssen
Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
THE SECURITIES EXCHANGE ACT OF 1934 RULE 13a-14(a)/15d-14(a) AS
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bernd Liesenfeld certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):

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

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

Dated: May 20, 2013

/s/ Bernd Liesenfeld
Bernd Liesenfeld
President (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
THE SECURITIES EXCHANGE ACT OF 1934 RULE 13a-14(a)/15d-14(a) AS
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Jenssen certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, 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;

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

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

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

Dated: May 20, 2013

/s/ Paul Jenssen
Paul Jenssen
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 32.1

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

This certification is not to be deemed filed pursuant to the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Quarterly Report of Quick-Med Technologies, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, I, Bernd Liesenfeld, President and principal executive officer of the Company, hereby certify, pursuant Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the date and for the periods indicated.

Dated: May 20, 2013

/s/ Bernd Liesenfeld
Bernd Liesenfeld
President (Principal Executive Officer)

EXHIBIT 32.2

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

This certification is not to be deemed filed pursuant to the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Quarterly Report of Quick-Med Technologies, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, I, Paul Jenssen, Chief Financial Officer of the Company, hereby certify, pursuant Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the date and for the periods indicated.

Dated: May 20, 2013

/s/ Paul H Jenssen
Paul H Jenssen
Chief Financial Officer
(Principal Accounting Officer)