

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>MacKenzie Lloyd</u> (Last) (First) (Middle) <u>C/O AQUINOX PHARMACEUTICALS, INC.</u> <u>450 - 887 GREAT NORTHERN WAY</u> (Street) <u>VANCOUVER A1</u> <u>V5T 4T5</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>03/06/2014</u>	3. Issuer Name and Ticker or Trading Symbol <u>AQUINOX PHARMACEUTICALS, INC [AQXP]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP Technical Operations</u>	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
Stock Option (Right to Buy)	(1)	04/23/2018	Common Stock ⁽²⁾	1,302	10.56	D
Stock Option (Right to Buy)	(1)	06/10/2020	Common Stock ⁽²⁾	7,812	5.76	D
Stock Option (Right to Buy)	(1)	11/10/2021	Common Stock ⁽²⁾	29,947	5.76	D
Stock Option (Right to Buy)	(1)	10/30/2023	Common Stock ⁽²⁾	9,765	12.67	D

Explanation of Responses:

1. The option securities subject to this option shall vest and become exercisable at a rate of twenty-five percent of the option securities underlying the options on the one-year anniversary of the vesting commencement date and 1/48th of the option securities underlying the options each monthly anniversary of the vesting commencement date thereafter for so long as the recipient of the option provides continuous service to the issuer, such that the total option securities underlying the options shall be fully vested on the four-year anniversary of the vesting commencement date.

2. Each option granted under the issuer's Joint Canadian Stock Option Plan is exercisable for one "option security." Prior to the closing of the issuer's initial public offering, an option security is comprised of one common exchangeable share and one special voting share of Aquinox Pharmaceuticals Inc., a corporation under the Canadian Business Corporations Act. Following the closing of the issuer's initial public offering, an option security will be comprised of one share of the issuer's common stock.

Remarks:

/s/Lloyd Mackenzie03/06/2014

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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