

3DX Industries, Inc.
Form 10-Q
March 23, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended January 31, 2015

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

For the transition period from _____ to _____

Commission File Number 333-156594

3DX INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Nevada **46-4485465**
(State of incorporation) (I.R.S. Employer Identification No.)

6920 Salashan Parkway, Suite D-101

Ferndale, WA 98248
(Address of principal executive offices)

(360) 244-4339

(Registrant's telephone number)

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 (Not required)

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

Large Accelerated Filer **Accelerated Filer**

Non-Accelerated Filer **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 March 17, 2015, there were 37,461,409 shares of the registrant's \$0.001 par value common stock issued and outstanding.

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Special Note Regarding Forward-Looking Statements

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of 3DX Industries, Inc. (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

**Please note that throughout this Quarterly Report, and unless otherwise noted, the words "we," "our," "us," the "Company," or "DDDX" refers to 3DX Industries, Inc.*

PART I - FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

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|--|-----|
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3DX INDUSTRIES, INC.**Balance Sheets**

| | (Unaudited) | |
|--|--------------------|--------------------|
| | January 31, | October 31, |
| | 2015 | 2014 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 17,366 | \$ 2,074 |
| Accounts receivable | 34,278 | — |
| Prepaid insurance | — | 1,614 |
| Total current assets | 51,644 | 3,688 |
| Property and equipment | | |
| Manufacturing equipment | 1,254,571 | 1,254,571 |
| Furniture and fixtures | 638 | 638 |
| Computer equipment | 1,005 | 1,005 |
| Less accumulated depreciation | (165,919) | (75,585) |
| Total property and equipment | 1,090,295 | 1,180,629 |
| Other assets | | |
| Website development (net of accumulated amortization of \$2,024 and \$1,691) | 2,096 | 2,429 |
| Security deposit | 4,275 | 4,275 |
| Total other assets | 6,371 | 6,704 |
| Total assets | \$ 1,148,310 | \$ 1,191,021 |
| Liabilities and stockholders' deficit | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 398,116 | \$ 331,595 |
| Payables to related parties | 180,238 | 149,135 |
| Equipment purchase payable - current portion | 161,470 | 196,378 |
| Accrued compensation - convertible | 174,000 | 174,000 |
| Current portion of note payable - unrelated party | 338,506 | 236,495 |
| Total current liabilities | 1,252,330 | 1,087,603 |
| Long-term liabilities | | |
| Equipment purchase payable | 479,362 | 479,362 |
| Convertible note payable - related party | 500,000 | 500,000 |
| Convertible notes payable - unrelated party | 284,431 | 157,541 |
| Note payable - unrelated parties | — | 52,897 |
| Total long-term liabilities | 1,263,793 | 1,189,800 |
| Total liabilities | 2,516,123 | 2,277,403 |
| Stockholders' deficit | | |

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| | | |
|---|---------------|---------------|
| Preferred stock, \$.001 par value, 10,000,000 shares authorized, none outstanding | — | — |
| Common stock, 175,000,000 shares authorized, \$.001 par value, 37,461,409 shares issued at January 31, 2015 and at October 31, 2014 | 37,461 | 37,461 |
| Additional paid-in capital | 14,931,530 | 14,931,530 |
| Accumulated deficit | (16,336,804) | (16,055,373) |
| Total stockholders' deficit | (1,367,813) | (1,086,382) |
| Total liabilities and stockholders' deficit | \$1,148,310 | \$1,191,021 |

The Accompanying notes are an integral part to the unaudited financials

3DX INDUSTRIES, INC.**Statement of Operations****(Unaudited)**

| | For the Three Months Ended January 31, | |
|---|--|--------------|
| | 2015 | 2014 |
| Revenue | \$ 109,503 | \$— |
| Cost of goods sold | 23,883 | — |
| Gross profit | 85,620 | — |
| Operating expenses | | |
| Depreciation and amortization | 90,667 | — |
| Professional services | 68,347 | 12,261 |
| General and administrative expenses | 192,372 | 9,534,924 |
| Total operating expenses | 351,386 | 9,547,185 |
| Other income (expense) | | |
| Gain on settlement of indebtedness | — | 1,793 |
| Interest expense | (15,665) | (7,833) |
| Total other (expense) | (15,665) | (6,040) |
| Net loss | \$(281,431) | (9,553,225) |
| Net loss per common share - basic and diluted | \$(0.01) | \$(0.37) |
| Weighted average number of common shares outstanding | 37,461,409 | 25,711,844 |

The Accompanying notes are an integral part to the unaudited financials

3DX INDUSTRIES, INC.**Statement of Cash Flows****(Unaudited)**

| | For the Three Months Ended January 31, | |
|---|--|---------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net loss | \$(281,431) | \$(9,553,225) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation expense | 90,334 | |
| Amortization expense - website development | 333 | 125 |
| Net gain on settlement of debt | — | (1,793) |
| Stock-based compensation | — | 9,450,000 |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in accounts receivable | (34,278) | — |
| (Increase) decrease in prepaid expenses | 1,614 | — |
| Increase (decrease) in accounts payable | 66,390 | (17,460) |
| Increase (decrease) in accounts payable - related party | 31,103 | — |
| Increase (decrease) in accrued interest | 8,135 | 3,104 |
| Increase (decrease) in accrued compensation - related parties | — | 28,000 |
| Net cash used in operating activities | (117,800) | (91,249) |
| Cash flows from investing activities: | | |
| Equipment purchases | — | (75,000) |
| Website development | — | (1,250) |
| Net cash used in investing activities | — | (76,250) |
| Cash flows from financing activities: | | |
| Proceeds from third party borrowing | 168,000 | 170,000 |
| Repayments on third party borrowing | (34,908) | (7,781) |
| Proceeds from related party borrowing | — | 15,790 |
| Repayments on related party borrowing | — | (575) |
| Net cash provided by financing activities | 133,092 | 177,434 |
| Increase (decrease) in cash | 15,292 | 9,935 |
| Cash - beginning of period | 2,074 | 2,460 |
| Cash - end of period | \$17,366 | \$12,395 |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | \$5,552 | \$4,729 |
| Income taxes paid | \$— | \$— |

The Accompanying notes are an integral part to the unaudited financials

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

3DX Industries, Inc. (the “Company”) was incorporated in the state of Nevada on October 23, 2008. The Company’s principal activity presently is manufacturing and our head office is located near Bellingham WA, USA. The Company manufactures consumer and corporate products using an additive manufacturing method through 3D Metal printing technology and conventional precision manufacturing processes.

Financial Statements Presented

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 210 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three month period ended January 31, 2015, are not necessarily indicative of the results that may be expected for the fiscal year ending October 31, 2014. For further information refer to the financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K/A for the fiscal year ended October 31, 2014 as filed with the Securities and Exchange Commission on February 18, 2015.

Going Concern

The Company has incurred net losses since inception, and as of January 31, 2015 had a combined accumulated deficit of \$16,336,804 and had negative working capital of \$1,200,686. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management recognizes that the Company must generate additional funds to enable it to continue operating. Management intends to raise additional financing through debt and or equity financing and by other means that it deems necessary, with the goal of moving forward and sustaining a prolonged growth in its strategy phases. However, no assurance can be given that the Company will be successful in raising additional capital. Further, even if the company raises additional capital, there can be no assurance that the Company will achieve profitability or positive cash flow. If management is unable to raise additional capital and expected significant revenues do not result in positive cash flow, the Company will not be able to meet its obligations and may have to cease operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Loss Per Share of Common Stock

The Company follows Accounting Standard Codification Topic No. 260, "Earnings Per Share" ("ASC No. 260") that requires the reporting of both basic and diluted earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. The calculation of diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In accordance with ASC No. 260, any anti-dilutive effects on net earnings (loss) per share are excluded. Potential common shares at January 31, 2015 and January 31, 2013 that have been excluded from the computation of diluted net loss per share include an option to convert approximately \$4,117 in fees due to Santeo Financial Corporation at January 31, 2015 into 4,117,060 common shares. Potential common shares at January 31, 2014 that have been excluded from the computation of diluted net loss per share include an option to convert approximately \$3,470 in fees due Santeo Financial Corporation at January 31, 2014 into 3,470,099 common shares.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are reported at the invoiced amount less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on a combination of specific customer circumstances and credit conditions taking into account the history of write-offs and collections. A receivable is considered past due if payment has not been received within the period agreed upon in the invoice. Accounts receivable are written off after all collection efforts have been exhausted. Recoveries of trade receivables previously written off are recorded when received.

Revenue recognition

The Company recognizes revenue when it is realized or realizable and earned when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue is recognized upon transfer of title and risk of loss, which is generally upon the shipment of finished goods. Freight billed to customers is included in revenues, and all freight expenses paid by the Company are included in cost of revenue.

Reclassification

Certain reclassifications have been made to conform the 2014 amounts to 2015 classifications for comparative purposes.

Recent Accounting Pronouncements

The Company's management has evaluated all recent accounting pronouncements since the last audit through the issuance date of these financial statements. In the Company's opinion, none of the recent accounting pronouncements will have a material effect on the financial statements.

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NOTE 3 - RELATED PARTY TRANSACTIONS

On December 18, 2013, the Company purchased various equipment relating to its 3D metal printing operation from Mr. Janssen for \$500,000. The \$500,000 is evidenced by a promissory note assessed interest at an annual rate of 1.64%. Accrued interest is payable quarterly with the Principal balance and any unpaid accrued interest fully due and payable on December 15, 2018. Mr. Janssen has the right to convert any outstanding principal and accrued interest into restricted shares of the of the Company's common stock at a conversion price of \$0.50 per share. The balance due Mr. Janssen at January 31, 2015 totaled \$509,193 (October 31, 2014 - \$507,022) of which the accrued interest of \$9,193 was classified as a short-term liability and the \$500,000 was classified as a long-term liability. The accrued interest of \$9,193 was charged to operations. The Company has not paid any accrued interest.

NOTE 4 - EQUIPMENT

By way of agreement concurrent with Mr. Janssen's appointment to the Board of Directors and entry into an Employment Agreement (see Note 8 – Commitments and Contingencies below) and executed on December 18, 2013, the Company purchased various equipment relating to the post production processes for its 3D metal printing operation from Mr. Janssen, our sole officer and director, for \$500,000 which amount has been capitalized on our balance sheet.

On December 23, 2013, the Company purchased equipment from an unrelated third party for \$750,000 of which \$75,000 was paid. The remaining \$675,000 is payable in two installments: \$375,000 due June 1, 2014 and \$300,000 due on September 1, 2014. The terms of the installment payments do not include a stated interest rate, therefore, the Company accounted for the purchase under ASC Topic 835-30-25 "Imputation of Interest" discounting the purchase price of the equipment by \$18,795 for imputed interest using an interest rate of 5% per annum. The total gross capitalized value of this equipment was \$731,025.

The Company failed to make the required installment payments when they became due and on October 23, 2014, the Company and the seller agreed to modify the terms of the obligation due. Under the modified terms, the balance of the note as of October 23, 2014 increased to \$675,000, which is evidenced by a promissory note which is assessed interest at an annual rate of 5% per annum. Principal and accrued interest are paid in monthly installments of \$20,230 commencing on December 1, 2014.

During the three months ended January 31, 2015, the Company paid \$40,460, of which \$34,908 was applied to the principal and \$5,552 applied to interest. The Company is current in its payment obligations up to February 2015.

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The balance due on this obligation at January 31, 2015 is \$640,832 (October 31, 2014 - \$675,740). A schedule of each year's principal payments for this obligation is as follows:

| Year ended | Principal Reduction |
|------------------|------------------------|
| October 31, 2015 | \$ 160,730 |
| October 31, 2016 | 223,881 |
| October 31, 2017 | 235,335 |
| October 31, 2018 | 20,146 |
| | \$640,092 |

During the year ended October 31, 2014 in connection with the aforementioned equipment purchase, the Company capitalized an additional \$23,366 in respect of installation costs. Capitalized manufacturing equipment (gross) at January 31, 2015 and October 31, 2014 totaled \$1,254,571.

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NOTE 5 - NOTES PAYABLE – UNRELATED PARTY

(1) The ExOne Company

As further detailed above in Note 5 – Equipment, on October 23, 2014 the Company entered into a Secured Promissory Note, Loan and Security Agreement (the “Note”) in the principal amount of \$675,000 with interest accruing at a rate of 5% per annum. Under the terms of the Note, principal and accrued interest are paid in monthly installments of \$20,230 commencing on December 1, 2014. The note is secured by a lien on the purchased equipment. The Company has made payments as required under the terms of the agreement up to the month of January 2015. During the three months ended January 31, 2015, the Company paid \$40,460, of which \$34,908 was applied to the principal and \$5,552 applied to interest. The Company is current in its payment obligations up to February 2015.

(2) Lender 1

a. 5% various notes payable

| | |
|---------------------------|-----------|
| Balance, October 31, 2014 | \$223,478 |
| Additional: Principal | 43,000 |
| Accrued interest | 3,354 |
| Balance, January 31, 2015 | \$269,832 |

During the three months ended January 31, 2015, the Company received an additional \$43,000 in loans from the aforementioned party which is assessed interest 5% per annum and mature at various dates through December 15, 2015.

b. 5% promissory note

In addition to the loans indicated above, the same lender advanced \$150,000 to the Company on November 5, 2013. The \$150,000 is evidenced by an unsecured promissory note bearing interest at a rate of 5%. Outstanding principal and accrued interest is fully due and payable on December 31, 2015. Effective January 1, 2015, the holder has the right to convert any or all of the outstanding principal and accrued interest into shares of the Company’s common stock at a conversion rate of \$0.10 per share. Upon conversion, the holder has certain registration rights. The Company is obligated to bear all costs associated with the registration of the shares. The outstanding balance at January 31, 2015 amounted to \$159,431 (October 31, 2014 - \$157,541). Accrued interest charged to operation for the three months period ended January 31, 2015 and 2014 totaled \$1,890 and \$1,932, respectively.

(3)

Lender 2

| | |
|---------------------------|----------|
| Balance, October 31, 2014 | \$67,855 |
| Additional: Principal | — |
| Accrued interest | 819 |
| Balance, January 31, 2015 | \$68,674 |

On September 9, 2013, the Company borrowed \$30,000 from a third party. The loan is evidenced by an unsecured promissory note. The loan is assessed interest at an annual rate of 5% per annum with principal and accrued interest fully due and payable on May 1, 2014. The outstanding balance was not paid on its due date.

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On March 7, 2014, the Company borrowed an additional \$35,000 from the same party noted above. The loan is evidenced by an unsecured promissory note. The loan is assessed interest at an annual rate of 5% per annum with principal and accrued interest fully due and payable on December 31, 2014.

Accrued interest charged to operations for the three month periods ended January 31, 2015 and 2014 amounted to \$819 and \$592, respectively.

(4)

Lender 3

On November 18, 2014, the Company borrowed \$25,000 from a third party (Note 1). The \$25,000 is evidenced by an unsecured promissory note bearing interest at a rate of 10% beginning April 1, 2015. Outstanding principal and accrued interest is fully due and payable on December 01, 2015. The holder has the right to convert any or all of the outstanding principal and accrued interest into shares of the Company's common stock at a conversion rate of \$0.30 per share.

On December 10, 2014, the Company further borrowed \$100,000 from a third party (Note 2). The \$100,000 is evidenced by an unsecured promissory note bearing interest at a rate of 10% beginning April 1, 2015. Outstanding principal and accrued interest is fully due and payable on December 31, 2016. The holder has the right to convert any or all of the outstanding principal and accrued interest into shares of the Company's common stock at a conversion rate of \$0.15 per share.

Pursuant to ASC Topic 470-20, "Debt with Conversion and Other Options," there is no beneficial conversion feature associated with these promissory notes because the conversion rate is equal or greater than the fair market value on the issuance date.

| | Note 1 | Note 2 |
|---------------------------|----------|-----------|
| Balance, October 31, 2014 | \$— | \$— |
| Additional: Principal | 25,000 | 100,000 |
| Accrued interest | — | — |
| Balance, January 31, 2015 | \$25,000 | \$100,000 |

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Effective November 23, 2013, the Company entered into an employment agreement with its President and Chief Executive Officer, Roger Janssen. Under the terms of the agreement, Mr. Janssen will receive a base salary of \$15,000

a month over the three-year term of the agreement. At the sole discretion of the board of directors, Mr. Janssen may be granted performance bonuses and may also participate in any incentive plans that the Company may establish. In addition, Mr. Janssen received 30,000,000 shares of the Company's restricted common stock as a signing bonus. The shares were valued at \$4,800,000 based upon the trading price of the shares on the date of grant. Officer's compensation for the year ended October 31, 2014 amounted to \$4,887,449 including the indicated stock based compensation of \$4,800,000. Accrued compensation due Mr. Janssen as of January 31, 2015 amounted to \$180,238 (October 31, 2014 - \$149,135), which is included in the balance of other payables – related parties as reflected in the accompanying balance sheet. The \$180,238 is net of \$14,496 that was actually paid to Mr. Janssen during the three months ended January 31, 2015.

In January 2014, the Company entered into lease for warehouse and corporate office space located in Ferndale, Washington for 26 months. The Company was granted an option to extend the lease for another two years.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections. We may use words such as "anticipate," "expect," "intend," "plan," "believe," "foresee," "estimate" and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted. You should read this report completely and with the understanding that actual future results may be materially different from what we expect. The forward looking statements included in this report are made as of the date of this report and should be evaluated with consideration of any changes occurring after the date of this Report. We will not update forward-looking statements even though our situation may change in the future and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

RESULTS OF OPERATIONS

Plan of Operation

As of January 31, 2015, we had \$17,366 of cash on hand. We incurred operating expenses in the amount of \$351,386 during the quarter ended January 31, 2015. These operating expenses were comprised of general and administrative expenses, professional fees, directors' and consulting fees, impairment losses and other miscellaneous expenses.

The Company has recently commenced revenue operations from its primary business in the manufacturing sector. During the period we generated gross revenues of \$109,503 as compared to Nil in the prior comparative period. While we expect to see an increase in revenues as we secure additional customers, we are not presently generating enough revenue to meet our operational overhead. Management cannot guarantee that the Company will be successful in its existing business operations and the Company's business is subject to risks inherent in the operation of a business enterprise with limited revenue generating operations, including limited capital resources and ongoing operational shortfalls

Our current cash holdings are not yet sufficient to satisfy our liquidity requirements and we will require additional financing to pursue our planned business activities. We are in the process of seeking equity and or debt financing to

fund the shortfall in our operations over the next 12 months; however, management provides no assurance that future financing will be available to the Company on acceptable terms. If financing is not available on satisfactory terms, the Company may be unable to continue operations, develop, or expand its existing operations. Equity financing could result in additional dilution to the Company's existing shareholders.

For the period ended January 31, 2015, as compared to the period ended January 31, 2014.***Revenues***

The Company generated \$109,503 in revenues from operations and \$23,883 in cost of goods sold for the three months ended January 31, 2015 and \$nil in revenue from operations and cost of goods sold for the same period ended January 31, 2014.

Expenses

For the three months ended January 31, 2015, total operating expenses were \$351,386 as compared to \$9,547,185 for the three months ended January 31, 2014.

Working Capital***Cash Flows***

| | January 31, 2015 | January 31, 2014 | Difference |
|---------------------|-------------------------|-------------------------|-------------------|
| Current Assets | \$51,644 | \$12,395 | \$39,249 |
| Current Liabilities | \$1,252,330 | 1,142,010 | \$(110,320) |
| Working Capital | \$(1,200,686) | \$(1,129,615) | \$(71,071) |

| | Three Months Ended | Three Months Ended |
|---|-----------------------------------|-----------------------------------|
| | January 31, 2015 | January 31, 2014 |
| Net Cash (Used) in Operating Activities | \$(117,800) | \$(91,249) |
| Net Cash (Used) in Investing Activities | — | (76,250) |
| Net Cash Provided by Financing Activities | 133,092 | 177,434 |
| Net Effect of Foreign Currency Translation | — | — |
| Net Increase (Decrease) in Cash During the Period | \$15,292 | \$9,935 |

Interest Expense

Interest expense for the quarter ended January 31, 2015 totaled \$15,665. Interest expense for the quarter ended January 31, 2014 was \$7,833. Interest expense in both years mainly consisted of interest accruing on certain outstanding accounts and notes payable.

Liquidity and Capital Resources

Growth of our operations will be based on our ability to internally finance from operating cash flows, and the ability to raise funds through equity and/or debt financing to increase sales and production. Our primary sources of liquidity are: (i) investor loans; and (ii) financing activities. Our cash balance as of January 31, 2015 is \$17,366.

Our Company has funded some of its operations through debt financing with related and non-related party transactions.

The Company is not aware of any known trends, events or uncertainties which may affect its future liquidity.

Critical Accounting Estimates

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Included in our evaluations are estimates on the useful lives of fixed assets, impairment of long lived assets, and allowances for doubtful accounts.

We regularly evaluate the accounting policies and estimates that we use to prepare for financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Going Concern

For the quarter ended January 31, 2015, our Company has a net loss of \$281,431 and a combined accumulated deficit of \$16,336,804. We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive activities. For these reasons, our auditors stated in their report on our audited financial statements that they have substantial doubt that we will be able to continue as a going concern without further financing.

Future Financing

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund planned acquisitions and exploration activities.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Off-Balance Sheet Arrangements

As of January 31, 2015, we had no off-balance sheet transactions that have had, or are reasonably likely to have, a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Contractual Obligations

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Recent Accounting Pronouncements

The Company's management has evaluated all recent accounting pronouncements since the last audit through the issuance date of these financial statements. In the Company's opinion, none of the recent accounting pronouncements will have a material effect on the financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed 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 our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act").

Based on this evaluation, our Principal Executive and Principal Financial and Accounting Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were not effective as of January 31, 2015.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our director, officer or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

1. Quarterly Issuances:

None.

2. Subsequent Issuances:

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) The following Exhibits, as required by Item 601 of Regulation S-K, are attached or incorporated by reference, as stated below.

| Number | Description | Filing |
|---------------|---|--|
| 3.01 | Articles of Incorporation | Filed with the SEC on January 6, 2009 as part of our Registration Statement on Form S-1. |
| 3.02 | Bylaws | Filed with the SEC on January 6, 2009 as part of our Registration Statement on Form S-1. |
| 3.03 | Amended Articles of Incorporation | Filed with the SEC on March 22, 2010 as part of our Quarterly Report on Form 10-Q. |
| 4.04 | Amended Articles of Incorporation, effective November 18, 2013 | File with the SEC on December 31, 2013 as part of our Current Report on Form 8-K. |
| 10.01 | Assignment of Exploration Agreement between the Company and Carlin Gold Resources, Inc., dated February 22, 2010 | Filed with the SEC on March 4, 2010 as part of our Current Report on Form 8-K. |
| 10.02 | Exploration Agreement by and between Carlin Gold Resources, Inc. and Trio Gold Corp dated January 28, 2010 | Filed with the SEC on March 4, 2010 as part of our Current Report on Form 8-K. |
| 10.03 | Agreement between the Company and St. Elias Mines Ltd. dated April 16, 2010 | Filed with the SEC on June 21, 2010 as part of our Quarterly Report on Form 10-Q. |
| 10.04 | Revision to Exploration Agreement by and between Carlin Gold Resources, Inc. and Trio Gold Corp dated February 24, 2010 | Filed with the SEC on February 15, 2011 as part of our Annual Report on Form 10-K. |
| 10.05 | Purchase and Sale Agreement between the Company and Warrior Ventures, Inc. dated March 24, 2011 | Filed with the SEC on June 8, 2011 as part of our Current Report on Form 8-K. |

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|----------|---|--|
| 10.06 | Executive Employment Agreement, dated December 18, 2013 by and between 3DX Industries, Inc. and Roger Janssen | File with the SEC on December 31, 2013 as part of our Current Report on Form 8-K. |
| 10.07 | Equipment Purchase Agreement, dated December 18, 2013 by and between 3DX Industries, Inc. and Roger Janssen | File with the SEC on December 31, 2013 as part of our Current Report on Form 8-K. |
| 10.08 | Acquisition and Option Agreement, dated October 8, 2013 by and between the Company and Trio Gold Corp. | Filed with the SEC on October 23, 2013 as part of our Current Report on Form 8-K. |
| 10.09 | Agreement between the Company and Dragon Resource Holdings Inc. dated November 9, 2012 | Filed with the SEC on November 19, 2012 as part of our Current Report on Form 8-K. |
| 16.01 | Letter from Robison, Hill and Co. dated December 11, 2014 | Filed with SEC on February 18, 2015, as part of our Annual Report on Form 10-K. |
| 31.01 | Certification of Principal Executive Officer Pursuant to Rule 13a-14 | Filed herewith. |
| 31.02 | Certification of Principal Financial Officer Pursuant to Rule 13a-14 | Filed herewith. |
| 32.01 | CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act | Filed herewith. |
| 32.02 | CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act | Filed herewith. |
| 101.INS* | XBRL Instance Document | Filed herewith. |
| 101.SCH* | XBRL Taxonomy Extension Schema Document | Filed herewith. |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document | Filed herewith. |
| 101.LAB* | XBRL Taxonomy Extension Labels Linkbase Document | Filed herewith. |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document | Filed herewith. |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document | Filed herewith. |

*Pursuant to Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**3DX INDUSTRIES,
INC.**

Date: March 23, 2015 By: */s/ Roger Janssen*

Name: Roger Janssen
Principal
Executive Officer

Title: Principal
Accounting Officer

President, and
CEO

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

Date: March 23, 2015 By: */s/ Roger Janssen*

Name: Roger Janssen
Title: Director

Date: March 23, 2015 By: */s/ Earl W. Abbot*

Name: Earl W. Abbot
Title: Director