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

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended October 31, 2014

[_] 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 000-49845

CDEX INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**52-2336836**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4555 South Palo Verde Road, Suite 123
Tucson, Arizona, 85714
520-745-5172
(Address of principal executive offices and registrant's phone number)

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act:
Class A Common stock, $.005 par value per share.
(Title of Class)

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 website, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in a definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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. (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 ☑

The aggregate market value of the Class A common stock held by non-affiliates was approximately $1,006,000 on April 30, 2014 (the last day of the registrant's most recently completed second quarter) based on the last reported sale price of the registrant's Class A common stock on the Over-the-Counter Bulletin Board (OTCBB).

The number of Common Shares of the Registrant outstanding as of January 21, 2015 was 69,452,958.

DOCUMENTS INCORPORATED BY REFERENCE – None

CDEX INC.
ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED OCTOBER 31, 2014

PART I

PART II

PART III

PART IV

PART I

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements as that term is defined in the federal securities laws. Forward-looking statements can be identified by the use of words such as "expects," "plans," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, the ability of the Company to raise capital to finance the development of its products, the effectiveness, profitability and the marketability of those products, the ability of the Company to protect its proprietary information, the establishment of an efficient corporate operating structure as the Company grows and, other risks detailed from time-to-time in our filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statements.

ITEM 1. BUSINESS

General

CDEX Inc. (“CDEX,” “we,” “us,” “our” or the “Company”) is a technology development company incorporated in the State of Nevada on July 6, 2001 with a corporate office and research and development facility in Tucson, Arizona. Our Class A common stock is currently being traded on the OTCBB under the symbol "CDEX.OB." Our long term strategic plans focus on applying our patented and patents pending chemical detection technologies to develop products in various markets including the healthcare, security and brand protection markets, as addressed below:

1. Healthcare - Validation of medications, training and quality assurance (e.g., validation of prescription and compounded medications to provide for patient safety, training of medical staff regarding compounding practices and detection of the diversion of narcotics and controlled substances);

2. Security and Public Safety - Identification of substances of concern (e.g., explosives, illegal drugs and the detection of counterfeit drugs and medications to assist in the protection of the nation's drug supply); and

3. Brand Protection - Detection of counterfeit or sub-par products for brand protection (e.g., inspection of incoming raw materials, outgoing final products and products in the distribution channel).

The Company is also exploring unique opportunities in select market verticals where its proprietary technology may provide low cost/real time solutions to a growing concern such as conducting urine, blood and saliva analysis for detecting illegal drugs and performance enhancement substances.

Virtually all CDEX product development has been based on applying the same underlying technologies. CDEX anticipates developing and/or acquiring other technologies in the future through partnering and investment. However, unless and until such time as we acquire or develop other technology assets, all of the Company's revenues will come from products developed from our current suite of patents and patents pending technologies, or through licensing arrangements with companies with related intellectual property.

Our Technology

Our research and development efforts have centered on, but are not limited to, the use of excitation energy sources and patented/patents pending processing technology for substance verification, authentication and identification. When certain substances are exposed to excitation energy the substances produce photons at specific wavelengths that form unique spectral fingerprints, which can be used as signatures to validate and authenticate the substances.

CDEX creates reference signatures of substances of interest, such as selected narcotics, explosive compounds and medicines. CDEX software validates a substance of interest by comparing its signature against the known reference signature of the substance of interest in the data base.

The CDEX advantage is that substances of interest are tested at the base levels and their signatures are compared to the known signatures of the substance of interest contained in the database. This provides rapid validation and authentication that the substance is genuine. CDEX technology is not centered on packaging schemes such as holograms, inks, ingredient taggants or Radio Frequency Identification (or RFID) tags, all of which can be defeated by determined counterfeiters.

Products

We are currently focusing our resources on marketing and improving near-real-time (within seconds) chemical detection products using proprietary, patented and patents pending technologies. Our primary focus in 2014 was the continued development and enhancement of our ValiMed G4 System ("VG4") for use in the pharmaceutical market and sales of our ID2 products for the security markets with our principal product lines noted below. The Company continues to explore unique opportunities where its proprietary technology may provide low cost/real time solutions to growing security or liability concerns such as conducting urine, blood and saliva analysis for detecting illegal drugs and performance enhancement substances in the work place or sporting environment.

Healthcare Market.

ValiMed™ Medication Validation System ("*MVS*") Product Line currently consists of two products: Our third generation *ValiMed* known as the *ValiMed CCT* and the *ValiMed G4/5* System. Both *ValiMed* systems help healthcare providers ensure patient safety and control costs by reducing medication errors, utilizing our patented and patent pending process known as Enhanced Photoemission Spectroscopy. The *VG4* narcotics diversion system uses a patented detection process providing a near-real time (within seconds), quantitative (strength/concentration) as well as qualitative (identification of known substances) analysis of narcotics and other controlled substances that are commonly being diverted within the hospital setting. The *ValiMed CCT* system that is operating in numerous hospital settings around the country, provides the healthcare industry with verification of a known substance, specifically a known drug with a known strength/concentration, in a known diluent. Both devices help healthcare facilities comply with Joint Commission on Accreditation of Healthcare Organizations compliance requirements and United States Pharmacopeia's General Chapter 797 Pharmaceutical Compounding—Sterile Preparations ("USP 797") guidelines for compounding sterile preparations. Both product lines provide a recurring revenue stream and address three problem areas in the healthcare market: (i) human error in the compounding of medications, with an emphasis on, but not limited to high risk medications; (ii) harmful counterfeit medications and (iii) diversion of hospital narcotics. In 2016, we anticipate the launch of the *ValiMed V5* ("*VG5*") our patient safety platform that provides an end-of-line analysis of high-risk single component compounded medications and treatment solutions, along with an analysis of returned narcotics and other drugs that are commonly diverted. The *VG5* will help to reduce medication errors by providing a quantitative and qualitative analysis of the admixture in near real-time. In the near future, we expect our *ValiMed* product line to address multi component compounded admixtures, such as total parenteral nutrition. We expect to add oncology drugs to our formulary in the near future.

Security Market.

CDEX ID2™ Product Line provides products for real time detection of specified illegal drugs. This product line currently comprises two instruments. Both of the devices are hand held models that detect methamphetamine. The ID2 Meth Scanner is a device that is used for the detection of methamphetamine in the home inspection industries, by housing authorities, hotel industry and most recently its use in our nation's prisons and jails. The Pocket ID2 is a pocket sized hand held device that currently detects visible and prosecutable quantities of methamphetamine, with other drugs such as Cocaine, Heroin, OxyContin and Ecstasy expected to come in the near future. We continue to explore the use of applying the ValiMed technology to a table top device that is expected to be portable and able to detect trace amounts of specified illegal drugs and explosives in virtually real time. Each of these products would most likely be of interest to all areas of law enforcement, such as police and sheriff departments, U.S. border patrol, port authorities, the TSA, the FBI, all of the U.S. military, and many other agencies.

2014 Year in Review

2014 was an exciting year for CDEX and its technology. Our *ValiMed G4* formulary, which consists of those drugs that are most commonly diverted in the hospital setting, was completed and ready for beta testing. We also began our efforts to incorporate an additional 40 high risk drugs into the formulary that would be beneficial to the ValiMed G5 patient

safety platform that is currently on pace to launch in 2016. While in beta testing, our ValiMed G4 provided valuable information, leading us to conclude that the product required additional updates. From beta feedback, we began to make the necessary changes to advance the ValiMed G4 out of beta mode and toward a final product.

To aid in the upgrades of the *ValiMed G4*, CDEX expanded its technical team to include John P. Coates, Ph.D. as the Technical Director for Spectroscopy Products. Dr. Coates, a globally recognized spectroscopist and instrumentation expert with 40-years' experience in the fields of applied spectroscopy and analytical method development, is charged with guiding the ongoing development of CDEX's spectral management systems for medication analysis and validation, with specific focus on achieving optimal performance of the ValiMed Medical Validation System product line. With Dr. Coates on our team, we worked with our OEM manufacturers to improve the specifications of the components in our system, modified some processes, expanded the capabilities of the system, and with his efforts we feel that the product is very close to its final form and ready for commercialization in the upcoming year.

Due to the established growing needs for our technology and given the fact that we are very close to commercialization and implementation of our ValiMed G4, CDEX has engaged Hanover International as its Capital Markets Advisor. Hanover International will maintain a proactive investor relations outreach effort, keep an open line of communication with the investment community and help guide us as we build our investment banking relationships, which could prove to be pivotal in our quest to accomplish our business plan and our near term growth strategies.

As for an update from our Security Markets division, we have continued to sell the ID2 Meth Scanner at a slow and steady pace. With opportunities presenting themselves in New Zealand and Australia, 2015 should prove to be interesting for our Security Markets division. However, until we are able to launch the ValiMed G4 system completely, we plan to handle any sales of the product as they are needed. We will look to more aggressively market and promote the ID2 Meth Scanner's product line after the ValiMed G4 product launch.

We were able to produce, deliver, and provide training to our distributor in Kuwait, for ten ValiMed CCT units. The units have been placed in their respective hospitals and will be activated following the installation of a uniform drug dispersal system in all the client hospitals. Accordingly, we have yet to receive any recurring supplies revenue from the sale of these units in 2013. In fiscal 2014, we began to receive revenues from the maintenance contracts for each of these machines. We expect to begin receiving recurring revenue from cuvette sales for these machines in fiscal 2015.

Regarding the *ValiMed G4*, we did place units in three beta sites around the country. The beta sites consist of a highly acclaimed children's hospital which is part of a large healthcare organization serving the western United States; the flagship hospital of a prestigious nationwide clinic, and a large metropolitan hospital. The three sites that were selected make up a good representation of the different types of facilities that we expect will initially be serviced by the VG4. Once the beta testing is completed, we expect to launch our system soon thereafter. The next phase of development will be to begin building the patient safety formulary, and then move to developing an oncology formulary for the VG5, which we estimate a launch in 2016. There are over seven hundred institutions in the United States that administer oncology drugs, and due to the toxic nature and expense of these drugs, we expect to partner with a large teaching hospital in the Midwest to help us build the oncology library. We anticipate this endeavor will start in the fourth quarter of 2015. Our beta partners continue to be invaluable in the development of the final form and function of our *ValiMed G4* system, and we are grateful for their continued support and commitment.

Demand and interest in our VG4 technology is very high, and continues to grow. Through current relationships, attendance at numerous trade shows, our web site, and word of mouth throughout the industry, we currently have contracts in place for multiple placements which include; a university hospital, teaching hospitals, general hospitals, clinics, and children's hospitals all around the country and internationally. This approach for CDEX, of having a few select hospitals as beta site partners, has proven to be a critical step which has provided the necessary data, and details for the development of the final product. Although this step has delayed the launch of VG4 platform, it has proven to be a vital tool for an anticipated successful future launch for the VG4.

In mid-2014, CDEX was granted by the U.S. Patent and Trademark Office a Notice of Allowance for U.S. Patent application No. 13/673,270 with claims that cover methods for identifying and determining unknown substances using enhanced photoemission spectroscopy. This new patent joins previously issued U.S. patents, which comprise a platform portfolio of technologies, systems and methodologies underlying CDEX's first commercial innovations: The ValiMed™ System, which provides real-time validation of drugs or the detection of foreign materials; the ID2™ Meth Scanner, a

hand-held, battery-operated scanner for detecting all forms of methamphetamines; and the Pocket ID2™, which provides a more portable and easily concealed device for convenience and security purposes in law enforcement, prisons, homeland security, border patrol, port authorities and other applicable environments.

Research and Development ("R&D")

In 2015, we expect to continue the exploration and development of new capabilities for our ValiMed VG4 technology, such as expanding the signature libraries of detectable drugs and improving multi-component capabilities. Additionally, we anticipate partnering with a major Midwestern university hospital to develop an oncology formulary, and possibly the detection of drugs in blood and/or urine, such as banned performance enhancing drugs, HGH, and HCG. If demand and budget allows we also expect to begin development research in creating a portable VG4 unit, which could be utilized to service the smaller hospitals, pain centers, and convalescent hospitals, in their fight against narcotics diversion.

We have historically outsourced certain engineering and manufacturing tasks while retaining control of critical technology and expect to continue this practice as this allows us to focus on improving our technologies while providing the opportunity to scale quickly as we generate sales. Previously, we entered into Master Services Agreements with several engineering/manufacturing organizations. The agreements generally provide for the contractors to provide services to CDEX from time to time, which are to be set forth more specifically in "statements of work" to be executed by each party. Such services may include, without limitation: (i) non-recurring engineering services such as product design, creation and modification of bills of materials, engineering drawing packages, work instructions, manufacturing specifications, fabrication documents and drawings and survey documents; (ii) prototyping services such as the development and testing of product prototypes; and (iii) other related design and manufacturing services as needed. Payments for services performed are on a time and materials or fixed price basis, all as set forth in the statement of work pertaining to the particular services. R&D costs were approximately $181,000 for fiscal 2014 compared to $146,000 for fiscal 2013.

Industry and Competition

(i) Healthcare

Healthcare spending is fueled in some measure by an aging population and increasing cost of healthcare technology. The past year saw a draw-down in the capital and a tightening of the operating budgets of hospitals, due in part to the recent global economic downturn and the uncertainty of health care reform legislation. However, we do not expect an overall change in the mega trend of increasing needs for health care products. There are multiple drivers of demand for the Company's ValiMed products. Medication errors are a major problem in the global healthcare market and we expect resources will continue to be allocated to help prevent these errors from occurring. To quantify the problem, it is estimated between 44,000 and 98,000 deaths occur annually due to preventable errors and 770,000 patients are injured by adverse drug events (Institute Of Medicine Report "To Err Is Human"). A study published by Auburn University reported an 8% error rate while observing pharmacist mixing IV preparations. We continue to receive indications that these problems are still a real issue within the healthcare industry. This is evidenced by the numerous and steady stream of reports and articles regarding healthcare professionals and institutions either involved in diversion of narcotics, or having an adverse event due to human error. Finally, the University of Michigan conducted a study of the ValiMed unit and determined that even though they knew that high risk compounded medications would be checked through the ValiMed system, five major compounding errors were made in an 18 month time period that would have gone undetected had not the ValiMed system been in place. In addition, impaired clinicians present a major problem in healthcare. It is published in the medical literature (AANA J. 1999 Apr; 67(2): 133-40) that approximately 5% to 10% of all healthcare workers with access to narcotics are users of these substances. Substitution of water or saline for injectable narcotics is a common practice to divert and steal these medications. Lastly, USP 797 regulations have been instituted to promote quality and sterility of compounded IV medications in pharmacies. These regulations are primarily focused on sterility of IV medications, but the accuracy of the end product is also included in the regulation, with adoption of a new zero tolerance policy for human error. Historically, pharmacists have performed a visual examination of the end product for accuracy. Based on the number of errors reported, this practice is not effective.

There are approximately 6,600 hospitals in the U.S., 3,000 of which have greater than 300 beds (Billian's Healthdata). Adding in the targeted global market for CDEX healthcare products, the number of hospitals would exceed 12,000. The Company believes that its ValiMed products are applicable to a large number of these hospitals and in many cases multiple units would be needed to fulfill the institutions' needs.

(ii) Security and Public Safety

Illicit and Counterfeit Drug Detection: According to DEA congressional testimony by Joseph T. Rannazzisi, Deputy Chief, Office of Enforcement Operations Drug Enforcement Administration, methamphetamine is the number one drug problem in America today and the problem continues to increase. In a recent report by the Rand Corporation it was estimated that methamphetamine use alone costs the U.S. approximately $23 billion per year. Two competing technologies in the methamphetamine detection marketplace are test kits and ion mobilization units. Some of the test kits are inexpensive, but cannot readily detect trace amounts of methamphetamine on surfaces and are a destructive test. The ion mobilization units are expensive to purchase, and require a sophisticated user, airborne substances and relatively high maintenance. CDEX technology has the advantages of portability, ease of use, low maintenance and reduced costs. The Company has also identified market opportunities for the application of its technology in the detection of counterfeit medications.

Explosive Detection: CDEX believes the explosives detection marketplace is potentially significant because of growing awareness of terrorism due to recent world events. We believe that this marketplace possibly includes the following potential customers: militaries, airport/building security organizations and transportation related organizations, government, law enforcement organizations and school systems. These markets are global in perspective and large in size. Currently, domestic sales of people screening devices are dominated by a small number of products sold by a handful of vendors. CDEX believes that if it launches explosives detection products that those products will compete with existing detection products, and, depending on the application, may have a competitive advantage by being more advanced than existing tools in a number of areas. There are large competitors in this space that have significantly more resources than CDEX.

(iii) Brand Protection

While not currently a business focus, the Company believes brand protection may represent a significant business opportunity for the application of its technology. Based on worldwide counterfeit enforcement activity (investigations, raids, seizures, arrests, charges, convictions, sentences and civil litigation) for 2005, as reported through the DOPIP Security Counterfeit Intelligence Report, more than 3,700 incidents valued at approximately $3.2 trillion were analyzed from 133 countries. The eighth most commonly counterfeited category is Food & Alcohol with 64 incidents worth $11 million, and the fourteenth most commonly counterfeited category is Perfume & Cosmetics with 22 incidents worth $12 million. U.S. companies, for instance, estimate that between $200 billion and $250 billion in annual revenue is lost to counterfeiters. The E.U. claims that 100,000 jobs are lost each year to the same trade. In 2003, it was estimated that counterfeit goods cost the State of New York $34 billion, depriving it of $1.6 billion in tax revenue (Scotsman.com news). The Company will continue to monitor this market application.

Sales and Marketing

Our continuing business vision is to develop technologies to the point of market or application viability and then, where management determines it to be beneficial, team with organizations to complete commercial deployment and/or distribution through our sales and marketing channels. In some instances, we may take a technology directly to market. In others, we may seek to license the technology to third parties who will then develop and market products employing it. Our products and technologies may be licensed to original equipment manufacturers, sold direct or via resellers as standalone end units, or be integrated as sensors that gather and relay information to an integrated solution that is the repository of information gathered from many sources (e.g., in security applications from perimeter, environmental and structural security devices and medication delivery systems). Accordingly, our prospective "client base" varies depending on the application and the stage of development. In marketing our chemical detection products and technologies, we intend to target, via partnerships as well as direct sales, both U.S. and foreign governments, in addition to private industry or individuals requiring confirmation of the presence or absence of substances.

We are currently reaching potential customers and partners through our website, participating in industry events such as trade shows and public meetings, distributing product information through targeted mailings and direct sales activities which include demonstrations of product application and traditional advertising. Planned advertising activities include trade and industry magazines and managed clinical trials where researchers are likely to publish articles discussing the results of the trials. We also anticipate reaching prospective customers via strategic relationships.

Intellectual Property Rights

We rely on non-disclosure agreements, patent, trade secret and copyright laws to protect the intellectual property that we have and plan to develop, but such laws may provide insufficient protection. Moreover, other companies may develop products that are similar or superior to ours or may copy or otherwise obtain and use our proprietary information without authorization. In addition, certain of our know-how and proprietary technology may not be patentable. Policing unauthorized use of our proprietary and other intellectual property rights could entail significant expense and could be difficult or impossible to do. In addition, third parties may bring claims of copyright or trademark infringement against CDEX or claim that certain of our processes or features violate a patent, that we have misappropriated their technology or formats or otherwise infringed upon their proprietary rights. Any claims of infringement, with or without merit, could be time consuming to defend, result in costly litigation, divert management's attention, and/or require CDEX to enter into costly royalty or licensing arrangements to prevent further infringement, any of which could adversely affect our operating results. The Company makes business decisions regarding which inventions to patent, and in what countries.

Our competitive position also depends upon unpatented trade secrets. Trade secrets are difficult to protect. Our competitors may independently develop proprietary information and techniques that are substantially equivalent to ours or otherwise gain access to our trade secrets, such as through unauthorized or inadvertent disclosure of our trade secrets.

Government Regulation

The products developed may be subject to various governmental regulations and controls, including that associated with international manufacturing, handling and transport; security products in airports; handling of sensitive substances such as illegal drugs, medications, and explosive materials and related potentially harmful energy such as x-ray energy. The storage and handling of certain explosive materials and drugs are subject to licensure. It is possible that government agencies may develop additional regulations that impact our initial and future products.

The U.S. Food and Drug Administration ("FDA") has jurisdiction to regulate computer products and software as medical devices if they are intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease. We have preliminarily determined that our initial products are not medical devices. However, further investigation or a change in FDA policy could subject us to regulation. Noncompliance with applicable FDA requirements can result in such things as fines, injunctions and suspension of production.

We are subject to Regulation 14A of the Securities Exchange Act of 1934, as amended (the "1934 Act"), which regulates proxy solicitations. Section 14(a) requires all companies with securities registered pursuant to Section 12(g) of the 1934 Act to comply with the rules and regulations of the Commission regarding proxy solicitations, as outlined in Regulation 14A. Matters submitted to stockholders at a special or annual meeting thereof or pursuant to a written consent will require us to provide our stockholders with the information outlined in Schedules 14A or 14C of Regulation 14A; preliminary copies of this information must be submitted to the Commission at least 10 days prior to the date that definitive copies are forwarded to stockholders.

We are also required to file annual reports on Form 10-K and quarterly reports on Form 10-Q with the Commission on a regular basis, and will be required to timely disclose certain events (e.g., changes in corporate control; acquisitions or dispositions of a significant amount of assets other than in the ordinary course of business; and bankruptcy) in a Current Report on Form 8-K. We believe that these reporting obligations will elevate our annual legal and accounting costs.

Except as mentioned above, we are not currently aware of any other U.S. federal, state or local laws that would have a significant adverse impact on development and distribution of our initial products. However, various federal, state or local agencies may propose new legislation pertaining to the use of potentially dangerous materials, to the discharge of materials into the environment, to the manufacturing or marketing of chemical validation products (or designation of one or more of our chemical validation products as medical devices) and/or otherwise potentially relating to our business that may require us to allocate a portion of our operating budget to ensure full compliance with such regulations.

Cost of Compliance with Environmental Laws

At this time our business activities are not subject to any environmental laws or governmental regulation nor do we anticipate that our future business activities will subject us to any environmental compliance regulations.

Employees

At January 21, 2015, the Company had three full time employees and three part-time contractors.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information in this annual report. The following risks relate principally to our business and contain forward-looking statements. Actual results could differ materially from those set forth in the forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" at the beginning of Part I of this annual report.

A HISTORY OF OPERATING LOSSES AND AN ACCUMULATED DEFICIT MAY AFFECT OUR ABILITY TO SURVIVE.

We have a history of operating losses and an accumulated deficit. Since our principal activities to date have been limited to organizational activities, research and development, product development and marketing and sales, CDEX has produced limited revenues. In addition, we have only limited assets. As a result, we cannot be certain that CDEX will continue to generate increased revenues or become profitable in the future. If we are unable to obtain sufficient customers and generate sufficient revenues to operate profitably, our business will not succeed.

CDEX HAS RECEIVED A "GOING CONCERN" OPINION FROM ITS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM THAT EXPRESSES UNCERTAINTY REGARDING ITS ABILITY TO CONTINUE AS A GOING CONCERN.

We have received reports from our independent registered public accounting firm for the fiscal years ended October 31, 2004 through 2014 containing an explanatory paragraph that expresses uncertainty regarding our ability to continue as a going concern due to historical negative cash flow. We cannot be certain that our business plans will be successful or what actions may become necessary to preserve our business. Any inability to raise capital may require us to reduce operations or could cause our business to fail.

Our limited operating history makes our future operating results unpredictable rendering it difficult to assess the health of our business or its likelihood of success. The inability to assess these factors could result in a total loss of an investor's investment in CDEX.

In the case of an established company in an ongoing market, investors may look to past performance and financial condition to get an indication of the health of the company or its likelihood of success. Our short operating history and the evolving nature of the chemical identification markets in which we focus make it difficult to forecast our revenues and operating results accurately. We expect this unpredictability to continue into the future due to the following factors:

- the timing of sales of all of our products and services, particularly in light of our limited sales history for some of our products;
- difficulty in keeping current with changing technologies;
- unexpected delays in introducing new products, new product features and services;
- increased costs and expenses, whether related to sales and marketing, manufacturing, product development or administration;
- deferral of recognition of our revenue in accordance with applicable accounting principles due to the time required to complete projects;
- the mix of product license and services revenue; and
- costs related to possible acquisitions of technologies or businesses.

CDEX could experience operating losses or even a total loss of our business which, as a result of the foregoing factors, would be difficult to anticipate and could thus cause a total loss of capital invested in CDEX.

LACK OF ADDITIONAL FINANCING COULD PREVENT US FROM OPERATING PROFITABLY WHICH, EVENTUALLY, COULD RESULT IN A TOTAL LOSS OF OUR BUSINESS.

Since our inception, we have funded our operations through revenue from the sale of our products, borrowings and financings. Current funds available to CDEX may not be adequate for us to be competitive in the areas in which we intend to operate, and we have no arrangements or commitments for ongoing funding. If funding is insufficient at any time in the future, we may not be able to grow revenue, take advantage of business opportunities or respond to competitive pressures. The unavailability of funding could prevent us from producing additional revenues or ever becoming profitable. Our continued operations, as well as the successful implementation of our business plan, may therefore depend upon our ability to raise additional funds through bank borrowings or equity or debt financing over the next twelve months. We continue to seek prospective investors who may provide some of this funding. However, such funding may not be available when needed or may not be available on favorable terms. If we do not produce revenues and become profitable, eventually, we will be unable to sustain our business.

IF WE ISSUE ADDITIONAL EQUITY TO FUND OPERATIONS OR ACQUIRE BUSINESSES OR TECHNOLOGIES, CDEX SHAREHOLDERS WILL EXPERIENCE DILUTION PROPORTIONAL TO THE ISSUED EQUITY.

If working capital or future acquisitions are financed through the issuance of equity securities, CDEX shareholders will experience dilution proportional to the equity issued. In addition, securities issued in connection with future financing activities or potential acquisitions may have rights and preferences senior to the rights and preferences of the currently outstanding CDEX shares of common stock. The conversion of future debt obligations into equity securities could also have a dilutive effect on our shareholders. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we may elect to compensate providers of services by issuing stock or stock options in lieu of cash.

OUR POTENTIAL INABILITY TO PROTECT THE PROPRIETARY RIGHTS IN OUR TECHNOLOGIES AND INTELLECTUAL PROPERTY MAY HAMPER OUR ABILITY TO MANUFACTURE PRODUCTS, WHICH WOULD PREVENT US FROM EARNING REVENUES OR BECOMING PROFITABLE.

Our success and ability to compete will depend in part on the protection of our patents and other proprietary information. We currently have two patents issued and others in various stages of government review for our chemical detection technologies. We rely on non-disclosure agreements and patent and copyright laws to protect the intellectual property that we have developed and plan to develop. However, such agreements and laws may provide insufficient protection. Moreover, other companies may develop products that are similar or superior to ours, or may copy or otherwise obtain and use our proprietary information without authorization. If a third party were to violate one or more of our patents, we may not have the resources to bring suit or otherwise protect the intellectual property underlying the patent. In the event of such a violation or if a third party appropriated any of our unpatented technology, such party may develop and market products that we intend to develop and/or market. We would lose any revenues that we would otherwise have received from the sale or licensing of those products. This could prevent our ever making a profit on any products based upon the misappropriated technology.

Policing unauthorized use of our proprietary and other intellectual property rights could entail significant expense and could be difficult or impossible. In addition, third parties may bring claims of copyright or trademark infringement against CDEX or claim that certain of our processes or features violate a patent, that we have misappropriated their technology or formats or otherwise infringed upon their proprietary rights. Any claims of infringement, with or without merit, could be time consuming to defend, result in costly litigation, divert management attention, and/or require CDEX to enter into costly royalty or licensing arrangements to prevent further infringement, any of which could increase our operating expenses and thus prevent us from becoming profitable.

Our competitive position also depends upon unpatented trade secrets. Trade secrets are difficult to protect. Our competitors may independently develop proprietary information and techniques that are substantially equivalent to ours or otherwise gain access to our trade secrets, such as through unauthorized or inadvertent disclosure of our trade secrets. If this occurs, our competitors may use our processes or techniques to develop competing products and bring them to market ahead of us. This could prevent us from becoming profitable.

We may rely on certain intellectual property licensed from third parties, and may be required to license additional products or services in the future, in order to move forward with our business plan. These third party licenses may be unavailable on acceptable terms, when needed or at all. An inability to enter into and maintain any of these licenses could prevent us from developing or marketing products based upon the underlying technology and could prevent us from earning revenues on these products or from becoming profitable.

OUR ABILITY TO SURVIVE MAY BE AFFECTED BY A LACK OF SUCCESSFUL MANUFACTURING EXPERIENCE.

CDEX itself has a growing but limited experience in manufacturing commercial quantities of products. We presently have no plans for developing in-house manufacturing capability beyond aggregating off-the-shelf components for our initial and limited production units into a final assembly. Accordingly, we primarily depend upon outside manufacturers to manufacture and assemble our products. In our early stages with each new product, we plan to do the final assembly and testing of the initial units in-house. We cannot be certain that the terms of such arrangement will be favorable enough to permit our products to compete effectively in the marketplace.

DEPENDENCE ON OUTSOURCED MANUFACTURING MAY AFFECT OUR ABILITY TO BRING PRODUCTS TO MARKET.

At present, we plan to do in-house production manufacturing of our products and we currently do limited in-house assembly and primarily outsource the production manufacturing/assembly of our products. In the future, we may consider different possibilities for bringing products to market, among them, licensing to third parties. The risks of association with outsourced manufacturers are related to their operations, finances and suppliers. CDEX would have little control over an outsourced manufacturer and may suffer losses if any outside manufacturer fails to perform its obligations to manufacture and ship the manufactured product. These manufacturers' financial affairs may also affect our ability to obtain product from them in a timely fashion should they fail to continue to obtain sufficient financing during a period of incremental growth. Problems with outsourced manufacturers could damage our relationships with our clientele and cost us future revenues. If we are unable to contract with adequate manufacturers, and in the absence of licensing or other means, we may be unable to market our products. This would prevent us from earning revenues.

LACK OF MARKET ACCEPTANCE MAY LIMIT OUR ABILITY TO SELL PRODUCTS AND GENERATE REVENUES, WHICH COULD PREVENT US FROM EARNING REVENUES OR BECOMING PROFITABLE.

We cannot be certain that any products that we successfully develop will ever achieve wide market acceptance. Our products, if successfully developed, may compete with a number of traditional products manufactured and marketed by major technology companies, as well as new products currently under development by such companies and others that may be based upon technology that is different from ours. While we believe our technology is superior, we will have to demonstrate its superiority to these potential customers in order to sell our products and generate revenues. We may encounter similar obstacles in other application areas. The degree of market acceptance of our products will depend on a number of factors, including the establishment and demonstration of the efficacy of the product candidates, their potential advantage over alternative methods and reimbursement policies of government and third party payers. We cannot be certain that the marketplace in general will widely accept and utilize any of our products. If potential customers do not accept and purchase our products, we will be unable to generate revenues and become profitable.

WE INTEND TO MARKET OUR PRODUCTS IN INDUSTRIES WHERE TECHNOLOGY CHANGES RAPIDLY, AND WE WILL INCUR COSTS TO KEEP OUR PRODUCTS CURRENT AND INNOVATIVE. OUR FAILURE TO DO SO COULD RENDER OUR PRODUCTS OBSOLETE, WHICH COULD PREVENT US FROM EARNING REVENUES OR BECOMING PROFITABLE.

We hope to market our products in industries characterized by rapid change due to the introduction of new and emerging technologies. Critical issues concerning the governmental or commercial use of chemical detection mechanisms, including security, reliability, accuracy, cost, ease of use, accessibility, or potential tax or other government regulation, may affect the relevance and functionality of our products. Future technology or market changes may cause some of our products to become obsolete more quickly than expected. We will need to make research and development expenditures to create new features for our products to enhance their effectiveness and become and remain competitive. If we are unsuccessful in timely assimilating development changes in the various environments, we may be unable to achieve or maintain profitability.

POTENTIAL DEFECTS AND PRODUCT LIABILITY COULD RESULT IN DELAYS IN MARKET ACCEPTANCE, UNEXPECTED LIABILITY AND COSTS AND DIMINISHED OPERATING RESULTS.

Technology-based products frequently contain errors or defects, especially when first introduced or when new versions are released. Defects and errors could be found in current versions of our products, future upgrades to current products or newly developed and released products. These defects could result in product liability suits, delays in market acceptance or unexpected redevelopment costs, which could cause any profits we might otherwise have to decline. We anticipate most of our agreements with customers will contain provisions designed to limit our exposure to potential product liability claims. It is possible, however, that we will be unable to negotiate such provisions with certain customers or that these provisions, if negotiated, may not be valid as a result of federal, state, local or foreign laws or ordinances or unfavorable judicial decisions. While CDEX has product liability insurance, a successful and significant product liability claim could damage our business, operating results and financial condition.

OUR POTENTIAL FUTURE BUSINESS AND/OR TECHNOLOGY ACQUISITIONS MAY BE UNPREDICTABLE AND MAY CAUSE OUR BUSINESS TO SUFFER.

CDEX may expand its operations through the acquisition of additional technologies, either by purchasing other businesses or acquiring their technological assets, which it perceives to be unexploited, and develop products based upon these technologies. We have not yet identified these specific technologies, and some of these technologies may be outside our current field of operations. Moreover, we may be unable to identify any such businesses or technologies. Expansion may involve a number of special risks, including possible adverse effects on our operating results or financial condition (particularly in the event of impairment of acquired long-lived assets), diversion of management attention, inability to retain key personnel, risks associated with unanticipated events, any of which could prevent us from becoming profitable. In addition, if competition for acquisition candidates or technologies were to increase, the cost of acquiring businesses or technologies could increase as well. If we are unable to implement and manage our expansion strategy successfully, our business may suffer or fail.

SUBSTANTIAL COMPETITION MAY LIMIT OUR ABILITY TO SELL PRODUCTS AND THEREBY OUR CHANCES OF BECOMING PROFITABLE.

We may experience substantial competition in our efforts to locate and attract customers for our products. There may be competitors who may have greater experience, resources and managerial capabilities and may be in a better position than we are to obtain access to and attract customers. A number of larger companies similarly may enter some or all of our target markets and directly compete with us. In the areas of medical and pharmaceutical validation and brand protection, various existing technologies compete with ours and already are in use in the marketplace. These include radio frequency identification tags, taggant agents (chemical agents added to the target substance to serve solely as identifying tags), laboratory testing, refractometers and bar coding. If our competitors are more successful in marketing their products, we may be unable to achieve or maintain profitability.

LOSS OF ANY OF OUR CURRENT MANAGEMENT OR INABILITY TO RECRUIT AND RETAIN QUALITY PERSONNEL COULD ADVERSELY IMPACT OUR BUSINESS AND PROSPECTS. OUR DIRECTORS AND OFFICERS EXERT SUBSTANTIAL CONTROL OVER OUR BUSINESS AND OPERATIONS.

We are dependent on our officers and other key personnel, and the loss of any of our key personnel could materially harm our business because of the cost and time necessary to retain and train a replacement. Such a loss would also divert management attention away from operational issues. This would increase costs and prevent or reduce our profits.

OUR MANAGEMENT LACKS EXPERIENCE IN THIS MARKET.

Although widely experienced in other industries, our current senior management team has limited experience leading the development, marketing and sales of technology products in the chemical detection and validation marketplace. This lack of experience could lead to inefficiency and slow the process of marketing our products and prevent us from making sales or becoming profitable.

THERE MAY BE CONFLICTS OF INTEREST BETWEEN OUR MANAGEMENT AND THE COMPANY.

Conflicts of interest create the risk that management may have an incentive to act adversely to the interests of the Company. A conflict of interest may arise between the Company's management's personal pecuniary interest and their fiduciary duty to our stockholders.

WE DO NOT HAVE LONG-TERM AGREEMENTS WITH MANUFACTURERS AND SUPPLIERS.

We presently order our components that make up our products on a purchase order basis from manufacturers and suppliers, and we do not have long-term manufacturing agreements with any of them. The absence of long-term agreements means that, with little or no notice, our manufacturers and suppliers could refuse to manufacture some or all of our product components, reduce the number of units that they will manufacture or change the terms under which they manufacture. If our manufacturers and suppliers stop manufacturing, we may be unable to find alternative manufacturers or suppliers on a timely or cost-effective basis, if at all, which would harm our operating results. In addition, if any of our manufacturers or suppliers change the terms under which they manufacture for us, our costs could increase and our profitability would suffer.

OUR STOCK PRICE MAY BE VOLATILE.

The market price of our common stock will likely fluctuate significantly in response to the following factors, some of which are beyond our control: variations in our quarterly operating results; changes in financial estimates of our revenues and operating results by securities analysts; changes in market valuations; announcements by us of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; additions or departures of key personnel; future sales of our common stock; stock market price and volume fluctuations attributable to inconsistent trading volume levels of our stock; commencement of or involvement in litigation.

WE ARE SUBJECT TO SEC REGULATIONS RELATING TO LOW-PRICED STOCKS, WHICH CAN ADVERSELY AFFECT THE MARKET FOR OUR COMMON STOCK.

The Securities and Exchange Commission has adopted regulations concerning low-priced (or “penny”) stocks. The regulations generally define “penny stock” to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. Our stock is classified as a penny stock.

The penny stock regulations require that broker-dealers, who recommend penny stocks to persons other than institutional accredited investors make a special suitability determination for the purchaser, receive the purchaser’s written agreement to the transaction prior to the sale and provide the purchaser with risk disclosure documents that identify risks associated with investing in penny stocks. Furthermore, the broker-dealer must obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before effecting a transaction in penny stock. These requirements have historically resulted in reducing the level of trading activity in securities that become subject to the penny stock rules.

The additional burdens imposed upon broker-dealers by these penny stock requirements may discourage broker-dealers from effecting transactions in our Class A common stock, which could severely limit the market liquidity of our common stock and our shareholders’ ability to sell our common stock in the secondary market.

LACK OF KEY MAN INSURANCE

The Company carries no key-man insurance. In the event that any of the Company's senior executive officers departed the Company or passed away, the Company may not have the available funds to attract an individual of similar experience. The Company is considering obtaining key-man insurance once it has sufficient funds to do so.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company leases approximately 3,000 square feet of office, manufacturing and laboratory space in Tucson, Arizona on a month-to-month basis. Monthly rent as of October 31, 2014 was approximately $1,500. Total rent expense was approximately $19,000 and $21,000 for the years ended October 31, 2014 and 2013, respectively.

ITEM 3. LEGAL PROCEEDINGS

We may from time to time be involved in legal proceedings arising from the normal course of business. As of the date of this report, we have not received notice of any new legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

On February 10, 2012, we filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On September 4, 2012, the United States Bankruptcy Court for the District of Arizona, Judge James Marlar signed the Order Confirming CDEX' Chapter 11 Plan of Reorganization ("Plan") and the Plan was effective on October 5, 2012. As a part of the Plan, the shares of common stock that were outstanding prior to the Plan becoming effective underwent a 1 for 10 reverse stock split. Prior to the going effective, the Company had 109,996,717 common shares outstanding; after the Plan became effective, the Company had 11,007,871 common shares outstanding. In fiscal year 2013, the Company issued 41,295,142 shares and warrants to purchase 39,685,549 shares under the Plan in settlement of its obligations.

Market Information

Our Class A common stock is normally traded on the OTCQB under the symbol "CDEX." Our shares are thinly traded with low average daily volume. This, coupled with a limited number of market makers, impairs the liquidity of our common stock, not only in the number of shares of common stock that can be bought and sold, but also through possible delays in the timing of transactions, and lower prices for our common stock than might otherwise prevail. This could make it difficult or impossible for an investor to sell shares of our common stock or to obtain a desired price.

Our common stock is presently subject to the low-priced security or so called "penny stock" rules that impose additional sales practice requirements on broker-dealers who sell such securities. The Securities Enforcement and Penny Stock Reform Act of 1990 ("Reform Act") requires additional disclosure in connection with any trades involving a stock defined as a "penny stock" (generally defined as, according to recent regulations adopted by the U.S. Securities and Exchange Commission, any equity security that has a market price of less than $5.00 per share, subject to certain exceptions), including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith. The regulations governing low-priced or penny stocks sometimes may limit the ability of broker-dealers to sell our common stock and thus, ultimately, the ability of the investors to sell their securities in the secondary market. Prices for CDEX shares will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for the shares, our results of operations, what investors think of CDEX and the chemical detection and validation industry, changes in economic conditions in the industry and general economic and market conditions. Market fluctuations could have a material adverse impact on the trading price of our shares.

If CDEX is unable to maintain FINRA registered broker/dealers as market makers, the liquidity of our common stock could be impaired, not only in the number of shares of common stock that could be bought and sold, but also through possible delays in the timing of transactions, and lower prices for our common stock than might otherwise prevail. Furthermore, a lack of market makers could result in CDEX shareholders being unable to buy or sell shares of our common stock on any secondary market. We may be unable to maintain such market makers.

The table below sets forth the high and low sales price for our Class A common stock as reported on the OTCQB for each of our last two fiscal years:

	High	Low
Fiscal Year Ended October 31, 2014:		
First quarter	$ 0.08	$ 0.01
Second quarter	0.03	0.01
Third quarter	0.07	0.02
Fourth quarter	0.09	0.03
Fiscal Year Ended October 31, 2013:		
First quarter	$ 0.22	$ 0.04
Second quarter	0.15	0.06
Third quarter	0.15	0.05
Fourth quarter	0.11	0.06

As the foregoing are over-the-counter market quotations, they reflect inter-dealer prices, without retail markup, markdown, or commissions, and may not represent actual transactions.

Stockholders

As of January 21, 2015, there were approximately 1,600 holders of record of our Class A common stock. However, a large number of our shareholders hold their shares in "street name" in brokerage accounts and, therefore, do not appear on the shareholder list maintained by our transfer agent.

Dividends

We have paid no cash dividends on our common stock and we do not anticipate paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

The following table details information regarding our existing equity compensation plans as of October 31, 2014:

	Equity Compensation Plan Information		
Plan category	**Number of securities to be issued upon exercise of outstanding options**	**Weighted-average exercise price of outstanding options**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by security holders	8,395,000	$ 0.05	73,900,055
Total	8,395,000	$ 0.05	73,900,055

Sales of Unregistered Securities and Use of Proceeds

In fiscal year 2014, we issued 13,975,815 shares of our Class A common stock under a warrant exchange offer including 2,000,000 shares to Jason B. Terrell, our Medical Director and member of our Board of Directors, 500,000 shares to Jeffrey K. Brumfield, our CEO and 250,000 shares to Stephen A. McCommon, our CFO. We also issued 970,995 shares of restricted stock as consultant compensation, including 92,165 shares to each of our external directors and we issued 1,640,815 shares in an original issuance transaction.

Additionally in fiscal year 2014, we issued warrants to purchase 6,987,908 shares of our Class A common stock under our warrant exchange offer including 1,000,000 warrant shares to Jason B. Terrell, 250,000 warrant shares to Jeffrey K. Brumfield and 125,000 warrant shares to Stephen A. McCommon. We issued warrants to purchase 1,750,000 shares to PEMCO LLC and warrants to purchase 400,000 shares to Jeffrey K. Brumfield, in connection with the creation of lines of credit, and warrants to purchase 779,604 shares of common stock under an original issuance agreement as well as warrants to purchase 153,500 shares of common stock as consultant compensation.

ITEM 6. SELECTED FINANCIAL DATA

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

You should read the following discussion in conjunction with our audited financial statements and related notes included elsewhere in this document. The following discussion (as well as other discussions in this document) contains forward-looking statements. Please see "Cautionary Statement Regarding Forward-Looking Statements" for a discussion of uncertainties, risks and assumptions associated with these statements.

Results of Operations

The following table summarizes our operating results for fiscal 2014 compared to fiscal 2013:

	For the year ended October 31,				
	2014	Percent of Revenue		2013	Percent of Revenue
Revenue	$ 177,923	100.0	%	$ 526,706	100.0
Cost of revenue	54,121	30.4		127,109	24.1
Gross profit	123,802	69.6		399,597	75.9
Operating expenses:					
Selling, general and administrative	527,074	296.2		1,027,418	195.1
Research and development	180,685	101.6		145,557	27.6
Total operating expenses	707,759	397.8		1,172,975	222.7
Loss from operations	$ (583,957)	(328.2)	%	$ (773,378)	(146.8)

Revenue was approximately $178,000 and $527,000 for the fiscal years ended October 31, 2014 and 2013, respectively, a decrease of $349,000 or 66%. This decrease was primarily attributable to the $338,000 sale in 2013 of our Valimed CCTs to Al-Essa Medical & Scientific Equipment Company in Safat, Kuwait, which also included installation, training and supplies. We also realized a decrease in revenues from Pay Per Use revenues of $35,000 and sales of our ID2 Meth Scanner product of approximately $5,000. Partially offsetting this decrease was an increase of $34,000 from a client opting out of their supply contract in 2014 and electing to pay the contracted exit fee.

Cost of revenue was $54,000 and $127,000 for the fiscal years ended October 31, 2014 and 2013, respectively, a decrease of $73,000 or 57%. This slight decrease was in line with the decrease in revenue. Gross profit margins decreased to 70% in fiscal 2014 from 76% in fiscal 2013.

Selling, general and administrative expense was $527,000 and $1,027,000 for the fiscal years ended October 31, 2014 and 2013, respectively, a decrease of $500,000 or 49%. This decrease primarily relates to decreases in non-cash share-based compensation expenses of approximately $400,000 and compensation of approximately $56,000 a reduction of legal and professional expenses of $19,000 and travel and marketing of $18,000.

Research and development expense was $181,000 and $146,000 for the fiscal years ended October 31, 2014 and 2013, respectively, an increase of $35,000 or 24%. The increase primarily relates to an increase in materials of $25,000 travel of $10,000 and employee and consultant compensation expense of approximately $13,000.

Liquidity and Capital Resources

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. To date, CDEX has incurred substantial losses, and may require financing for operating expense, working capital and other corporate purposes.

As of October 31, 2014, we had positive net working capital of $214,000 including $91,000 of cash. We had a net decrease in cash of $8,000 during fiscal year ended October 31, 2014 primarily related to our net loss of $578,000 and an increase in inventory of $11,000, partially offset by an increase in current liabilities of $67,000, non-cash share-based compensation of $24,000 and depreciation and amortization of $24,000 and a reduction of accounts receivable of $17,000. Investing activities reflected the purchase of equipment of $10,000 and financing activities reflects proceeds received under a line of credit of $145,000 as well as proceeds received under a Warrant Exchange offer of $309,000.

Off-Balance Sheet Arrangements

CDEX has not participated in any off balance sheet financing or other arrangements.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management bases its assumptions on historical experiences and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. In addition, Management considers the basis and methodology used in developing and selecting these estimates, the trends in and amounts of these estimates, specific matters affecting the amount of and changes in these estimates, and any other relevant matters related to these estimates, including significant issues concerning accounting principles and financial statement presentation. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. Significant estimates include revenue recognition, the valuation of inventory and valuation assumptions used in recognizing stock-based compensation expense.

Revenue Recognition

Sales revenues are recognized when persuasive evidence of an agreement with the customer exists, products are shipped and installation, if necessary, completed, title passes pursuant to the terms of the agreement with the customer, the amount due from the customer is fixed or determinable, collectability is reasonably assured and there are no significant future performance obligations. Service revenues are recognized at the time of performance. Service maintenance revenues are recognized ratably over the term of the agreement. Deferred revenue represents amounts invoiced or received but not recognized as revenue if the above revenue recognition terms are not met.

Inventory

Inventory is valued at the lower of actual cost based on a first-in, first-out basis or market. Inventory includes the cost of component raw materials and manufacturing.

Stock-Based Compensation

We typically determined stock-based compensation expense based on the fair value of awards at the measurement date. In the case of employees, the measurement date is the date of grant. In the case of outside consultants, the measurement date is typically the date at which performance is complete. When the measurement date is not the date of grant, the total cost is typically re-measured at the end of each reporting period based on the fair value on that date. Expense related to share-based payments is recognized over the period during which services are provided.

ITEM A. 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

All financial statements and supplementary data that are required by this Item are listed in Part IV, Item 15 of this annual report and are presented beginning on Page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting

Our Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) for our Company. Our Company's internal control over financial reporting is designed to provide reasonable assurance, not absolute assurance, regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that our Company's receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Rule 13a-15(c) promulgated under the Exchange Act, our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluated the effectiveness of our internal control over financial reporting as of October 31, 2013. Management's assessment took into consideration the size and complexity of the Company and was based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control over Financial Reporting - Guidance for Smaller Public Companies. In performing the assessment, management concluded that internal control over financial reporting was not effective based on criteria set forth by the COSO. The material weaknesses identified in internal control over financial reporting at October 31, 2013 included the Company's inability to maintain the proper protection of its accounting system database records and required improvements over the Company's oversight of processing financing transactions relative to the Company's notes payable and equity. Concerning this material weakness, management continues to examine the Company's procedures to include compensating controls to minimize the risk associated with having limited resources.

Notwithstanding these material weaknesses, management believes that the Company's financial condition, results of operations and cash flows presented in this annual report are fairly presented in all material respects. Management bases its conclusion on our ability to substantiate, with a high degree of confidence, the small number of significant general ledger accounts that comprise the Company's financial statements.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Evaluation of Disclosure Controls and Procedures

Disclosure controls 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 a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's 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 CEO and CFO, 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 Exchange Act. Based upon that evaluation, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of October 31, 2013.

Changes in Internal Controls over Financial Reporting

There has been no change in CDEX' internal control over financial reporting for the quarter ended October 31, 2014 that materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding our executive officers and directors as of January 21, 2014:

NAME	AGE	POSITION	SINCE
Jeffrey K. Brumfield	53	Chariman of the Board of Directors and Chief Executive Officer	August 30, 2010
Stephen A. McCommon	65	Chief Financial Officer and VP of Finance	November 11, 2008
James G. Stevenson	57	Director	December 15, 2010
Jason B. Terrell	34	Director and Medical Director	January 2, 2013
Normam J Dawson	73	Director	January 17, 2013

TERM OF OFFICE

All of our Directors hold office until the next annual general meeting of the stockholders or until their successors are elected and qualified. We ask our Directors to be willing to serve on the Board for a minimum of three years. Our officers are appointed by our board of Directors and hold office until their earlier death, retirement, resignation or removal.

The following is a summary of the business experience of each of our executive officers and directors:

Jeffrey K. Brumfield has been our Chairman of the Board of Directors and Chief Executive Officer since August 30, 2010. Mr. Brumfield has over 30 years business development experience founding and operating multiple businesses in several industries including: real-estate development, mortgage brokerage business, commercial and residential construction and retail merchandise. Mr. Brumfield has been an investor in CDEX since 2004. Mr. Brumfield is an avid philanthropist and supporter of the Boys and Girls Club of America. On December 29, 2010, Mr. Brumfield filed a voluntary petition in the United States Bankruptcy Court for the Southern District of California seeking relief under the provisions of Chapter 7 of Title 11 of the United States Code due to personal circumstances unrelated to the Company.

Stephen A. McCommon has served as our Chief Financial Officer since November 2008. Mr. McCommon has been Finance Manager at Applied Energetics, Inc. (AERG.OB) from April 2012 to the present. Mr. McCommon has been President of TMC Financial Services, LLC, a financial consulting company, from December 2007 to the present. Mr. McCommon was the Financial Manager at Applied Energetics, Inc. (AERG.OB) from April 2012 to present, Vice President of Finance and Chief Accounting Officer at Applied Energetics, Inc. from March 2005 to December 2007 and was the Accounting Manager at Applied Energetics from July 2004 to March 2005. Mr. McCommon has over 29 years experience in financial reporting and internal auditing for publicly held companies with additional experience in accounting systems conversions and regulatory compliance. Mr. McCommon obtained his Bachelor of Science degree in Accounting from Arizona State University, is a Certified Public Accountant in Arizona and a member of the American Institute of Certified Public Accountants.

James G. Stevenson, PharmD, FASHP., *James G. Stevenson*, PharmD, FASHP., was appointed to serve as a Director of the Company on December 15, 2010. Dr. Stevenson became the President of Visante, Inc., a non-publicly traded company, in August 2014. Dr. Stevenson has been the Chief Pharmacy Officer at the University of Michigan Health System, Professor and Associate Dean for Clinical Sciences at the University of Michigan College of Pharmacy from 1999 to 2014. He continues to serve as a Professor in the

University of Michigan College of Pharmacy. Dr. Stevenson served as the medication safety section editor for the Joint Commission Journal on Quality and Patient Safety. From 1989 to 1991, Dr. Stevenson served as Director of Pharmacy Services at West Virginia University Hospitals and from 1991 to 1999 was the Director of Pharmacy Services for the 8-hospital Detroit Medical Center/Wayne State University. Dr. Stevenson received his BS Pharmacy and PharmD degrees from Wayne State University.

Jason B. Terrell, M.D., was appointed to serve as a Director of the Company on January 2, 2013. Dr. Terrell has been the Company's Medical Director since January 25, 2012. Dr. Terrell is currently a corporate medical director for Any Lab Test Now©, the largest direct access medical testing franchise in the United States. Dr. Terrell currently owns and operates multiple medical laboratory testing facilities in the Southwest United States. Dr. Terrell has been the Chief Medical Officer since July 2013 and Head of US Operations since March 2013, for VolitionRx, an international cancer diagnostic company, which is publicly traded. Dr. Terrell is the Medical Director for KS3 Labs in Shallowater, Texas, a company developing novel progressive diagnostic approaches to a variety of human pathogens. Dr. Terrell earned his Bachelor of Science in Biochemistry from Hardin-Simmons University, graduating Summa Cum Laude and recipient of the Holland Medal of Honor and the Hardin-Simmons University Outstanding Young Alumni Award 2014. Dr. Terrell earned his MD from the University of Texas at Houston School of Medicine. Dr. Terrell serves on the Board of Directors for Terrell Oil and Gas Production Company, Inc, a privately held oil and gas exploration, production and operating company and Dr. Terrell is also the owner of Terrell Property Development, specializing in large multi-family real estate development.

Norman J. Dawson was appointed to serve as a Director of the Company on January 17, 2013. From 1999 to 2010, Mr. Dawson was Vice President and General Manager of the Local Area Network and Test & Meter division of Acterna Corporation, a privately held company. Mr. Dawson retired in 2010. From 1998 to 1999, Mr. Dawson was President and COO of Land 5 Corporation, a venture funded start up. From 1990 to 1998, Mr. Dawson was Vice President of Sales of Metacomp, a privately funded company. Metacomp went through a Chapter 11 bankruptcy. Mr. Dawson was appointed by the Board to be Metacomp's President and CEO. Mr. Dawson managed the company through Chapter 11 bankruptcy which then merged with a publicly traded company (Patriot Scientific) adding value to all the shareholders. Mr. Dawson has over 48 years in executive management and sales and marketing. Mr. Dawson received a BSEE from the University of Quebec in Montreal.

SIGNIFICANT EMPLOYEES/CONSULTANTS

Wade M. Poteet, Ph.D., Chief Scientist In addition to our executive officers and directors, Dr. Poteet, our Principal Scientist, is a significant consultant of CDEX. Dr. Poteet has been the Company's Principal Scientist since July 2001. Dr. Poteet received NASA certificates of recognition and a public service group award in 1986 for his work on a Spacelab 2 research program. Dr. Poteet is credited with the development of numerous products and publications, as well as more than 45 referenced papers and 250 technical reports. Dr. Poteet has a wide range of public research institutions and private companies experience, including Infrared Laboratories, CP Systems, Inc., E/ERG, University of Arizona, Rice University, and the National Radio Astronomy Observatory. Dr. Poteet received his Ph.D. (Experimental Solid State Physics), MS (Physics) and BS (physics) from Virginia Polytechnic Institute.

John P. Coates, Ph.D., Technical Director for Spectroscopy Products Dr. Coates, is a significant consultant of CDEX and has been the Company's Technical Director for Spectroscopy Products August 2013. Over the past four decades, Dr. Coates has earned global distinction for his many accomplishments in spectroscopic measurements and instrumentation. In 2013, the industry coveted Williams-Wright Award was bestowed on him by the Coblentz Society honoring his extraordinary body of work in the field. From 1974 through 1996, Dr. Coates served several leading industrial instrument manufacturers; and in 1996, he formed Coates Consulting, LLC, a firm specializing in scientific and industrial instrumentation. Since that time, he has advised client companies on the design and development of more than 75 unique instrument systems. Dr. Coates earned his Ph.D. in Analytical Chemistry from the Brunel University, West London, England. His professionally awarded degrees and qualifications include Chartered Chemist, Chartered Scientist and Fellow of the Royal Society of Chemistry.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires certain officers and directors of CDEX, and any persons who own more than ten-percent of the common stock outstanding to file forms reporting their initial beneficial ownership of shares and subsequent changes in that ownership with the SEC. Officers and directors of CDEX, and greater than ten-percent beneficial owners are also required to furnish us with copies of all such Section 16(a) forms they file. Based solely on a review of the copies of the forms furnished to us, we believe that during the fiscal year ended October 31, 2014 all section 16(a) all filing requirements were met except that all executive officers and directors did not file some Form 4s on a timely basis, they have since filed all required Section 16(a) forms and are current in their filings.

Code of Ethics

CDEX has adopted a Code of Business Conduct and Ethics that applies to all of our employees and directors, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Business Conduct and Ethics covers all areas of professional conduct including, but not limited to, conflicts of interest, disclosure obligations, insider trading, confidential information, as well as compliance with all laws, rules and regulations applicable to our business.

Upon request made to us in writing at the following address, our Code of Ethics and Business Conduct will be provided without charge:

CDEX Inc.
4555 South Palo Verde Road, Suite 123
Tucson, AZ 85714

Committees of the Board of Directors

In 2007, the Company's Board of Directors formed and approved Charters for its Audit Committee, Executive Compensation Committee, and Corporate Governance and Nominating Committee. The Company is not required to maintain such committees under the rules applicable to it, because its shares are quoted on the over the counter bulletin board ("OTCBB") and are not listed or quoted on a national securities exchange or national quotation system.

Audit Committee

The Audit Committee of the Board of Directors is comprised of all members of the Board and is chaired by James G. Stevenson. The Audit Committee reviews the Company's 10-Ks each fiscal year and conducts periodic reviews of the Company's financial structure. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the scope and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees and reviews the adequacy of our internal accounting controls.

The Board has determined that we do not have an audit committee financial expert serving on the Audit Committee.

Executive Compensation Committee

All members of the Board are members of the Executive Compensation Committee which is chaired by Jason B. Terrell. The committee is responsible for establishing and maintaining executive compensation practices designed to encourage company profitability and enhance long-term shareholder value.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of all members of the Board and is Chaired by Norman J. Dawson. The Committee is responsible for establishing and maintaining corporate governance practices designed to aid the long-term success of CDEX.

ITEM 11. EXECUTIVE COMPENSATION

The following table discloses for the periods presented the compensation for the person who served as our Chief Executive Officer (the "Named Executive"). No other executive officers or significant employees received aggregate individual compensation from the Company exceeding $100,000 for the fiscal years October 31, 2014 and 2013:

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary	Option Awards [2]	Total
Jeffrey K. Brumfield [1]	2014	$ 195,008	$ -	$ 195,008
Chief Executive Officer and Chairman of the Board of Directors	2013	$ 237,781	$ 436,444	$ 674,225

(1) Mr. Brumfield was appointed to his position of Chief Executive Officer and Chairman of the Board on August 30, 2010. At a meeting of the Company's Board of Directors on January 17, 2013, for his leadership in getting the Company through its bankruptcy proceedings, the Board approved the issuance of options to Mr. Brumfield, for 8,000,000 shares at an exercise price of $0.05 per share exercisable for five years from the date of issuance with the understanding that Mr. Brumfield at the same time of this issuance would forfeit the existing options granted under his employment agreement. At the same meeting the Company's Board of Directors directed the Company to pay a one-time payment to Mr. Brumfield for $19,500.00 as bonus compensation.

(2) The amounts included in the "Option Awards" column represent the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718, Compensation — Stock Compensation (disregarding forfeiture assumptions). The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option valuation. For a discussion of valuation assumptions, see Note 8 of our 2013 Financial Statements. In January 2011, as a part of his employment agreement, the Company granted Mr. Brumfield 8,000,000 stock options which vested 1/2 on the effective date of the agreement, and the remaining 1/2 over the next six years subject to the attainment of certain performance goals. Mr. Brumfield forfeited these stock options in 2013. On January 17, 2013, the Company granted Mr. Brumfield options to purchase 8,000,000 shares of common stock. The options vested on grant date and have an exercise price of $0.05 a share, exercisable over five years.

Employment Agreements

Effective January 21, 2011, the Company entered into an employment agreement with Mr. Brumfield. The agreement provides for an annual salary of $120,000 and the award of 8,000,000 stock options. This agreement lapsed January 21, 2012.

Effective, May 15, 2013, the Company entered into an employment agreement with Mr. Brumfield. The term of the Agreement began on the effective date and the agreement is to will remain in effect for a term of four years or until terminated. On May 15th of each year, the Agreement will be extended automatically for additional one year terms unless terminated in writing by either party. The agreement provides for an annual salary of $192,000 which includes an allowance for housing and travel. Additionally, Mr. Brumfield will be eligible for a 3% override/commission on total revenue as defined in forecasts, allowing for new revenue streams as developed, including capital fundraising, beginning at $70,000 monthly revenue and beyond. Mr. Brumfield will also be eligible for discretionary bonuses. Also, Mr. Brumfield is eligible to receive 1,000,000 stock options, with an exercise price of 50% of market value on date of grant, exercisable over a 10 year period, each time market capitalization of the Company increases by 100% from the initial measurement date of May 15, 2013.

Such options shall vest immediately upon granting thereof and shall remain exercisable for a period of ten years from the grant date.

Outstanding Equity Awards at Fiscal Year-End

The following table discloses unexercised options held by the Named Executive at October 31, 2014

	Option Awards		
NAME	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Exercise Price ($)	Option Expiration Date
Jeffrey K. Brumfield	8,000,000 [(1)]	0.05	1/17/2018

(1) Mr. Brumfield was granted 8,000,000 shares under option with an exercise price of $0.05 on January 17, 2013. Also on January 17, 2013, Mr. Brumfield forfeited his options for 8,000,000 shares with an exercise price of $0.50.

Stock Incentive Plans

2002 Stock Incentive Plan

On May 27, 2002, our Board of Directors adopted the 2002 Stock Incentive Plan, under which stock options and restricted stock may be granted to such of our officers, directors, employees or other persons providing services to CDEX as our Board of Directors, or a committee designated by them for this purpose, selects. The plan was approved by our stockholders on July 1, 2002.

Stock options granted under this plan may be nonqualified stock options or incentive stock options, as provided in the plan. Incentive stock options are to be issued in accordance with Section 422 of the Internal Revenue Code of 1986, as amended. As such, incentive stock options may only be issued to employees of CDEX or any subsidiary of CDEX and must have an exercise price of no less than the fair market value of the common stock on the date of the grant; provided, however, that in the event the grantee is a ten percent stockholder, the exercise price shall not be less than 110% of fair market value of the common stock on the date of the grant. The aggregate fair market value of the underlying shares cannot exceed $100,000 for any individual option holder during any calendar year. Incentive stock options granted to a ten percent stockholder must expire no later than five years from the date of grant. Non-incentive options are not subject to the restrictions contained in Section 422, except that pursuant to the plan, such options cannot be exercisable at less than 85% of fair market value and must expire no later than ten years from the date of grant. The options are non-transferable and may not be assigned except that non-incentive options may, in certain cases be assigned to family members of the grantee.

Upon termination of employment (other than for cause) of an employee grantee of options under this plan, the grantee shall have 60 days following such termination, or one year if such termination results from the grantee's death or disability (as defined in the plan), to exercise the vested portion of any option. Holders of options under the plan have no voting or other rights of shareholders except and to the extent that they exercise their options and are issued the underlying shares. Options under the plan may be exercised by the issuance of a promissory note from the grantee, or on a cashless basis by the grantee surrendering a portion of the shares issuable thereunder, as payment of the exercise price in lieu of cash.

Restricted stock granted under this plan may be issued subject to any restrictions set by our Board of Directors in its discretion except that the vesting restrictions for restricted stock granted to individuals who are not officers, directors or consultants of CDEX shall lapse no less rapidly than at a rate of 20% per year for each of the first five years from the grant

date. However, the Board of Directors in its discretion may shorten or eliminate the restrictions. Generally, unless otherwise provided by the Board of Directors with respect to a particular grant of restricted stock, holders of restricted stock have the right to vote and receive dividends on their shares, including shares not yet vested. Also, unless otherwise so provided, any unvested shares are deemed forfeited by the grantee upon termination of such grantee's service with CDEX. This plan has terminated and future equity grants will be issued out of the 2013 Equity Incentive Plan.

2003 Stock Incentive Plan

On July 1, 2003, our shareholders adopted the 2003 Stock Incentive Plan, which has substantially the same terms as the 2002 Stock Incentive Plan. At the annual meeting of stockholders held on June 30, 2004, the shareholders authorized 10,000,000 shares in the aggregate for issuance under both the 2002 and 2003 plans, including 3,000,000 available for the Board of Directors to allocate at their discretion. At the annual meeting of the stockholders held on March 17, 2006, the shareholders approved an amendment to the 2003 Stock Incentive Plan increasing the number of Class A common stock available for issuance by an additional 3,500,000 shares. This amendment increased the aggregate number of shares available for issuance under both the 2002 and 2003 Stock Incentive Plans to 13,500,000. The 2003 Stock Incentive Plan provides for a pro rata increase in the number of shares permitted to be granted or issued for an increase in the authorized shares approved by the shareholders. At a special shareholders' meeting held on January 9, 2007, the shareholders approved an increase in the number of authorized shares from 50.2 million to 100 million. This shareholder action resulted in an automatic increase in the number of shares permitted to be issued or granted under the 2003 Stock Incentive Plan to approximately 26.9 million. At the annual meeting of shareholders on April 9, 2008, the shareholders approved to limit the number of shares issuable under the Company's Stock Incentive Plans to 25% of the authorized shares of the Company. This action resulted in limiting the number of shares issuable under the plans to 25,000,000. At the annual meeting of stockholders held on August 18, 2011, the stockholders approved an increase in the number of authorized shares from 100 million to 300 million. This shareholder action resulted in an automatic increase in the number of shares permitted to be issued or granted under the 2003 Stock Incentive Plan up to 75 million. This plan has terminated and future equity grants will be issued out of the 2013 Equity Incentive Plan.

2013 Equity Incentive Plan

On April 19, 2013, our shareholders adopted the 2013 Equity Incentive Plan (“2013 Plan”), under which stock options and restricted stock may be granted to such officers, directors, employees or consultants of CDEX as our Board of Directors, or a committee designated by them for this purpose, selects.

Administration. Administration of the 2013 Plan is carried out by the Board of Directors and the Compensation Committee of the Board of Directors. The Board of Directors may also appoint one or more separate committees of the Board, each composed of one or more directors, who may administer the 2013 Plan with respect to employees who are not considered officers or directors under Section 16 of the Securities Exchange Act of 1934, as amended, may grant awards under the 2013 Plan to such employees and may determine all terms of such grants. The Board of Directors may also authorize one or more of our officers to designate employees, other than officers under Section 16 of the Exchange Act, to receive awards and/or to determine the number of such awards to be received by such persons, provided that the Board of Directors will specify the total number of awards that such officers may award.

Eligibility. Our officers, employees, directors and consultants are eligible to participate in the 2013 Plan.

Maximum Award Limits. Under the 2013 Plan, the maximum number of shares of common stock that may be subject to stock options, restricted shares, and restricted stock purchase offers shall not exceed the 25% of the authorized stock of the Company. To the extent those awards expire, terminate or are cancelled for any reason prior to exercise without the issuance or delivery of such shares, such shares as well as any shares subject to vesting restrictions under the 2003 Stock Incentive Plan on the effective date of the 2013 Plan that are subsequently forfeited, and any reserved shares not issued or subject to outstanding awards under the 2003 Stock Incentive Plan on the effective date of the 2013 Plan will not be counted toward such 25% limit.

Stock Options. The 2013 Plan provides for the grant of both options intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code (Code) and options that are not intended to so qualify. Options intended to qualify as incentive stock options may be granted only to persons who are our employees. No Recipient may be granted

incentive stock options that are exercisable for the first time in any calendar year for common stock having a total fair market value (determined as of the option grant), in excess of $100,000.

The Board or the Compensation Committee will select the Recipients who are granted options and, consistent with the terms of the 2013 Plan, will prescribe the terms of each option, including the vesting rules for such option. A stock option agreement may provide for the accelerated exercisability in the event of the Recipient's death, disability, or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Recipient's service. In the event a Recipient is deemed to be a 10% owner of our Company or one of our subsidiaries, the Recipient is not eligible to receive an incentive stock option. Within the limitations of the 2013 Plan, the Board or Compensation Committee may modify, extend or renew outstanding options or may accept the cancellation of outstanding options (to the extent not previously exercised), in return for the grant of new options for the same or a different number of shares and at the same or a different exercise price, or in return for the grant of the same or a different number of shares. No modification of an option will, without the consent of the Recipient, materially impair his or her rights or obligations under such option. The option price may be paid in cash or, to the extent that the stock option agreement so provides, by surrendering shares of common stock, in consideration of services rendered to the company, by delivery of an irrevocable direction to a securities broker to sell shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate exercise price, by delivery of an irrevocable direction to a securities broker or lender to pledge shares, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of the aggregate exercise price, by "net exercise" arrangement, by delivering a full-recourse promissory note, or in any other form that is consistent with applicable laws, regulations and rules. Options may be exercised in accordance with requirements set by the Board or Compensation Committee. The maximum period in which an option may be exercised will be fixed by the Board or Compensation Committee but cannot exceed ten years, and in the event a Recipient is deemed to be a 10% owner of our Company or one of our subsidiaries, the maximum period for an incentive stock option granted to such Recipient cannot exceed five years. Options generally will be nontransferable except in the event of the Recipient's death but the Board or Compensation Committee may allow the transfer of non-qualified stock options through a gift or domestic relations order to the Recipient's family members.

Each stock option agreement will set forth the extent to which the Recipient will have the right to exercise the option following the termination of the Recipient's service with us and our subsidiaries, and the right to exercise the option of any executors or administrators of the Recipient's estate or any person who has acquired such option(s) directly from the Recipient by bequest or inheritance. A stock option agreement will typically provide that an option will cease to be exercisable upon the earlier of three months following the Recipient's termination of service with us or our affiliate or the expiration date under the terms of the Recipient's stock option agreement. Upon death or disability, the option exercise period is extended to the earlier of one year from the Recipient's termination of service or the expiration date under the terms of the Recipient's stock option agreement.

Restricted Shares. The Board or Compensation Committee also will select the Recipients who are granted restricted shares or restricted stock purchase offers and, consistent with the terms of the 2013 Plan, will establish the terms of each stock award. A restricted share award may be subject to vesting requirements or transfer restrictions or both, if so provided by the Board or Compensation Committee. Those requirements may include, for example, a requirement that the Recipient complete a specified period of service or that certain performance criteria be achieved. Recipients who are granted restricted shares generally have all of the rights of a stockholder with respect to such shares. Restricted shares may be issued for consideration determined by the Board or Compensation Committee, including cash, cash equivalents, full-recourse promissory notes, past services and future services.

Adjustment of Shares. Generally, if we merge with or into another corporation, we will provide for full exercisability or vesting and accelerated expiration of outstanding awards or settlement of the full value of the outstanding awards in cash or cash equivalents followed by cancellation of such awards unless the awards are continued if we are the surviving entity, or assumed or substituted for by any surviving entity or a parent or subsidiary of the surviving entity.

Amendment and Termination. No awards may be granted under the 2013 Plan after the tenth anniversary of the adoption of the 2013 Plan. The Board of Directors may amend or terminate the 2013 Plan at any time, but an amendment will not become effective without the approval of our stockholders to the extent required by applicable laws, regulations or rules. No termination of the 2013 Plan will affect a Recipient's rights under outstanding awards without the Recipient's consent.

Federal Income Tax Aspects of the 2013 Plan

This is a brief summary of the federal income tax aspects of awards that may be made under the 2013 Plan based on existing U.S. federal income tax laws. This summary provides only the basic tax rules. It does not describe a number of special tax rules, including the alternative minimum tax and various elections that may be applicable under certain circumstances. It also does not reflect provisions of the income tax laws of any municipality, state or foreign country in which a holder may reside, nor does it reflect the tax consequences of a holder's death. The tax consequences of awards under the 2013 Plan depend upon the type of award and if the award is to an executive officer, whether the award qualifies as performance-based compensation under Section 162(m) of the Code.

Incentive Stock Options. The recipient of an incentive stock option generally will not be taxed upon grant of the option. Federal income taxes are generally only imposed when the shares received upon exercise are disposed of, by sale or otherwise. The amount by which the fair market value of the stock on the date of exercise exceeds the exercise price is, however, included in determining the option recipient's liability for the alternative minimum tax. If the incentive stock option recipient does not sell or dispose of the stock until more than one year after the receipt of the stock and two years after the option was granted, then, upon sale or disposition of the stock, the difference between the exercise price and the market value of the stock as of the date of exercise will be treated as a capital gain, and not ordinary income. If a recipient fails to hold the stock for the minimum time period, the recipient will recognize ordinary income in the year of disposition generally in an amount equal to any excess of the market value of the common stock on the date of exercise or, if less, the amount realized on disposition of the shares, over the exercise price paid for the shares. Any further gain or loss realized by the recipient will be treated as short-term or long-term gain depending on the holding period. We will generally be entitled to a tax deduction at the same time and in the same amount as ordinary income is recognized by the option recipient.

Nonstatutory Stock Options. The recipient of stock options not qualifying as incentive stock options generally will not be taxed upon the grant of the option. Federal income taxes are generally due from a recipient of nonstatutory stock options when the stock options are exercised. The difference between the exercise price of the option and the fair market value of the stock purchased on such date is taxed as ordinary income. Thereafter, the tax basis for the acquired stock is equal to the amount paid for the stock plus the amount of ordinary income recognized by the recipient. We will generally be entitled to a tax deduction at the same time and in the same amount as ordinary income is recognized by the option recipient by reason of the exercise of the option.

Other Awards. Recipients who receive awards of restricted stock subject to a vesting requirement generally recognize ordinary income at the time substantial vesting occurs, in an amount equal to the fair market value of the stock at that time minus the amount, if any, paid for the stock. However, a Recipient who receives restricted shares which are not substantially vested may, within 30 days of the date the shares are transferred, elect in accordance with Section 83(b) of the Code to recognize ordinary compensation income at the time of transfer of the shares rather than upon the vesting dates. We will generally be entitled to a tax deduction at the same time and in the same amount as ordinary income is recognized by the Recipient.

Section 409A. Any deferrals made under the 2013 Plan, including awards granted under the 2013 Plan that are considered to be deferred compensation, must satisfy the requirements of Section 409A of the Code to avoid adverse tax consequences to participating employees. These requirements include limitations on election timing, acceleration of payments, and distributions.

Compensation of Directors

The following table discloses our director compensation for the fiscal year ended October 31, 2014.

DIRECTOR COMPENSATION

NAME	Stock Awards [1]	
James G. Stevenson	$	3,768 [2]
Jason B. Terrell	$	3,768 [2]
Normam J Dawson	$	3,768 [2]

(1) The amounts included in the "Stock Awards" column represent the aggregate grant date fair value in fiscal 2013 related to restricted stock grants to directors, computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions, see Note 8 to our 2013 Financial Statements.
(2) Represents 92,165 restricted shares of Class A common stock granted to each director to vest six months from date of grant.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of the Company's Class A common stock, based on information provided by the persons named below in publicly available filings, as of January 21, 2015:

- each of the our directors and executive officers;
- all directors and executive officers of ours as a group; and each person who is known by us to beneficially own more than five percent of the outstanding shares of our Common Stock.

Unless otherwise indicated, the address of each beneficial owner is care of CDEX Inc., 4555 South Palo Verde Road, Suite 123, Tucson, Arizona 85714. Unless otherwise indicated, the Company believes that all persons named in the following table have sole voting and investment power with respect to all shares of common stock that they beneficially own.

For purposes of this table, a person is deemed to be the beneficial owner of the securities if that person has the right to acquire such securities within 60 days of January 21, 2015 upon the exercise of options or warrants. In determining the percentage ownership of the persons in the table below, we assumed in each case that the person exercised all options and warrants and converted all notes which are currently held by that person and which are exercisable/convertible within such 60 day period, but that options and warrants and convertible notes held by all other persons were not exercised or converted, and based the percentage ownership on 59,927,293 shares outstanding on January 21, 2015.

Name And Address Of Beneficial Owner	Position	Amount Of Beneficial Ownership	Percent Of Class [1]
Jeffery K. Brumfield	Executive Officer and Director	10,993,468 [2]	14.07%
Gemini Master Fund, Ltd.	Investor	10,580,141 [3]	14.21%
PEMCO LLC	Investor	9,929,637 [8]	13.57%
Robert W. Stewart	Investor	5,128,723 [9]	7.38%
Ralph D. and Eileen Terrell	Investor	4,943,249 [10]	7.12%
Jason B. Terrell	Director	4,692,165 [4]	6.66%
Stephen A. McCommon	Executive Officer	1,339,841 [5]	1.91%
James G. Stevenson	Director	438,475 [6]	*
Norman J. Dawson	Director	92,165 [7]	*
All directors and officers as a group (5 persons)		17,556,114	21.96%

* Less than 1%

(1) Computed based upon the total number of shares of Class A common stock, shares of common stock underlying options and shares of common stock underlying warrants held by that person that are exercisable within 60 days of January 21, 2015.

(2) Based on information known by the Company, this represents 2,339,219 shares of Class A common stock, 654,249 shares of Class A common stock issuable upon exercise of a warrant which is exercisable within 60 days of January 21, 2015 and options for 8,000,000 shares of Class A common stock exercisable within 60 days of January 21, 2015.

(3) Based on information contained in a report on Form 3 with the SEC on September 19, 2014: The address of Gemini Master Fund, Ltd. is c/o GEMINI STRATEGIES LLC, 619 South Vulcan, Suite 203, Encinitas, CA 92024. The Reporting Person owns a total of 5,594,107 shares of Class A common stock. The Reporting Person also holds 4,986,034 shares of Common Stock issuable upon exercise of a warrant exercisable within 60 days of January 21, 2015. The number of shares of Class A common stock into which the Warrant is exercisable at any point in time is limited, pursuant to the terms of such instrument, to that number of shares of Class A common stock which would result in the Reporting Persons having beneficial ownership of 9.9% of the total issued and outstanding shares of Common Stock (the "Ownership Limitation").

(4) Based on information known by the Company, this represents 3,692,165 shares of Class A common stock and warrants for 1,000,000 shares of Class A common stock exercisable within 60 days of January 21, 2015.

(5) Based on information known by the Company, this represents 708,763 shares of Class A common stock, warrants for 411,078 shares of Class A common stock exercisable within 60 days of January 21, 2015 and 220,000 options exercisable within 60 days of January 21, 2015.

(6) Based on information known by the Company, this represents 229,834 shares of Class A common stock and options for 165,000 shares of Class A common stock exercisable within 60 days of January 21, 2015 and warrants for 43,641 shares of Class A common stock exercisable within 60 days of January 21, 2015.

(7) Based on information known by the Company, this represents 92,165 shares of Class A common stock.

(8) Based on information contained in a report on Form 3 with the SEC on October 17, 2014 and information known by the Company: The address of PEMCO LLC, 32818 Walker Road, #295, Avon Lake, OH 44012. The

Reporting Person owns a total of 6,211,252 shares of Class A common stock. The Reporting Person also holds 3,718,385 shares of Class A common stock issuable upon exercise of a warrant exercisable within 60 days of January 21, 2015. The number of shares of Class A common stock into which the Warrant is exercisable at any point in time is limited, pursuant to the terms of such instrument, to that number of shares of Class A common stock which would result in the Reporting Persons having beneficial ownership of 9.9% of the total issued and outstanding shares of Common Stock (the "Ownership Limitation").

(9) Based on information known by the Company, this represents 5,128,723 shares of Class A common stock.

(10) Based on information known by the Company, this represents 4,943,249 shares of Class A common stock.

Changes in Control.

There are no present arrangements or pledges of the Company's securities which may result in a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Transactions

Dr. Jason Terrell, a Director of the Company, is also the Company's Medical Director. As compensation for his efforts as the Company's Medical Director, in December 2012, the Company issued Dr. Terrell, 500,000 shares of its Class A common stock and a warrant to purchase 500,000 shares of Class A common stock for $0.10 a share effective for five years.

Director Independence

Our directors, Dr. James G. Stevenson and Norman J Dawson, are independent director as that term is defined by the applicable rules of the SEC and the Financial Industry Regulatory Authority ("FINRA"). However, because our stock trades on the OTC Bulletin Board, we are not required to have independent directors. If we ever become a listed issuer whose securities are listed on a national securities exchange or on an automated inter-dealer quotation system of a national securities association, which has independent director requirements, we intend to comply with all applicable requirements relating to director independence.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following is a summary of fees billed to us by S.E. Clark and Co., our independent registered public accounting firm, for professional services rendered for the fiscal years ended October 31, 2014 and 2013:

Description	2014	2013
Audit related fees	$ 25,200	$ 25,700
All other fees	-	-
Total	$ 25,200	$ 25,700

Fees for audit services include fees associated with the annual audit of the Company and the review of our quarterly reports on Form 10-Q.

Pre-Approval Policies and Procedures

The Audit Committee approves all audit services, audit-related services, tax services and other services provided by our auditors. Any services provided by our auditors that are not specifically included within the scope of the audit must be pre-approved by the Audit Committee in advance of any engagement. Under the Sarbanes-Oxley Act of 2002, audit committees are permitted to approve certain fees for audit-related services, tax services and other services, pursuant to a de minimis exception prior to the completion of an audit engagement. In fiscal 2013 and 2012, none of the fees paid to S.E. Clark and Co. were approved pursuant to the de minimis exception.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Consolidated Financial Statements

(1) Financial Statements

Report of Independent Registered Public Accounting Firm
Balance Sheets
Statements of Operations
Statement of Changes in Stockholders' Deficit
Statements of Cash Flows
Notes to Financial Statements

(2) Financial Statement Schedules

Schedule II — Valuation and Qualifying Accounts schedule has been omitted as the required information is included in the Notes to Financial Statements included with this annual report.

All other schedules have been omitted because they are not applicable.

(3) Exhibits

Documents filed as exhibits to this annual report or incorporated by reference:

3.1	Amended and Restates Articles of Incorporation of the Company filed January 2, 2004, together with Certificate of Designation of Rights, Preferences and Privileges (incorporated by reference to the Registrant's Registration Statement on Form SB-2, as filed with the Securities and Exchange Commission on February 2, 2004).
3.2	Amended and Restated By-laws of the Registrant (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on October 29, 2010).
4.1	Specimen certificate for shares of Company common stock (incorporated by reference to Amendment No. 2 to the Registrant's Registration Statement on Form SB-2, as filed with the Securities and Exchange Commission on June 21, 2004).
4.2	2002 Stock Incentive Plan (Privileges (incorporated by reference to the Registrant's Registration Statement on Form SB-2, as filed with the Securities and Exchange Commission on February 2, 2004).
4.3	2003 Stock Incentive Plan (Privileges (incorporated by reference to the Registrant's Registration Statement on Form SB-2, as filed with the Securities and Exchange Commission on February 2, 2004).
4.4	2013 Equity Incentive Plan (incorporated by reference to the Registrant's Definitive Proxy Statement on Form DEF 14A, as filed with the Securities and Exchange Commission on March 8, 2013).
10.1	Form of Securities Purchase Agreement with Gemini Master Fund, Ltd.

dated June 25, 2008 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on June 30, 2008).

10.2 Form of 12% Senior Convertible Note with Gemini Master Fund, Ltd. dated June 25, 2008 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on June 30, 2008).

10.3 Form of Common Stock Purchase Warrant Agreement with Gemini Master Fund, Ltd. dated June 25, 2008 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on June 30, 2008)

10.4 Form of Waiver and Amendment with Gemini Master Fund, Ltd. dated December 18, 2008 (incorporated by reference to the comparable exhibit filed with the Registrant's form 10-KSB/A filed with the SEC on March 13, 2009).

10.5 Form of Second Waiver and Amendment with Gemini Master Fund, Ltd. dated February 10, 2009 (incorporated by reference to the comparable exhibit filed with the Registrant's form 10-KSB/A filed with the SEC on March 13, 2009).

10.6 Form of Third Waiver and Amendment with Gemini Master Fund, Ltd. dated February 10, 2009 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on May 5, 2009).

10.7 Form of Fourth Waiver and Amendment with Gemini Master Fund, Ltd. dated February 10, 2009 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on June 9, 2009).

10.8 Form of Fifth Waiver and Amendment with Gemini Master Fund, Ltd. dated February 10, 2009 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on October 27, 2009).

10.9 Form of Note, Warrant Amendment and Amendment and Conversion Agreement with Gemini Master Fund, Ltd. effective April 29, 2011 (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on May 5, 2011).

10.10 Employment Agreement effective May 15, 2013 between the Registrant and Jeffrey K. Brumfield (incorporated by reference to the comparable exhibit filed with the Registrant's form 8-K filed with the SEC on May 17, 2013).

31.1 Certification of Chief Executive Officer (filed herewith).

31.2 Certification of Chief Financial Officer (filed herewith).

32.1 Section 1350 Certification of Chief Executive Officer (filed herewith).

32.2	Section 1350 Certification of Chief Financial Officer (filed herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

Signatures

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on January 27, 2015,

CDEX Inc.

/s/ Jeffrey K. Brumfield
Jeffrey K. Brumfield
Chairman of the *Board of Directors and*
Chief Executive Officer

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

Signature	Title	Date
/s/ Jeffrey K. Brumfield Jeffrey K. Brumfield	Chief Executive Officer and Chairman of the Board of Directors	January 27, 2015
/s/ Stephen A. McCommon Stephen A. McCommon	Chief Financial Officer and Vice President of Finance	January 27 2015
/s/ James G. Stevenson James G. Stevenson	Director	January 27, 2015
/s/ Jason B. Terrell Jason B. Terrell	Director	January 27, 2015
/s/ Norman J Dawson Norman J. Dawson	Director	January 27, 2015

INDEX TO FINANCIAL STATEMENTS

S.E.Clark & Company, P.C.
Registered Firm: Public Company Accounting Oversight Board

Report of Independent Registered Public Accounting Firm

Board of Directors
and Stockholders
CDEX Inc.
Tucson, Arizona

We have audited the accompanying balance sheets of CDEX Inc. (the "Company") as of October 31, 2014 and 2013 and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of CDEX Inc. as of October 31, 2014 and 2013 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 14 to the financial statements, the accumulation of losses and shortage of capital raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 14 The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

/s/ S.E.Clark & Company, P.C.

Tucson, Arizona
January 26, 2015

742 N. Country Club Road, Tucson, AZ 85716 (520) 323-7774, Fax (520) 323-8174, seclarkcpa@aol.com

CDEX INC.
BALANCE SHEETS
AS OF OCTOBER 31,

	2014	2013
Assets		
Current assets:		
Cash	$ 90,915	$ 98,967
Accounts receivable - net	6,935	23,573
Inventory - net	250,751	240,232
Deferred costs	19,078	9,108
Total current assets	367,679	371,880
Property and equipment - net	28,709	37,889
Patents - net	46,913	51,559
Other assets	1,399	1,504
Total assets	$ 444,700	$ 462,832
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 72,885	$ 8,140
Deferred Revenue	67,000	72,985
Line of credit payable	135,288	-
Total current liabilities	275,173	81,125
Total liabilities	275,173	81,125
Commitments and contingencies		
Stockholders' equity		
Preferred stock - undesignated - $.005 par value per share, 350,000 shares authorized and none outstanding	-	-
Preferred stock - Series A - $.005 par value per share, 150,000 shares authorized and 6,250 outstanding at October 31, 2014 and at October 31, 2013	31	31
Class A common stock - $.005 par value per share, 300,000,000 shares authorized and 69,452,958 outstanding at October 31, 2014 and 52,946,963 outstanding at October 31, 2013	347,263	264,732
Additional paid-in capital	35,619,772	35,336,108
Accumulated deficit	(35,797,539)	(35,219,164)
Total stockholders' equity	169,527	381,707
Total liabilities and stockholders' equity	$ 444,700	$ 462,832

The accompanying notes are an integral part of these Financial Statements.

CDEX INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED OCTOBER 31,

	2014	2013
Revenue	$ 177,923	$ 526,706
Cost of revenue	54,121	127,109
Gross profit	123,802	399,597
Operating expenses:		
Selling, general and administrative	527,074	1,027,418
Research and development	180,685	145,557
Total operating expenses	707,759	1,172,975
Loss from operations	(583,957)	(773,378)
Other income/(expenses):		
Note discount amortization	-	-
Interest expense	(1,223)	-
Other income/(expenses)	6,805	28,267
Total other income/(expense)	5,582	28,267
Net loss	$ (578,375)	$ (745,111)
Basic net loss per common share:	$ (0.01)	$ (0.01)
Basic weighted average common shares outstanding	56,852,043	52,872,994

The accompanying notes are an integral part of these Financial Statements.

CDEX INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Series A Preferred Stock		Class A Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, October 31, 2012	6,250	$ 31	52,369,517	$ 261,846	$ 34,943,618	$(34,474,053)	$ 731,442
Share-based compensation expense	-	-	643,950	3,219	435,030	-	438,249
Forgiveness of debt	-	-	(66,504)	(333)	(42,540)	-	(42,873)
Net loss	-	-	-	-	-	(745,111)	(745,111)
Balance, October 31, 2013	6,250	$ 31	52,946,963	$ 264,732	$ 35,336,108	$(35,219,164)	$ 381,707
Share-based compensation expense	-	-	663,995	3,321	20,959	-	24,280
Warrant exchange offer	-	-	15,842,000	79,210	237,630	-	316,840
Valuation of warrants issued for lines of credit	-	-	-	-	25,075	-	25,075
Net loss	-	-	-	-	-	(578,375)	(578,375)
Balance, October 31, 2014	6,250	$ 31	69,452,958	$ 347,263	$ 35,619,772	$(35,797,539)	$ 169,527

The accompanying notes are an integral part of these Financial Statements.

CDEX INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31,

	2014	2013
Cash flows from operating activities:		
Net loss	$ (578,375)	$ (745,111)
Adjustments to reconcile net loss to cash used by operating activities:		
Depreciation and amortization	24,038	31,192
Share-based compensation	24,280	415,458
Negotiated settlements on accounts payable	-	(42,872)
Noncash interest expense	1,223	-
Changes in operating assets and liabilities:		
Accounts receivable	16,638	4,740
Inventory	(10,519)	(62,540)
Prepaid expenses and other assets	4,275	(9,108)
Current liabilities	66,600	(54,650)
Net cash used by operating activities	(451,840)	(462,891)
Cash flows from investing activities:		
Purchase of property and equipment	(10,212)	-
Net cash used by investing activities	(10,212)	-
Cash flows from financing activities:		
Proceeds received under line of credit	145,000	-
Proceeds received under Warrant Exchange offer	309,000	-
Net cash provided by financing activities	454,000	-
Net decrease in cash	(8,052)	(462,891)
Cash, beginning of the year	98,967	561,858
Cash, end of the year	$ 90,915	$ 98,967
Supplemental Cash Flow Information		
Liabilitites resolved through Warrant Exchange offer	$ 7,840	-
Issuance of previously accrued common stock	-	$ 22,790

The accompanying notes are an integral part of these Financial Statements.

CDEX INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2014 and 2013

1. Organization of Business and Basis of Presentation

CDEX Inc. (“CDEX,” “we,” “us,” “our” or the “Company”) is a technology development company incorporated in the State of Nevada on July 6, 2001 with a corporate office and research and development facility in Tucson, Arizona. Our Class A common stock is currently being traded on the OTCBB under the symbol "CDEX.OB." Our long term strategic plans focus on applying our patented and patents pending chemical detection technologies to develop products in various markets including the healthcare, security and brand protection markets, as addressed below:

1. Healthcare - Validation of medications, training and quality assurance (e.g., validation of prescription and compounded medications to provide for patient safety, training of medical staff regarding compounding practices and detection of the diversion of narcotics and controlled substances);

2. Security and Public Safety - Identification of substances of concern (e.g., explosives, illegal drugs and the detection of counterfeit drugs and medications to assist in the protection of the nation's drug supply); and

3. Brand Protection - Detection of counterfeit or sub-par products for brand protection (e.g., inspection of incoming raw materials, outgoing final products and products in the distribution channel).

The Company is also exploring unique opportunities in select market verticals where its proprietary technology may provide low cost/real time solutions to a growing concern such as conducting urine, blood and saliva analysis for detecting illegal drugs and performance enhancement substances.

Virtually all CDEX product development has been based on applying the same underlying technologies. CDEX anticipates developing and/or acquiring other technologies in the future through partnering and investment. However, unless and until such time as we acquire or develop other technology assets, all of the Company's revenues will come from products developed from our current suite of patents and patents pending technologies, or through licensing arrangements with companies with related intellectual property.

2. Summary of Significant Accounting Policies

Revenue Recognition

Sales revenues are recognized when persuasive evidence of an agreement with the customer exists, products are shipped and installation, if necessary, completed, title passes pursuant to the terms of the agreement with the customer, the amount due from the customer is fixed or determinable, collectability is reasonably assured and there are no significant future performance obligations. Service revenues are recognized at the time of performance. Service maintenance revenues are typically recognized ratably over the term of the agreement. Deferred revenue represents amounts invoiced or received but not recognized as revenue if the above revenue recognition terms are not met.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts based on the expected collectability of our accounts receivable. We perform credit evaluations of significant customers and establish an allowance for doubtful accounts based on the aging of receivables, payment performance factors, historical trends and other information. In general, we reserve a portion of those receivables outstanding more than 90 days and 100% of those outstanding more than 120 days. We evaluate and revise our reserve on a monthly basis based on a review of specific accounts outstanding and our history of uncollectible accounts. As of fiscal the years ended October 31, 2013 and 2012 we had no allowance for doubtful accounts.

Inventory

Inventory is valued at the lower of actual cost based on a first-in, first-out basis, or market. Inventory includes the cost of component raw materials and manufacturing. Due to the nature of our inventory, we analyze inventory on an item-by-item basis for obsolescence. The changes to obsolescence reserve for the years ended October 31, 2014 and 2013 are as follows:

	Year Ended October 31,	
	2014	2013
Balance, beginning of the year	$ 24,832	$ 25,365
Inventory obsolescence adjustments	182	(533)
Balance, end of the year	$ 25,014	$ 24,832

Property and Equipment

Property and equipment are recorded at historical cost and are depreciated using the straight-line method over the estimated useful lives of the related assets, which range from two to seven years. Depreciation expense was approximately $23,000 and $26,000 for the years ended October 31, 2014 and 2013, respectively.

Beneficial Conversion Features

The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible note payable and may not be settled in cash upon conversion, is treated as a discount to the convertible note payable. This discount is amortized over the period from the date of issuance to the date the note is due using the effective interest method. If the note payable is retired prior to the end of its contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the common shares at the commitment date to be received upon conversion.

Research and Development Costs

Research and development costs include compensation for employees and contractors, rent, professional services, materials, lab equipment and disposals.

Share-Based Payments

Share-based compensation costs are recognized as a component of selling, general and administrative expense in the Statements of Operations. Compensation expense for share-based payment arrangements with our employees is based on the grant date fair value of awards. We apply the Black-Scholes option pricing model to determine the fair value of stock options and apply judgment in estimating key assumptions that are important elements in the model and in expense recognition, such as the expected stock-price volatility, expected stock option life, expected dividends and expected forfeiture rates. Restricted stock awards with performance based vesting provisions are expensed based on our estimate of achieving the specific performance criteria on a straight-line basis over the requisite service period. We perform periodic reviews of the progress of actual achievement against the performance criteria in order to reassess the likely vesting scenario and, when applicable, realign the expense associated with that outcome.

For share-based payments to non-employee consultants, the fair value of the share-based consideration issued is typically used to measure the transaction, as management believes this to be a more reliable measure of fair value than the services received. We apply the Black-Scholes option pricing model to determine the fair value of stock options or warrants that are granted. Consideration for services rendered by non-employee consultants is generally measured at the fair value of the Company's common stock or stock options on the date that performance is complete.

Patents

The Company capitalizes the costs of obtaining patents when patents are granted. Patents are amortized over their useful lives, which is generally ten years. Amortization expense relative to patents was approximately $5,000 for both fiscal 2014 and 2013.

Income Taxes

Deferred tax assets and liabilities are recognized currently for the future tax consequences attributable to the temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely that such assets will not be realized. We consider all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a net deferred tax asset. Judgment is used in considering the relative impact of negative and positive evidence. In arriving at these judgments, the weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified. We record a valuation allowance to reduce our deferred tax assets and review the amount of such allowance annually. When we determine certain deferred tax assets are more likely than not to be utilized, we will reduce our valuation allowance accordingly.

As of October 31, 2014 and 2013, we did not recognize any assets or liabilities relative to uncertain tax positions, nor do we anticipate any significant unrecognized tax benefits will be recorded during the next 12 months. Any interest or penalties related to unrecognized tax benefits is recognized in income tax expense. Since there are no unrecognized tax benefits as a result of tax positions taken, there are no accrued penalties or interest. We are subject to tax audits for our U.S. federal and certain state tax returns for tax years 2007 to 2014. Tax audits by their very nature are often complex and can require several years to complete.

Fair Value Measurements

The carrying amounts of items reflected in current assets and current liabilities, as well as notes payable, approximate their fair value due to the short-term nature of their underlying terms.

Concentrations

For fiscal 2014 and 2013, our revenues consisted of transactions with 15 and 24 customers, respectively. In fiscal 2014, approximately 19% of our revenues were sourced to the cancellation fees paid by the a former client and 21% of our revenues were derived from ValiMed Maintenance fees from our distributor in Kuwait for ten ValiMed CCT units In fiscal 2013, approximately 64% of our revenues were derived from our sale to our distributor in Kuwait for ten ValiMed CCT units and 12% was from our ValiMed Maintenance fees.

At times, the Company maintains cash balances that exceed federally insured limits. Our cash balances are maintained with financial institutions with high credit standing and accordingly, the Company does not believe that this results in any significant credit risk.

Net Loss Per Common Share

Basic net loss per share was determined by dividing the net loss by the weighted average number of common shares outstanding during each year. The effect of common stock equivalents is not considered as it would be anti-dilutive.

Recently Issued Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, balance sheet or cash flow.

3. Inventory

Inventory consisted of the following at October 31, 2014 and 2013:

	2014	2013
Raw materials	$ 223,464	$ 170,444
Finished goods	52,301	94,620
Subtotal	275,765	265,064
Obsolescence reserve	(25,014)	(24,832)
Total inventory	$ 250,751	$ 240,232

4. Property and Equipment

Property and equipment consisted of the following at October 31, 2013 and 2012:

	2014	2013
Furniture, fixtures and leasehold improvements	$ 2,931	$ 2,931
Equipment	605,007	594,795
Leased equipment	70,654	70,654
	678,592	668,380
Less: Accumulated depreciation	(649,883)	(630,491)
Property and equipment - net	$ 28,709	$ 37,889

5. Patents

Patents consisted of the following at October 31, 2014 and 2013:

	2014	2013
Patents	$ 100,000	$ 100,000
Less: Accumulated amortization	(53,087)	(48,441)
Patents - net	$ 46,913	$ 51,559

Future amortization expense for our patents for the next five fiscal years is as follows:

Five-Year Projected Patent Amortization

Fiscal Years Ending October 31,	Amount
2015	4,100
2016	3,618
2017	3,192
2018	2,817
2019	2,485

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at October 31, 2013 and 2012:

	2014	2013
Accounts payable	$ 61,571	$ 4,900
Accrued compensation	3,430	625
Legal fees	5,509	240
Accrued payable to a distributor	2,375	2,375
	$ 72,885	$ 8,140

7. Income Taxes

The benefit from income taxes reflected in the accompanying financial statements, all of which is deferred, varies from the amounts that would have been computed using statutory rates as follows:

	2014	2013
Federal income taxes at the maximum statutory rate	$ 206,687	$ 253,338
State income taxes, net of federal tax effect	27,964	34,275
Permanent differences	11,761	11,445
Increase in valuation allowance	(246,412)	(299,058)
Benefit from income taxes	$ -	$ -

Deferred income taxes consisted of the following as of October 31, 2014 and 2013:

	2014	2013
Stock-based compensation	$ 535,893	$ 526,521
Fixed asset basis difference	74,534	76,826
Receivables excluded from income for income tax reporting purposes	2,677	9,099
Accounts payable and accrued expenses deducted for financial statement purposes, but not for income tax reporting	28,134	3,142
Net operating loss carryforwards	8,413,676	8,207,282
Deferred tax asset	9,054,914	8,822,870
Valuation allowance	(9,054,914)	(8,822,870)
Total	$ -	$ -

For income tax purposes, the Company has net operating loss carryforwards of approximately $21.8 million at October 31, 2014 that, subject to applicable limitations, may be applied against future taxable income. If not utilized, the net operating loss carryforwards will expire between 2024 and 2028.

8. Share-Based Payments

Stock Options and Stock Grants

The Company has a 2002 Stock Incentive Plan, a 2003 Stock Incentive Plan and a 2013 Equity Incentive Plan (the "Plans") (and the "2013 Plan"). Both the 2002 Plan and the 2003 Plan have terminated and all future equity incentive issuances will be charged to the 2013 Plan. The Plans provide for the issuance of stock options and stock grants. The 2013 Plan permits the issuance of up to 75,000,000 shares through April 19, 2023. As of October 31, 2014, there are 73,900,055 shares available for grant from the 2013 Plan.

. No options were granted during the fiscal year ended October 31, 2014. During the year ended October 31, 2013, the Company granted stock options for the purchase of 8,350,000 Class A Common Shares with an aggregate grant date fair value of $455,538. We have a practice of issuing new stock to satisfy the exercises of stock options. Stock options were granted with an exercise price equal to the market price of the stock at the date of grant. Options granted were exercisable pursuant to vesting schedules from immediate to six years.

During the year ended October 31, 2014, the Company awarded 970,955 restricted shares of Class A Common Shares to its members of its Board of Directors and contractors, including 92,165 shares to each of our external directors. During the year ended October 31, 2013, the Company awarded 643,950 restricted shares of Class A Common Shares to its members of its Board of Directors, employees and contractors. The restricted stock awards vest over six months and have an aggregate grant date fair value of $40,255. We have a practice of issuing new stock to satisfy restricted stock grants. At October 31, 2014, there were no unrecognized compensation costs related to unvested restricted stock awards, and no unrecognized compensation costs related to unvested stock options.

Stock option activity for fiscal years 2014 and 2013 under the Plan is as follows (the table retroactively reflects the 1 for 10 reverse stock split effective October 5, 2012):

	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at October 31, 2012	910,500	$ 0.50	4.40	$ -
Options Granted	8,350,000	$ 0.05		
Options Cancelled/Forfeited	(800,000)	$ 0.52		
Options Expired	(50,500)	$ 0.50		
Outstanding at October 31, 2013	8,410,000	$ 0.05	4.20	$ 83,500
Options Expired	(15,000)	$ 0.10		
Outstanding at October 31, 2014	8,395,000	$ 0.05	3.21	$ -
Exercisable at October 31, 2014	8,395,000	$ 0.05	3.21	$ -

Total compensation expense related to stock awards for employees and consultants was $ 24,280 and $415,458 for the years ended October 31, 2014 and 2013, respectively.

The fair value of restricted stock was estimated using the closing price of our Class A Common Stock on the date of award and fully recognized upon vesting.

We determine the fair value of share-based awards at their grant date, using a Black-Scholes Option Pricing Model. No options were issued during fiscal 2014 so those pricing assumptions in the following table are blank. For options granted in fiscal year 2013, we estimated expected terms as being equal to the life of the grant. Actual compensation, if any, ultimately realized by option recipients may differ significantly from the amount estimated using an option valuation model.

	For the Year Ended October 31,	
	2014	2013
Weighted average grant date fair value	$ -	$ 0.06
Expected volatility	0%	75%
Expected dividends	0%	0%
Expected term (years)	-	5.00
Risk free rate	-	0.77% - 0.79%

Warrants

In fiscal year 2014, warrants to purchase 13,975,815 shares of our Class A common stock were exercised under a warrant exchange offer including 2,000,000 warrant shares of Jason B. Terrell, our Medical Director and member of our Board of Directors, 500,000 warrant shares of Jeffrey K. Brumfield, our CEO and 250,000 warrant shares of Stephen A. McCommon, our CFO. Our Warrant Exchange Offer included an offer to all warrant holders with an exercise price of $0.10 per share an opportunity to exercise their warrants for $0.02 a share in exchange for the number of shares of common stock issuable under the warrant and a warrant for half the number of shares of common stock issuable under the exercised warrant with an exercise price of $0.15 a share.

In fiscal year 2014, we issued warrants to purchase 6,987,908 shares of our Class A common stock under our warrant exchange offer including 1,000,000 warrant shares to Jason B. Terrell, 250,000 warrant shares to Jeffrey K.

Brumfield and 125,000 warrant shares to Stephen A. McCommon. We issued warrants to purchase 1,750,000 shares to PEMCO LLC and warrants to purchase 400,000 shares to Jeffrey K. Brumfield, in connection with the creation of lines of credit, and warrants to purchase 779,604 shares of common stock under an original issuance agreement where we offered an opportunity to invest in the company for $0.02 a share and a warrant for half the number of shares of common stock purchased with an exercise price of $0.15 a share. We also issued warrants to purchase 153,500 shares of common stock as consultant compensation.

As a part of the Bankruptcy plan discussed in note 11, all warrants were cancelled on the Plan effective date of October 5, 2012. Warrants under the plan were issued subsequent to October 31, 2012. In fiscal year 2013, the Company issued 41,295,142 shares and warrants to purchase 39,685,549 shares under the Plan in settlement of its obligations. The following summarizes activity for fiscal years 2014 and 2013 for warrants to purchase our common stock:

	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding and exercisable at October 31, 2012	-	$ -	
Issued	40,509,552	$ 0.19	
Outstanding at October 31, 2013	40,509,552	$ -	
Issued	10,071,012	$ 0.17	
Exercise	(13,975,815)	$ 0.10	
Outstanding and exercisable at October 31, 2014	36,604,749	$ 0.22	3.52

9. Notes Payable

Effective October 16, 2014, CDEX Inc. (the “Company”) entered into a Line of Credit Agreement with each of two lenders, one of whom is our CEO, Jeffrey K. Brumfield, and the other of which is a significant shareholder, PEMCO LLC. The Line of Credit Agreements provide for the lenders to make available to the Company an aggregate amount of up to $430,000 in funding, upon which the Company may draw funds as needed at any time from the effective date until the maturity date which is March 31, 2015. The Lines of Credit are secured by all assets of the Company. Pursuant to each Line of Credit Agreement, the Company has issued each lender a Revolving Note (collectively, the “Notes”) evidencing the net amount drawn by the Company during term of the Line of Credit Agreement. The Notes bear interest at a rate of 12% per annum. Interest on the balance of the Notes accrues and is payable on the first day of each month beginning on November 1, 2014. On the maturity date, the Company must pay to the lenders an amount equal to 110% of the principal due on the Notes plus any accrued and unpaid interest as of that date. The Company may prepay any principal balance on the Notes, but it must still pay 110% of such principal amount when paid. As additional incentive for the lenders to enter into the Line of Credit Agreements and make available to the Company funds thereunder, the Company has issued to the lenders Warrants to purchase up to 2,150,000 shares of the Company’s Class A common stock in the aggregate. The Warrants are exercisable for a period of five years at an exercise price of $0.25 per share. The following reconciles notes payable as of October 31, 2014 and 2013:

	2014	2013
Line of credit - PEMCO LLC - 12% interest payable monthly - matures March 31, 2015	105,173	-
Line of credit - Jeffrey K Brumfield - 12% interest payable monthly - matures March 31, 2015	40,039	-
Recognition of 10% bonus interest on lines of credit draws	14,500	
Recognition of warrant value on lines of credit	(25,075)	
Amortization of warrant value on lines of credit	651	
Total lines of credit	135,288	-

10. Stockholders' Equity

In fiscal year 2014, we issued 13,975,815 shares of our Class A common stock under a warrant exchange offer including 2,000,000 shares to Jason B. Terrell, our Medical Director and member of our Board of Directors, 500,000 shares to Jeffrey K. Brumfield, our CEO and 250,000 shares to Stephen A. McCommon, our CFO. . Our Warrant Exchange Offer included an offer to all warrant holders with an exercise price of $0.10 per share an opportunity to exercise their warrants for $0.02 a share in exchange for the number of shares of common stock issuable under the warrant and a warrant for half the number of shares of common stock issuable under the exercised warrant with an exercise price of $0.15 a share. We also issued 970,995 shares of restricted stock as consultant compensation, including 92,165 shares to each of our external directors and we issued 1,640,815 shares in an original issuance transaction.

During the three months ended January 31, 2012 a shareholder converted 425 shares of Preferred Stock Series A into 25,374 shares of Class A common stock.

The financial statements for the fiscal year ended October 31, 2012 reflect the impact of Company's Bankruptcy Plan going "effective" on October 5, 2012. As a part of the Plan, the Company underwent a 1 for 10 reverse stock split of its common stock. Additionally, as a part of the Plan approximately $3.5 million in liabilities, $116,000 of administrative financing and $700,000 were be resolved with the issuance of approximately 43 million shares of Series A common stock and warrants for approximately 43 million shares of Series A common stock.

Due to administrative delays, the stock and warrants issued under the Plan were being issued after October 31, 2012. In fiscal year 2013, the Company issued 41,295,142 shares and warrants to purchase 39,685,549 shares under the Plan in settlement of its obligations.

11. Commitments and Contingencies

Operating Leases

The Company leases approximately 3,000 square feet of office and laboratory space in Tucson, Arizona on a month-to-month basis. Monthly rent as of October 31, 2014 is approximately $2,000. Total rent expense was approximately $19,000 and $21,000 for the years ended October 31, 2014 and 2013, respectively.

Litigation

We may from time to time be involved in legal proceedings arising from the normal course of business. As of the date of this report, we have not received notice of any new legal proceedings.

13. Selected Quarterly Financial Data (Unaudited)

The following table summarizes the unaudited quarterly results of operations as reported for fiscal 2014 and 2013:

	Fiscal Year Ended October 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 76,007	$ 50,277	$ 27,207	$ 24,432
Gross profit	56,342	44,038	19,685	3,737
Income (loss) from operations	(122,240)	(143,327)	(125,553)	(192,837)
Net income (loss)	(115,435)	(143,327)	(125,553)	(194,060)
Basic and diluted net loss per common share	(0.002)	(0.003)	(0.002)	(0.003)
Basic and diluted weighted average common shares outstanding	52,946,963	54,344,042	63,265,125	66,275,708

	Fiscal Year Ended October 31, 2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 39,732	$ 389,232	$ 30,574	$ 67,168
Gross profit	23,184	336,079	4,819	35,515
Loss from operations	(559,666)	92,219	(175,768)	(130,163)
Net loss	(561,616)	122,104	(175,436)	(130,163)
Basic and diluted net loss per common share	(0.01)	0.002	(0.003)	(0.002)
Basic and diluted weighted average common shares outstanding	52,686,021	52,924,937	52,934,055	52,946,963

14. Going Concern

The Company has incurred losses since its inception of approximately $35.8 million and has had limited product sales from its inception through fiscal 2014. The Company plans to raise cash to fund its operations and pay its outstanding obligations from credit facilities or the sale of its securities in the future. Nonetheless, there can be no guarantee that the Company will be able to raise cash or maintain its current workforce through any of these plans.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern and meet its obligations as they come due is dependent upon its ability to raise sufficient cash as discussed above. The Company's continued operations, as well as the implementation of our business plan, will depend upon its ability to raise additional funds through bank borrowings, equity or debt financing. The Company continues to seek prospective investors who may provide some of this funding. The Company also anticipates it will need to maintain its current workforce to achieve commercially viable sales levels. There can be no guarantee that these needs will be met or that sufficient cash will be raised to permit operations to continue. Should the Company be unable to raise sufficient cash to continue operations at a level necessary to achieve commercially viable sales levels, the liquidation value of the Company's assets may be substantially less than the balances reflected in the financial statements and the Company may be unable to pay its creditors. There is no assurance that the Company will succeed in these fund-raising efforts. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

15. Subsequent Events

For the period subsequent to October 31, 2014, the date of our most recent balance sheet, through the date our financial statements were issued, the Company drew an additional $160,000 from its Lines of Credits leaving an available balance to draw upon of $125,000.

EXHIBIT 31.1

CERTIFICATION

I, Jeffrey K. Brumfield, certify that:

1. I have reviewed this report on Form 10-K of CDEX 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(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 performing the equivalent functions):

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

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

/s/ Jeffrey K. Brumfield

Jeffrey K. Brumfield
Chief Executive Officer

Date: January 27, 2015

EXHIBIT 31.2

CERTIFICATION

I, Stephen A. McCommon, certify that:

1. I have reviewed this report on Form 10-K of CDEX 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(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 performing the equivalent functions):

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

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

/s/ Stephen A. McCommon

Stephen A. McCommon
Chief Financial Officer

Date: January 27, 2015

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

In connection with the filing by CDEX Inc. (the "Company") of its Annual Report on Form 10-K for the year ended October 31, 2014 (the "Report") I, Jeffrey K. Brumfield, Chief Executive Officer of the Company certify pursuant to 18 U.S.C. Section. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

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

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer of CDEX Inc. with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used for any other purposes. A signed original of this written statement required by Section 906 has been provided to CDEX Inc. and will be retained by CDEX Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Jeffrey K. Brumfield

Jeffrey K. Brumfield
Chief Executive Officer

Date: January 27, 2015

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

In connection with the filing by CDEX Inc. (the "Company") of its Annual Report on Form 10-K for the fiscal year ended October 31, 201 (the "Report") I, Stephen A. McCommon, Chief Financial Officer of the Company certify pursuant to 18 U.S.C. Section. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

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

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

This certificate is being made for the exclusive purpose of compliance by the Chief Financial Officer of CDEX Inc. with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used for any other purposes. A signed original of this written statement required by Section 906 has been provided to CDEX Inc. and will be retained by CDEX Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Stephen A. McCommon

Stephen A. McCommon
Chief Financial Officer

Date: January 27, 2015