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

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended July 31, 2013

|_| 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
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code 520-745-5172

Indicate by check 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 [X] No [_]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [_]

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: [ ] Smaller reporting company: [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

On September 8, 2013, 52,946,963 shares of the registrants Class A common stock, par value $.005 per share, were outstanding.

CDEX, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

CDEX INC.
BALANCE SHEETS

	July 31, 2013 Unaudited	October 31. 2012
Assets		
Current assets		
Cash	$ 250,876	$ 561,858
Accounts receivable	20,668	28,313
Inventory - net	236,092	177,692
Prepaid expenses and deposits	4,938	
Total current assets	512,574	767,863
Property and equipment, net	44,332	63,814
Patents, net	52,876	56,826
Other assets	1,504	1,504
Total assets	$ 611,286	$ 890,007
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable and accrued expenses	$ 25,326	$ 105,667
Deferred revenue - current	74,090	52,898
Total current liabilities	99,416	158,565
Total liabilities	99,416	158,565
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 July 31, 2013 and at October 31, 2012	31	31
Class A common stock - $.005 par value per share, 300,000,000 shares authorized and 52,946,963 outstanding at July 31, 2013 and 11,007,871 outstanding at October 31, 2012	264,732	55,039
Additional paid in capital	35,336,108	35,150,425
Accumulated (deficit)	(35,089,001)	(34,474,053)
Total stockholders' equity	511,870	731,442
Total liabilities and stockholders' equity	$ 611,286	$ 890,007

The accompanying notes are an integral part of these financial statements.

CDEX INC.
STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended July 31	
	2013	2012
Revenue	$ 30,574	$ 62,040
Cost of revenue	25,755	28,947
Gross profit	4,819	33,093
Operating Expenses		
Selling, general and administrative	145,045	122,617
Research and development	35,542	34,180
Total operating expenses	180,587	156,797
Loss from operations	(175,768)	(123,704)
Other expense		
Interest expense	-	(1,026)
Other income (expense)	332	(650)
Total other (expense)	332	(1,676)
Net income (loss)	$ (175,436)	$ (125,380)
Basic net income (loss) per common share:	$ (0.003)	$ (0.01)
Basic weighted average common shares outstanding	52,922,971	10,999,672

The accompanying notes are an integral part of these financial statements.

CDEX INC.
STATEMENTS OF OPERATIONS
(unaudited)

	For the nine months ended July 31	
	2013	2012
Revenue	$ 459,538	$ 195,869
Cost of revenue	95,456	86,201
Gross profit	364,082	109,668
Operating Expenses		
Selling, general and administrative	912,210	464,397
Research and development	95,087	96,235
Total operating expenses	1,007,297	560,632
Loss from operations	(643,215)	(450,964)
Other (expense)		
Note discount amortization	-	(156,953)
Interest expense	-	(668,409)
Other income (expense)	28,267	(1,300)
Total other (expense)	28,267	(826,662)
Net loss	$ (614,948)	$ (1,277,626)
Basic and diluted net loss per common share:	$ (0.01)	$ (0.12)
Basic and diluted weighted average common shares outstanding	47,910,016	10,999,249

The accompanying notes are an integral part of these financial statements.

CDEX INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	For the nine months ended July 31	
	2013	2012
Cash Flows from Operating Activities		
Net loss	$ (614,948)	$ (1,277,626)
Adjustments to reconcile net loss to cash used by operating activities		
Depreciation and amortization	23,432	26,592
Loan discount amortization	-	156,953
Share-based compensation	415,458	61,298
Loss recognized on disposal of equipment	-	296
Gain recognized on forgiveness of debt	(42,872)	-
Noncash interest expense	-	668,809
Changes in operating assets and liabilities		
Accounts receivable	7,645	(12,238)
Inventory	(58,400)	30,553
Deferred costs and other assets	(4,938)	7,320
Current liabilities	(36,359)	274,541
Net cash used by operating activities	(310,982)	(63,502)
Cash Flows from Investing Activities		
Purchase of equipment	-	(12,736)
Net cash used by investing activities	-	(12,736)
Cash Flows from Financing Activities		
Proceeds from issuance of convertible notes payable		114,216
Repayment of notes payable	-	(8,373)
Net cash used by financing activities	-	105,843
Net (decrease) in cash	(310,982)	29,605
Cash, beginning of the period	561,858	45,514
Cash, end of the period	$ 250,876	$ 75,119
Supplemental Cash Flow Information		
Issuance of previously accrued common stock	$ 22,790	$ -
Transfer from deferred costs to fixed assets	$ -	$ 783

The accompanying notes are an integral part of these financial statements.

1. Basis of Presentation

The accompanying interim unaudited condensed financial statements include the accounts of CDEX Inc. as of July 31, 2013. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair presentation of the results for the interim periods presented have been made. The results for the three-month and nine-month periods ended July 31, 2013, may not be indicative of the results for the entire year. The interim unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements contained in our Annual Report on Form 10-K. Our lack of earnings history and continued future losses could adversely affect our financial position and if we are unable to generate funds or obtain funds on acceptable terms, we may not be able to continue operations.

The following unaudited financial statements are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading.

Recent Developments

We have experienced net losses since our inception and, as of July 31, 2013, had an accumulated deficit of approximately $35 million. We do not expect to have positive cash flow from operations until we have deployed a sufficient number of our ValiMed G4 drug validation systems. As of July 31, 2013, we had approximately $251,000 in cash provided primarily through the sale of Valimed CCTs to Al-Essa Medical & Scientific Equipment Company in Safat, Kuwait, bankruptcy financing and customer deposits.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles 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 stock-based compensation expense.

Recent Accounting Pronouncements

The Company has reviewed, and continues to review, issued accounting pronouncements with the intent of adopting any that are applicable to it. The Company does not expect any recent pronouncements to have an impact on its results of operations or financial position.

2. Inventory - Net

Our inventories consisted of the following:

	July 31, 2013	October 31, 2012
Raw materials	$ 89,428	$ 115,556
Work in progress	46,145	-
Finished goods	107,394	87,501
Subtotal	242,967	203,057
Obsolescence reserve	(6,875)	(25,365)
Total inventory	$ 236,092	$ 177,692

3 Property and equipment, net

Our property and equipment consisted of the following:

	July 31, 2013	October 31, 2012
Furniture, fixtures and leasehold improvements	$ 2,931	$ 2,931
Equipment	594,795	594,795
Leased equipment	70,654	70,654
Total	668,380	668,380
Less accumulated depreciation	(624,048)	(604,566)
Net property and equipment	$ 44,332	$ 63,814

4 Patents, net

Our patents consisted of the following:

	July 31, 2013	October 31, 2012
Patents	$ 100,000	$ 100,000
Less accumulated amortization	(47,124)	(43,174)
Net patents	$ 52,876	$ 56,826

5 Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	July 31, 2013	October 31, 2012
Legal fees	$ -	$ 11,679
Accrued compensation	825	57,480
Accounts payable	22,126	34,133
Accrued payable to a distributor	2,375	2,375
	$ 25,326	$ 105,667

6. Share-Based Compensation

For the three months ended July 31, 2013, share-based compensation expense was approximately $18,000, all of which was attributable to restricted stock grants issued for services. For the nine months ended July 31, 2013, share-based compensation expense was approximately $415,000, of which approximately $223,000 was attributable to options, $82,000 was attributable to warrants granted for services and $110,000 was attributable to restricted stock grants issued for services.

For the three months ended July 31, 2012, share-based compensation expense was approximately $8,000 which was attributable to options. For the nine months ended July 31, 2012, share-based compensation expense was approximately $61,000, approximately $36,000 of which was attributable to restricted stock grants and $25,000 was attributable to options.

During the nine months ended July 31, 2013, 8,350,000 options were granted and 800,000 options were forfeited. During the period, options to purchase 8,000,000 shares of Series A common stock were granted to Mr. Brumfield, the Company's CEO, with an exercise price of $0.05 a share exercisable for five years from the date of issuance and Mr. Brumfield forfeited the existing 800,000 options granted under his employment agreement. Additionally, options to purchase 150,000 and 200,000 shares of Series A common stock were, respectively, granted to Mr. Stevenson, a director of the Company and to Mr. McCommon, the Company's CFO. These options have an exercise price of $0.05 a share and are exercisable for five years from the date of issuance.

We determine the fair value of share-based awards at their grant date, using a Black-Scholes Option Pricing Model applying the assumptions in the following table. No options were granted for the nine months ended July 31, 2012. Actual compensation, if any, ultimately realized by option recipients may differ significantly from the amount estimated using an option valuation model.

	For the nine months ended July 31,	
	2013	2012
Weighted average grant date fair value	$0.06	$0.00
Expected volatility	75%	0%
Expected dividends	0%	0%
Expected term (years)	5	-
Risk free rate	0.77% - 0.79%	-

As of July 31, 2013, there was no unrecognized compensation costs related to unvested restricted stock grants.

7. Stockholders' Equity

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"). The effect of the Order is to create a new contract between CDEX and its creditors as set forth in the Plan.

As part of the Plan, CDEX implemented a 1 for 10 Reverse Stock Split of the Old CDEX Common Stock, such that each 10 shares shall, following the Reverse Stock Split (and subject to adjustment for fractional entitlements), be consolidated into one (1) share of New Common Stock. The aggregate fractional share interests of each holder of Old CDEX Common Stock shall be rounded up to the nearest whole number. The financial statements reflect the reverse stock split as if it occurred retroactively.

In the three months ended January 31, 2013, as a part of its bankruptcy Plan, the Company issued approximately 37.4 million shares of our Series A common stock and warrants to purchase 33.9 million shares of Series A common stock. Also, in the three months ended January 31, 2013, as compensation for his efforts as the Company's Medical Director, the Company issued Jason B. Terrell, 500,000 shares of its Series A common stock and a warrant to purchase 500,000 shares of Series A common stock for $0.10 a share effective for five years.

In the three months ended April 30, 2013, as a part of its Bankruptcy Plan, the Company issued approximately 3.9 million shares of our Series A common stock and warrants to purchase 6.3 million shares of Series A common stock. As a part of this issuance under the Bankruptcy Plan, approximately 1.8 million warrants were issued to Mr. Brumfield, the Company's CEO, with an exercise price of $0.10 a share exercisable for five years from the date of issuance.

In the three months ended July 31, 2013, the Company issued approximately 144,000 shares of our Series A common stock that had been approved and accrued for prior to the finalization of the Bankruptcy Plan. Additionally, approximately 67,000 shares were returned to the authorized and available shares because a creditor under the Bankruptcy Plan opted out of the Plan.

Due to administrative delays, the remaining stock and warrants to be issued under the Plan are expected to be issued subsequent to July 31, 2013.

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.

8. Commitments and Contingencies

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 other legal proceedings and the Company is not aware of any pending claims or assessments which may have a material adverse impact on the Company's financial position or results of operations.

9. Subsequent Events

The Company's management has evaluated subsequent events occurring after July 31, 2013, the date of our most recent balance sheet, through the date our financial statements were issued.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Our discussion and analysis of the financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and the related disclosures included elsewhere herein and in Management's Discussion and Analysis of Financial Condition and Results of Operations included as part of our Annual Report on Form 10-K for the fiscal year ended October 31, 2012.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the securities laws. Forward-looking statements include all statements that do not relate solely to the historical or current facts, and can be identified by the use of forward looking words such as "may", "believe", "expect", "expected", "project", "anticipate", "anticipated", "plans", "strategy", "target", "prospects", "should", "intends", "estimates" "continue" and other words of similar meaning. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition and may cause our actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements.

Important factors that could cause our actual results to differ materially from our expectations are described as Risk Factors in our Annual Report on Form 10-K for the fiscal year ended October 31, 2012. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct. We do not assume any obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking statements.

OVERVIEW

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 markets verticals where its proprietary technology may provide low cost/realtime 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.

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. 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 real-time (within seconds) chemical detection products using proprietary, patented and patents pending technologies.

Regarding the ValiMed G4 system, for the year 2013 we will primarily be focusing on expanding our signature library, the delivery of machines that are currently under contract, finalizing new contracts that are in our pipeline, and developing the capability to provide analysis of oncology drugs, and begin research in the area of Total Parenteral Nutrition ("TPN") capability. Furthermore, we expect to continue the marketing our ValiMed system with an expanded footprint in trade magazines, as well as increased attendance at trade shows, such as…Midyear American Society of Health-System Pharmacists ("ASHP"), Summer ASHP, and the Spring & Fall Health Connect Partners Reverse Expo's.

Regarding our Security division, our focus for 2013 will be to build up our ID2 Meth Scanner inventory, so we can accommodate the increasing demand in both foreign and domestic markets. We expect to start building a network of Independent Sales Agents that are strategically located throughout the fifty states, as well as some foreign markets. We hope to attend various trade shows for home inspection, and corrections markets, and start working on the final form of our Narcolizer. The Narcolizer is a portable instrument that will provide law enforcement, Border Patrol, Customs, corrections facilities and TSA with the ability to analyze liquids, and powders for the presence of illicit drugs.

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 – Consists of two products: Our third generation ValiMed known as the ValiMed CCT and the ValiMed G4 system (VG4). 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 (EPS). The VG4 system uses a patented detection process providing a real time (within seconds), quantitative (strength/concentration) as well as qualitative (identification of an unknown) analysis of high-risk single component compounded medications and treatment solutions. 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. This current system also utilizes our proprietary cuvettes in the process. 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 the near future, we expect the VG4 product line to address multi component compounded mixtures, such as total parenteral nutrition. We expect to add oncology drugs to our formulary in 2013 as well. One of the most significant improvements with the VG4 is the capability of analyzing through most containers that are currently being used in pharmaceutical settings. This provides our end users with a more streamlined application, with less labor, without any compromising of the sterility of the compounded admixtures.

Security Market.

CDEX ID2™ Product Line – 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 and remediation industries, as well as by housing authorities and the 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.

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.

RESULTS OF OPERATIONS

COMPARISON OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2013 AND 2012:

	2013	2012
Revenue	$ 30,574	$ 62,040
Cost of revenue	25,755	28,947
Selling, general and administrative	145,045	122,617
Research and development	35,542	34,180
Other income (expense)	332	(1,676)
Net income (loss)	$ (175,436)	$ (125,380)

REVENUE

Revenue was approximately $31,000 and $62,000 during the three months ended July 31, 2013 and 2012, respectively. The decrease in revenue of approximately $31,000 resulted primarily from reductions in Meth Scanner sales and revenue from supplies and monthly support.

COST OF REVENUE

Cost of revenue was approximately $26,000 and $29,000 during the three months ended July 31, 2013 and 2012, respectively, a decrease of approximately $3,000. The gross margin percentage decreased from approximately 53% to 16% primarily due to additional warranty work being performed in 2013.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses were approximately $145,000 during the three months ended July 31, 2013, compared with $122,000 during the three months ended July 31, 2012. The increase of approximately $22,000 resulted primarily from the increase in non-cash share-based expense and employee compensation of $23,000, an increase in marketing and travel of $6,000, offset by decreases in general office expenses of $4,000 and professional and consulting expenses of $2,000.

RESEARCH AND DEVELOPMENT

Research and development (R&D) costs were approximately $36,000 during the three months ended July 31, 2013, compared with $34,000 during the three months ended July 31, 2012, an increase of approximately $2,000 which is primarily attributable to increases in R&D compensation.

OTHER INCOME (EXPENSE)

Other income (net) for the three months ended July 31, 2013 was approximately $1,000 compared to ($2,000) other expense (net) for the three months ended July 31, 2012. The net change of approximately $3,000 reflects primarily the cessation of interest accrual and amortization on notes payable in the third quarter of 2012, due to the resolution of the Company debt through its bankruptcy, and approximately $1,000 in fees paid to the United States Bankruptcy Trustee in the third quarter of 2012, offset by the approximately $1,000 of forgiveness of debt from those creditors opting out of the bankruptcy plan in the third quarter of 2013.

NET INCOME (LOSS)

The net loss was approximately $175,000 during the three months ended July 31, 2013, compared with a net loss of $125,000 during the three months ended July 31, 2012, due to the foregoing factors.

RESULTS OF OPERATIONS

COMPARISON OF OPERATIONS FOR THE NINE MONTHS ENDED JULY 31, 2013 AND 2012:

	2013	2012
Revenue	$ 459,538	$ 195,869
Cost of revenue	95,456	86,201
Selling, general and administrative	912,210	464,397
Research and development	95,087	96,235
Other income (expense)	28,267	(826,662)
Net income (loss)	$ (614,948)	$ (1,277,626)

REVENUE

Revenue was approximately $459,000 and $196,000 during the nine months ended July 31, 2013 and 2012, respectively. The increase in revenue of approximately $264,000 resulted primarily from the sale of Valimed CCTs to Al-Essa Medical & Scientific Equipment Company in Safat, Kuwait.

COST OF REVENUE

Cost of revenue was approximately $95,000 and $86,000 during the nine months ended July 31, 2013 and 2012, respectively, an increase of approximately $9,000.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses were approximately $912,000 during the nine months ended July 31, 2013, compared with $464,000 during the nine months ended July 31, 2012. The increase of approximately $448,000 resulted primarily from the increases in non-cash share-based expense and employee compensation of $440,000, professional and consulting expenses of $10,000 and insurance expenses of $14,000, offset by a decrease in marketing and travel expenses of $16,000.

RESEARCH AND DEVELOPMENT

Research and development (R&D) costs were approximately $95,000 during the nine months ended July 31, 2013, compared with $96,000 during the nine months ended July 31, 2012, a decrease of approximately $1,000 which is primarily attributable to R&D materials expense.

OTHER INCOME (EXPENSE)

Other income (net) for the nine months ended July 31, 2013 was approximately $28,000 compared to other expense (net) of $827,000 for the nine months ended July 31, 2012. The net change of approximately $855,000 reflects primarily the cessation of interest accrual and amortization on notes payable in the third quarter of 2012, due to the resolution of the Company debt through its bankruptcy, offset by the approximately $43,000 of forgiveness of debt from those creditors opting out of the bankruptcy plan in the second and third quarters of 2013, which was offset by an increase of approximately $13,000 in fees paid to the United States Bankruptcy Trustee in 2013 compared to 2012.

NET INCOME (LOSS)

The net loss was approximately $615,000 during the nine months ended July 31, 2013, compared with a net loss of $1,278,000 during the three months ended July 31, 2012, due to the foregoing factors.

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. We have experienced net losses since our inception and, as of July 31, 2013, had an accumulated deficit of approximately $35 million. We do not expect to have positive cash flow from operations until we have deployed a sufficient number of our ValiMed G4 drug validation systems. As of July 31, 2013, we had approximately $251,000 in cash.

We had a net decrease in cash of approximately $311,000 during the nine months ended July 31, 2013 from the use of cash in operating activities. This amount is comprised primarily of our net loss of $615,000, a decrease in our current liabilities of $59,000, an increase in inventory of $58,000 and gain on forgiveness of debt of $43,000, offset by non-cash share-based compensation expense of $438,000, depreciation and amortization of $23,000 and a reduction of our accounts receivable of $8,000.

ITEM 4. Controls and Procedures

Disclosure Controls and Procedures.

The Company's Chairman and Chief Executive Officer and its Vice President of Finance and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of July 31, 2013, have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, as amended, is recorded, processed and summarized and reported on a timely basis and is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting.

There were no changes in the Company's internal control over financial reporting during the Company's fiscal quarter ended July 31, 2013 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 5. Other Information

(a) Not Applicable

(b) The Company has not adopted formal procedures for the nomination by stockholders of candidates to serve on its Board of Directors.

ITEM 6. Exhibits

31.1 Certification of Chief Executive Officer.

31.2 Certification of Chief Financial Officer.

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).

32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).

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

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on September 11, 2013.

CDEX INC.

By: /s/ Jeff Brumfield
Jeff Brumfield
Chief Executive Officer

By: /s/ Stephen A. McCommon
Stephen A. McCommon
Chief Financial Officer and
Vice President of Finance