

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

FORM 10-Q

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

For the Quarterly Period Ended January 31, 2015

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  
(State or other jurisdiction of  
incorporation or organization)

52-2336836  
(I.R.S. Employer  
Identification No.)

4555 South Palo Verde Road, Suite 123, Tucson, Arizona  
(Address of Principal Executive Offices)

85714  
(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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, 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:

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12,13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of March 12, 2015, 69,452,520 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

	<u>January 31, 2015</u> <u>Unaudited</u>	<u>October 31, 2014</u>
<b>Assets</b>		
Current assets		
Cash	\$ 51,820	\$ 90,915
Accounts receivable	9,420	6,935
Inventory - net	255,404	250,751
Prepaid expenses and deposits	18,359	19,078
Total current assets	<u>335,003</u>	<u>367,679</u>
Property and equipment, net	21,449	28,709
Patents, net	45,888	46,913
Other assets	1,399	1,399
Total assets	<u>\$ 403,739</u>	<u>\$ 444,700</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 42,801	\$ 72,885
Deferred revenue - current	73,000	67,000
Line of credit payable	330,491	135,288
Total current liabilities	<u>446,292</u>	<u>275,173</u>
Total liabilities	<u>446,292</u>	<u>275,173</u>
<b>Commitments and Contingencies</b>		
<b>Stockholders' equity</b>		
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 January 31, 2015 and at October 31, 2014	31	31
Class A common stock - \$.005 par value per share, 300,000,000 shares authorized and 69,452,958 outstanding at January 31, 2015 and at October 31, 2014	347,263	347,263
Additional paid in capital	35,619,772	35,619,772
Accumulated (deficit)	(36,009,619)	(35,797,539)
Total stockholders' equity (deficit)	<u>(42,553)</u>	<u>169,527</u>
Total liabilities and stockholders' equity	<u>\$ 403,739</u>	<u>\$ 444,700</u>

CDEX INC.  
STATEMENTS OF OPERATIONS  
(unaudited)

	For the three months ended January 31	
	2015	2014
Revenue	\$ 22,122	\$ 76,007
Cost of revenue	6,720	19,665
Gross profit	15,402	56,342
Operating Expenses		
Selling, general and administrative	144,995	122,027
Research and development	44,715	56,555
Total operating expenses	189,710	178,582
Loss from operations	(174,308)	(122,240)
Other income (expense)		
Interest expense	(39,952)	-
Other income	2,180	6,805
Total other income (expense)	(37,772)	6,805
Net loss	\$ (212,080)	\$ (115,435)
Basic net loss per common share:	\$ (0.01)	\$ (0.01)
Basic weighted average common shares outstanding	69,452,958	52,946,963

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

CDEX INC.  
STATEMENTS OF CASH FLOWS  
(unaudited)

	For the three months ended January 31	
	2015	2014
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (212,080)	\$ (115,435)
Adjustments to reconcile net loss to cash used by operating activities		
Depreciation and amortization	37,664	5,745
Interest expense	6,589	-
Changes in operating assets and liabilities		
Accounts receivable	(2,485)	10,308
Inventory	(4,653)	15,144
Deferred costs and other assets	-	1,251
Current liabilities	(24,084)	56,670
Net cash used by operating activities	(199,049)	(26,317)
<b>Cash Flows from Investing Activities</b>		
Proceeds on sale of equipment	6,624	
(Gain)/loss on sale of equipment	(2,639)	
Purchase of equipment	-	(10,212)
Net cash provided (used) by investing activities	3,985	(10,212)
<b>Cash Flows from Financing Activities</b>		
Proceeds received under line of credit	160,000	-
Repayment under line of credit	(4,031)	-
Net cash provided by financing activities	155,969	-
Net decrease in cash	(39,095)	(36,529)
Cash, beginning of the period	90,915	98,967
Cash, end of the period	\$ 51,820	\$ 62,438
<b>Supplemental Cash Flow Information</b>		
Cash payments for interest expense	\$ 4,031	\$ -

CDEX Inc.  
NOTES TO FINANCIAL STATEMENTS  
January 31, 2015  
(Unaudited)

1. Basis of Presentation

The accompanying interim unaudited condensed financial statements include the accounts of CDEX Inc. as of January 31, 2015. 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 January 31, 2015 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 accompanying 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 January 31, 2015, had an accumulated deficit of approximately \$36 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 January 31, 2015, we had approximately \$52,000 in cash provided primarily through proceeds from our Lines of Credit.

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:

CDEX Inc.  
NOTES TO FINANCIAL STATEMENTS  
January 31, 2015  
(Unaudited)

	January 31, 2015	October 31, 2014
Raw materials	\$ 228,939	\$ 223,464
Finished goods	52,301	52,301
Subtotal	281,240	275,765
Obsolescence reserve	(25,836)	(25,014)
Total inventory	\$ 255,404	\$ 250,751

3 Property and equipment, net

Our property and equipment consisted of the following:

	January 31, 2015	October 31, 2014
Furniture, fixtures and leasehold improvements	\$ 2,931	\$ 2,931
Equipment	529,460	605,007
Leased equipment	70,654	70,654
Total	603,045	678,592
Less accumulated depreciation	(581,596)	(649,883)
Net property and equipment	\$ 21,449	\$ 28,709

4 Patents, net

Our patents consisted of the following:

	January 31, 2015	October 31, 2014
Patents	\$ 100,000	\$ 100,000
Less accumulated amortization	(54,112)	(53,087)
Net patents	\$ 45,888	\$ 46,913

CDEX Inc.  
NOTES TO FINANCIAL STATEMENTS  
January 31, 2015  
(Unaudited)

5 Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	<u>January 31, 2015</u>	<u>October 31, 2014</u>
Legal fees	\$ 1,568	\$ 61,571
Accrued compensation	7,084	3,430
Accounts payable	31,775	5,509
Accrued payable to a distributor	<u>2,375</u>	<u>2,375</u>
	<u>\$ 42,801</u>	<u>\$ 72,885</u>

6. Lines of Credit

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 January 31, 2015 and October 31, 2014:

	<u>January 31, 2015</u>	<u>October 31, 2014</u>
Line of credit - PEMCO LLC - 12% interest payable monthly - matures March 31, 2015	237,097	105,173
Line of credit - Jeffrey K Brumfield - 12% interest payable monthly - matures March 31, 2015	70,674	40,039
Recognition of 10% bonus interest on lines of credit draws	30,500	14,500
Recognition of warrant value on lines of credit	(25,075)	(25,075)
Amortization of warrant value on lines of credit	17,295	651
Total lines of credit	<u>330,491</u>	<u>135,288</u>

7. Share-Based Compensation

For the three month periods ended January 31, 2015 and January 31, 2014, there was no share-based compensation expense.

CDEX Inc.  
NOTES TO FINANCIAL STATEMENTS  
January 31, 2015  
(Unaudited)

During the three month periods ended January 31, 2015 and January 31, 2014, there was no option or stock grant activity

We determine the fair value of share-based awards at their grant date, using a Black-Scholes Option Pricing Model. No options were granted for the three month periods ended January 31, 2015 and January 31, 2014.

As of January 31, 2015, there were no unrecognized compensation costs related to unvested restricted stock grants.

8. Stockholders' Equity

During the three month periods ended January 31, 2015 and January 31, 2014, there was no stock activity.

9. 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.

10. Subsequent Events

The Company's management has evaluated subsequent events occurring after January 31, 2015, 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, 2014.

### 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, 2014. 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 OTCQB under the symbol "CDEX."

Our Company is widely recognized as a global leader in Enhanced Photoemission Spectroscopy. We have pioneered proprietary, patented technology that has been applied to create and bring to market two in-demand, proprietary product lines: *ValiMed*<sup>™</sup> for the healthcare industry and *ID*<sup>2™</sup> for the security industry.

Key competitive differentiators of CDEX's solutions include:

- Powerful, real-time chemical detection and medication validation capabilities.
- Highly reliable and accurate measurements.
- Lower in cost to customers when compared to competing or alternative technologies.
- Reduces potential errors in human interpretation.
- CDEX has created an extensive and very valuable library of reference signatures (200+ for current CCT Model) and an ever expanding signature library for the *ValiMed G4* of substances of interest, such as selected narcotics and high risk liquid compounded admixtures. Proprietary 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.

- Our technology is not centered on packaging schemes such as holograms, inks, ingredient taggants or Radio Frequency Identification (RFID) tags, all of which can be defeated by determined counterfeiters.
- Our technology can be adapted to other products and markets, including identifying counterfeit drugs, protecting brands and identifying explosives' signatures, among others.

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 patent 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 select 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 database.

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 real-time (within seconds) chemical detection products using proprietary, patented and patents pending technologies. Our primary focus in 2014, which continued through the three months ended January 31, 2015, was the continued development and enhancement of our *ValiMed G4* system ("VG4") for use in the pharmaceutical market and sales of our *ID<sup>2</sup>* product 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.**

Our *ValiMed Medication Validation System* ("MVS") product line – consists of two products: our third generation *ValiMed* system, marketed as *ValiMed CCT* ("CCT") and the *ValiMed G4* ("VG4"). Both *ValiMed* systems help healthcare providers ensure patient safety and control costs by reducing medication errors and mitigating drug diversion, utilizing our patented and patent pending process known as Enhanced Photoemission Spectroscopy.

The VG4 system uses a patented detection process providing a real time (within seconds), quantitative (strength/concentration) and qualitative (identification of known) analysis of high-risk single component compounded medications and treatment solutions. The CCT system, which is operating in numerous hospital settings around the country, provides the healthcare industry with the ability to verify a known substance, specifically a known drug with a known strength/concentration, in a known diluent. The CCT 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 systems also 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 admixtures, such as total parenteral nutrition. We expect to add oncology drugs to our formulary in 2016 as well. One of the most significant improvements with the *VG4* is the capability to analyze through most containers that are currently being used in pharmaceutical settings. This provides our end users with a more streamlined application, with less labor and without compromising the sterility of the compounded admixtures.

## **Security Market.**

Our *ID<sup>2</sup>* product line – provides solutions for real time (within seconds) detection of specified illegal drugs. This product line currently comprises two devices, both which are hand-held models that detect methamphetamine. The *ID<sup>2</sup> Meth Scanner* is a device that is used for the detection of methamphetamine in the home inspection industries, by housing authorities, the hotel industry and in our nation’s prisons and correctional facilities. The *Pocket ID<sup>2</sup>* is a pocket-sized hand-held device that currently detects visible and prosecutable quantities of methamphetamine. We expect to expand our detection capabilities to include other drugs such as cocaine, heroin, OxyContin and Ecstasy in the near future.

We continue to explore opportunities to apply the *ID<sup>2</sup>* technology to a table top device that will be portable and able to detect trace amounts of specified illegal drugs and explosives in real-time. Our *ID<sup>2</sup>* products have applications in all areas of law enforcement, including local police and sheriff departments, U.S. border patrol, port authorities, TSA, FBI, U.S. Military, and other agencies engaged in counternarcotics.

## **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 January 31, 2015 AND 2014:

	2015	2014
Revenue	\$ 22,122	\$ 76,007
Cost of revenue	6,720	19,665
Selling, general and administrative	144,995	122,027
Research and development	44,715	56,555
Other income (expense)	(37,772)	6,805
Net loss	<u>\$ (212,080)</u>	<u>\$ (115,435)</u>

#### REVENUE

Revenue was approximately \$22,000 and \$76,000 during the three months ended January 31, 2015 and 2014, respectively. The decrease in revenue of approximately \$54,000 resulted primarily from a recognition in the first three months of fiscal 2014 of \$34,000 from a client opting out of their supply contract in 2014 and electing to pay the contracted exit fee as well as reduced pay-per-use revenues and *ValiMed* maintenance revenues.

#### COST OF REVENUE

Cost of revenue was approximately \$7,000 and \$20,000 during the three months ended January 31, 2015 and 2013, respectively, a decrease of approximately \$13,000. The gross margin percentage decreased from approximately 74% to 70%.

#### SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses were approximately \$145,000 during the three months ended January 31, 2015, compared with \$122,000 during the three months ended January 31, 2014. The increase of approximately \$23,000 resulted primarily from an increase in employee compensation of \$15,000 and marketing and travel of \$14,000 partially offset by a decrease in general expenses of \$6,000, primarily from an allowance for doubtful accounts in 2014.

#### RESEARCH AND DEVELOPMENT

Research and development ("R&D") costs were approximately \$45,000 during the three months ended January 31, 2015, compared with \$57,000 during the three months ended January 31, 2014, a decrease of approximately \$12,000, which is primarily attributable to a reduction of R&D Travel experienced in the first three months of 2014 of approximately \$8,000 as well as decreases in R&D material of \$2,000 and R&D compensation of \$2,000.

#### OTHER INCOME (EXPENSE)

Other expense (net) for the three months ended January 31, 2015 was approximately \$38,000 compared to \$7,000 other income for the three months ended January 31, 2014 a change of approximately \$45,000 which is primarily due to approximately \$40,000 amortization/interest expense on the Lines of Credit in 2015 and the recognition in the first three months of 2014 of approximately \$7,000 refund of Bankruptcy Trustee expenses, offset by approximately \$6,000 proceeds from the sale of obsolete equipment in 2015.

## NET LOSS

The net loss was approximately \$212,000 during the three months ended January 31, 2015, compared with a net loss of \$115,000 during the three months ended January 31, 2014, 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 January 31, 2015, had an accumulated deficit of approximately \$36 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 January 31, 2015, we had approximately \$52,000 in cash.

We had a net decrease in cash of approximately \$39,000 during the three months ended January 31, 2015 primarily from the cash provided by our financing activities offset by the use of cash in operating activities. This amount is comprised primarily of our net loss of approximately \$212,000 and a decrease in our current liabilities of \$24,000 offset by depreciation and amortization of \$38,000 and interest expense of \$7,000 offset by \$160,000 from the proceeds received under the line of credit and \$4,000 net provided by the sale of obsolete equipment.

### 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 January 31, 2015, 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 January 31, 2015 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not Applicable

### 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 March 12, 2015.

CDEX INC.

By: /s/ Jeffrey K. Brumfield  
Jeffrey K. Brumfield  
Chief Executive Officer

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