

**OTC PINK BASIC DISCLOSURE GUIDELINES**

**Pursuant to Rule 15c2-(11) (a) (5)  
Under the Securities Exchange Act of 1934**

**3DX Industries Inc.**

**QUARTERLY REPORT**

**6920 Salashan Parkway, Suite D-101  
Ferndale, WA 98248**

**CUSIP No: 88556A100**

**TRADING SYMBOL:  
DDDX**

**ISSUER'S EQUITY SECURITIES**

**COMMON STOCK  
\$0.001 Par Value  
175,000,000 Common Shares Authorized  
48,461,409 Shares Issued and Outstanding**

**As at April 30, 2017**

## **3DX INDUSTRIES, INC.**

### **Part 1. Name of the Issuer and its Predecessors (if any)**

3DX Industries, Inc. (the “Company”) was incorporated in the state of Nevada on October 23, 2008 under the name Ukragro Corporation. On January 29, 2010, the Company filed an amendment to its articles of incorporation changing its name to Amarok Resources, Inc. in anticipation of operating a business in the mineral resource sector. In the same amendment, the Company changed its authorized capital to 175,000,000 shares of common stock at a restated par value of \$.001. Effective February 1, 2010, the Company entered the exploratory stage as defined under the provisions of Accounting Codification Standard (“ASC”) 915-10.

Subsequently, On November 18, 2013, the Company filed a Certificate of Amendment to its Articles of Incorporation (the “Amendment”) with the Secretary of State of Nevada. As a result of the Amendment, the Company (1) has changed its name with the State of Nevada from Amarok Resources, Inc. to 3DX Industries, Inc. and (2) increased its authorized capital to 185,000,000 shares, consisting of 175,000,000 shares of Common Stock, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share. The Company’s name change was declared effective by FINRA on November 22, 2013. Additionally, the Company changed its symbol from “AMOK” to “DDDX;” the symbol change was declared effective by FINRA on December 23, 2013.

The Company’s principal activity is manufacturing and is located near Bellingham WA, USA. The Company manufactures consumer and corporate products using an additive manufacturing method through 3D Metal printing technology and conventional precision manufacturing processes.

### **Part 2. – The address of the issuer’s principal executive offices.**

#### COMPANY HEADQUARTERS

3DX Industries Inc.  
6920 Salashan Parkway, Suite D-101  
Ferndale, WA 98248  
Website: <http://www.3dxindustries.com>  
Phone: (360) 366-8858  
Email: [info@3dxindustries.com](mailto:info@3dxindustries.com)

### **Item 3. Securities information.**

Security Symbol: DDDX  
CUSIP Number: 88556A 100  
Common Stock: 175,000,000 authorized; par value \$0.001, 48,461,409 and 37,461,409 shares issued and outstanding as of April 30, 2017 and October 31, 2016, respectively.

As of April 30, 2017, there were 30,952,939 restricted shares and 17,508,470 non-restricted shares.

#### Preferred Non-Trading

Preferred Stock: 10,000,000 authorized; \$0.001 par value; Nil issued and outstanding as of April 30, 2017 and October 31, 2016.

#### TRANSFER AGENT

Signature Stock Transfer, Inc  
14673 Midway Road - Suite 220  
Addison, TX 75001  
972-612-4120  
[jason@signaturestocktransfer.com](mailto:jason@signaturestocktransfer.com)

Signature Stock Transfer Inc. is registered under the Exchange Act and is an SEC approved Transfer Agent.

There are no trade suspension orders issued by the SEC in the past 12 months.

On November 18, 2013, the Company's Board of Directors authorized a 50:1 reverse stock split. All references to shares outstanding in this filing have been restated to reflect the indicated reverse stock split.

#### **Item 4. Issuance History**

##### **For the six months ended April 30, 2017**

On December 21, 2016, a note holder converted \$4,000 of outstanding principal into a total of 4,000,000 shares of the Company's common stock at \$0.001 per share.

On January 19, 2017, a note holder converted \$2,000 of outstanding principal into a total of 2,000,000 shares of the Company's common stock at \$0.001 per share.

On March 7, 2017, a note holder converted \$3,000 of outstanding principal into a total of 3,000,000 shares of the Company's common stock at \$0.001 per share.

On April 18, 2017, a note holder converted \$2,000 of outstanding principal into a total of 2,000,000 shares of the Company's common stock at \$0.001 per share.

##### **Two prior fiscal years ended October 31, 2016 and 2015**

No Shares were issued during the respective years ended October 31.

## **Item 5. Financial Statements**

The Unaudited Financial Statements for the Six month periods ended April 30, 2017 and 2016 were filed on OTCIQ on August 20, 2017. Included in the Financial Statements are the following:

- |   |   |
|---|---|
| 1. Balance Sheets (unaudited)           | Posted on OTCIQ on August 20, 2017 and incorporated herein by reference |
| 2. Statements of Operations (unaudited) | Posted on OTCIQ on August 20, 2017 and incorporated herein by reference |
| 3. Statements of Cash Flows (unaudited) | Posted on OTCIQ on August 20, 2017 and incorporated herein by reference |
| 4. Notes to Financial Statements        | Posted on OTCIQ on August 20, 2017 and incorporated herein by reference |

## **Item 6. Description of the Issuer's Business, Products and Services.**

- A. Presently 3DX Industries is focused in the manufacturing sector through additive manufacturing and precision machining including 3D Metal printing. On December 18, 2013, the Company entered into an Equipment Purchase Agreement with Roger Janssen pursuant to which the Company purchased certain assets of a precision manufacturing company owned by Mr. Janssen with over 30 years in the industry. As of April 30, 2017 and 2016 respectively, the Company has generated gross profit of \$367,937 and \$175,067. We are not yet able to meet all our operational costs as they come due, however period over period results reflect a substantial increase in to our gross profit as the result of the addition of various new clients.

The Company's manufacturing services will include additive manufacturing through its 3D Metal Printing and Process, and more traditional manufacturing methods using CNC precision machining processes. 3DX uses a binder jet additive manufacturing system for 3D Metal printing. The 3D Metal printing process materializes an object—or mold for an object—layer by layer out of powdered material, a chemical binder and a digital file. The process of metal printing allows for the creation, or materialization of Complex internal geometries, undercuts, angled passages and multi-piece assemblies with accuracy and less waste/environmental impact. The 3D Printing Process is highly accurate and capable of printing complex geometric parts.

3DX also has a fully operational CNC machine shop in house consisting of fifteen various CNC machining centers including four fanuc robo-drills and numerous additional support equipment. Having a precision machining center under the same roof as our additive manufacturing systems allows for the complete one stop shop advantage we offer to our customers. 3DX will continually seek to expand the range of size and geometric complexity of the parts we can make using these processes The Company will continue to expand the variety of materials we are able to support and to identify additional manufacturing processes to which we can apply using the latest technology in order to better serve our client base.

We have the ability to serve product developers worldwide who bring new ideas to market in the form of products, industrial and consumer, containing one or more custom parts and components. Many of these product developers use 3D CAD software to create digital models representing their custom part designs that are then used to create physical parts for prototyping, functional testing, market evaluation and/or production. Custom prototype parts play a critical role in the product development process, as they provide product developers with the ability to confirm their intended performance requirements and explore design alternatives.

Additive manufacturing processes such as 3D Metal Printing can be used to quickly and efficiently produce a physical representation of a part or product. As technology in this area continues to evolve these parts are becoming more accurate and are able to meet the product developers' requirements for dimensional accuracy, cosmetics and material properties. There are instances where the use of more traditional manufacturing processes is required such as CNC Precision machining, in order to finalize the proto-type or production part. As a supplement to additive manufacturing, our CNC machining facility can be used to produce extreme precision, high-quality custom parts in metal or plastic. .

The ability to meet our clients' needs both in the additive manufacturing sector and in the traditional precision machining arena will make 3DX Industries a leader in the manufacturing market. Having both processes in house is a significant time and cost saving advantage for 3DX's clients and will allow 3DX to integrate seamlessly into the metal printing market. 3DX is in a position to provide 3D Metal Printing, , Precision Tooling, 3D Rapid Proto-Typing, CNC Milling, Large Capacity Milling and Injection Mold Tooling.

- B.** Company was incorporated on October 23, 2008 in the state of Nevada.
- C.** The primary SIC Code for the Company is 3399 – Primary Metal Products
- D.** The Issuer's fiscal year ends on October 31.
- E.** The Issuer's principal products or services focus on manufacturing. 3DX Industries Inc, is a precision manufacturing company, offering clients the ability to manufacture their products using both additive and subtractive manufacturing strategies.

3DX is capable of manufacturing a wide variety of products and components both consumer and industrial, using its in house 3D Metal Printing System, and through its more traditional precision machining services.

## **Item 7. Description of the Issuer's Facilities**

Our current business address is 6920 Salashan Pkwy Suite D101, Ferndale, WA 98248. Our telephone number is 360-366-8858. The space is approximately 8,588 square feet. We rent this space for approximately \$4,500 per month on an escalating basis year over year. The original lease terminated on February 29, 2016 and was subsequently renewed for a five-year term.

Minimum annual lease payments under the extended lease are as follows:

Year ending October 31, 2017: \$52,560  
Year ending October 31, 2018: \$53,420  
Year ending October 31, 2019: \$54,452  
Year ending October 31, 2020: \$55,484  
Year ending October 31, 2021: \$9,276

It is our belief that the space is adequate for our immediate needs. Additional space may be required as we expand our operations. We do not foresee any significant difficulties in obtaining any required additional facilities. We do not presently own any real property.

## **Item 8. Officers, Directors and Control Persons**

### **A. Names of Officers Directors and Control Persons**

- Roger Janssen - CEO, CFO, President, Secretary and Director, controlling shareholder
- Earl Abbott – Director

Legal/Disciplinary History.

None of the foregoing persons have, in the last five years, has been the subject of:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
- The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
- A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
- The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

### **B. Beneficial Shareholders (with holdings over 5%)**

<b>Shareholder</b>		<b>Number of Shares</b>	<b>% Ownership</b>
Roger Janssen	Ferndale, Washington	30,002,000	61.90%

## **Item 9. Third Party Providers.**

### Legal Counsel

Ken Bart  
Owner/Managing Partner  
Bart and Associates, LLC  
8400 East Prentice Avenue  
Suite 1500  
Greenwood Village, CO 80111  
Phone: (720)-226-7511  
Fax: (720)-528-7765  
Email: [kbart@kennethbartesq.com](mailto:kbart@kennethbartesq.com)

### Accountant or Auditor

The Accounting Connection  
Li Shen, CGA  
#145 - 251 Midpark Blvd S.E.  
Calgary, Alberta T2X 1S3  
lshen@theaccountingconnection.com

### Investment Relations Consultant

N/A

### Other Advisors

N/A

**Item 10. Issuer Certificate.**

I, Roger Janssen, certify that:

1. I have reviewed this quarterly disclosure statement of 3DX Industries Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and,
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: August 20, 2017

**/s/ Roger Janssen**

Roger Janssen

CEO, President and Director



**3DX Industries Inc.**  
**Financial Statements**  
**For Six Months Ended April 30, 2017 and 2016**  
**(Unaudited)**

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**3DX INDUSTRIES, INC.**  
**Balance Sheets**  
**(Unaudited)**

	<u>April 30,</u> <u>2017</u>	<u>October 31,</u> <u>2016</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19,277	\$ 16,471
Accounts receivable	132,496	41,363
<b>Total current assets</b>	<u>151,773</u>	<u>57,834</u>
<b>Property and equipment</b>		
Manufacturing equipment	670,221	1,392,981
Furniture and fixtures	638	638
Computer equipment	4,478	1,005
Less accumulated depreciation	(254,646)	(459,603)
<b>Total property and equipment</b>	<u>420,691</u>	<u>935,021</u>
<b>Other assets</b>		
Website development (net of accumulated amortization of \$4,120 and \$2,889)	-	358
Security deposit	4,275	4,275
<b>Total other assets</b>	<u>4,275</u>	<u>4,633</u>
<b>Total assets</b>	<u>\$ 576,739</u>	<u>\$ 997,488</u>
<b>Liabilities and stockholders' deficit</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 1,156,112	\$ 1,053,123
Payables to related parties	537,305	448,130
Equipment purchase payable	-	678,266
Accrued compensation - convertible	174,000	174,000
Notes payable - unrelated party	417,792	647,073
Convertible notes payable - unrelated party	314,181	345,527
Derivative liabilities	799,709	-
<b>Total current liabilities</b>	<u>3,399,099</u>	<u>3,346,119</u>
<b>Long-term liabilities</b>		
Convertible notes payable - related party	500,000	500,000
<b>Total long-term liabilities</b>	<u>500,000</u>	<u>500,000</u>
<b>Total liabilities</b>	<u>3,899,099</u>	<u>3,846,119</u>
<b>Stockholders' equity</b>		
Preferred stock, \$.001 par value, 10,000,000 shares authorized, none outstanding	-	-
Common stock, 175,000,000 shares authorized, \$0.001 par value, 48,461,409 and 37,461,409 shares issued at April 30, 2017 and at October 31, 2016, respectively	48,461	37,461
Additional paid-in capital	15,081,532	14,931,530
Accumulated deficit	(18,452,353)	(17,817,622)
<b>Total stockholders' deficit</b>	<u>(3,322,360)</u>	<u>(2,848,631)</u>
<b>Total liabilities and stockholders' deficit</b>	<u>\$ 576,739</u>	<u>\$ 997,488</u>

The accompanying notes are an integral part to these unaudited financial statements.

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

	For the Three Months Ended April 30,		For the Six Months Ended April 30,	
	2017	2016	2017	2016
Revenue	\$ 269,712	\$ 98,697	\$ 370,463	\$ 186,759
Cost of goods sold	828	2,295	2,526	11,692
<b>Gross profit</b>	<b>268,884</b>	<b>96,402</b>	<b>367,937</b>	<b>175,067</b>
<b>Operating expenses</b>				
Depreciation and amortization	23,915	50,075	54,514	100,149
Professional services	12,631	11,980	22,764	39,846
General and administrative expenses	269,197	170,275	501,328	387,570
Total operating expenses	305,743	232,330	578,606	527,565
<b>Other income (expense)</b>				
Interest expense	(20,021)	(26,687)	(190,471)	(53,850)
Gain on disposal and settlement of equipment	-	-	198,948	-
Gain on debt forgiveness	367,170	-	367,170	-
Loss on derivative liabilities	(799,709)	-	(799,709)	-
Total other (expense)	(452,560)	(26,687)	(424,062)	(53,851)
<b>Net loss</b>	<b>\$ (489,419)</b>	<b>(162,615)</b>	<b>\$ (634,731)</b>	<b>\$ (406,348)</b>
<b>Net loss per common share - Basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>				
<b>Basic and diluted</b>	<b>45,146,802</b>	<b>37,461,409</b>	<b>42,279,088</b>	<b>37,461,409</b>

The accompanying notes are an integral part to these unaudited financial statements.

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

	<b>For the Six Months Ended</b>	
	<b>April 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (634,731)	\$ (406,348)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	54,514	100,149
Amortization of debt discount	150,000	-
(Gain) on disposal and settlement of equipment	(198,948)	-
Gain on debt forgiveness	(367,170)	-
Loss on derivative liabilities	799,709	-
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(91,133)	11,450
Increase (decrease) in accounts payable	93,075	152,940
Increase (decrease) in accounts payable - related party	89,175	65,545
Increase (decrease) in accrued interest	40,471	51,951
<b>Net cash used in operating activities</b>	<u>(65,038)</u>	<u>(24,313)</u>
<b>Cash flows from investing activities:</b>		
Purchase office equipment	(3,471)	-
<b>Net cash used in investing activities</b>	<u>(3,471)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Proceeds from third party borrowing	105,000	20,500
Repayments on third party borrowing	(33,685)	-
<b>Net cash provided by financing activities</b>	<u>71,315</u>	<u>20,500</u>
Increase (decrease) in cash	2,806	(3,813)
Cash - beginning of period	16,471	19,951
<b>Cash - end of period</b>	<u>\$ 19,277</u>	<u>\$ 16,138</u>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid	\$ 3,000	\$ 2,500
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
<b>Non-Cash Investing and Financing Activities:</b>		
Disposal of equipment: cost	\$ 731,205	\$ -
Disposal of equipment: accumulated depreciation	(259,114)	-
Settlement of equipment purchase payable and accrued interest	(671,039)	-
Debt forgiveness – accounts payable	(15,700)	-
Debt forgiveness- accrued interest	(65,910)	-
Debt forgiveness – Notes payable - unrelated party	(285,560)	-
	<u>\$ (566,118)</u>	<u>\$ -</u>

The accompanying notes are an integral part to these unaudited financial statements.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
**April 30, 2017**

**NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION**

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

**Going Concern**

The Company has incurred net losses since inception, and as of April 30, 2017, had a combined accumulated deficit of \$18,452,353 and had negative working capital of \$3,247,326. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

The Company considers all highly liquid debt instruments and other short-term investments with a maturity date of three months or less, when purchased, to be cash equivalents.

**Property and Equipment**

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

In June 2014, the Company commenced testing its equipment and began producing prototypes. Depreciation expense classified to operations for the three and six months periods ended April 30, 2017 are \$23,915 and \$54,514, and \$50,075 and \$100,149 for the three and six months periods ended April 30, 2016, respectively.

**Long-Lived Assets**

The Company accounts for its long-lived assets in accordance with Accounting Standards Codification (“ASC”) Topic 360-10-05, “Accounting for the Impairment or Disposal of Long-Lived Assets.” ASC Topic 360-10-05 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset’s carrying value and fair value or disposable value.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
**April 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

Pursuant to ASC No. 820, "Fair Value Measurements and Disclosures," the Company is required to estimate the fair value of all financial instruments included on its balance sheet as of April 30, 2017. The Company's financial instruments consist of accounts payables and notes and loans payable. The Company considers the carrying value of such amounts in the financial statements to approximate their fair value due to the short-term nature of the respective instrument.

**Loss Per Share of Common Stock**

In accordance with ASC Topic 280 – "Earnings Per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

The following potential common shares have been excluded from the computation of diluted net loss per share for the six months ended April 30, 2017 because the effect would have been antidilutive:

Common Shares issuable - convertible notes	140,950,000
Common Shares issuable - compensation	<u>20,818,000</u>
Total	<u>161,768,000</u>

**Convertible Debt Instruments**

If the conversion features of conventional debt instruments provides for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "Debt with Conversion and Other Options." In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to operations over the life of the debt using the effective interest method. The Company was required to record BCF of \$150,000 on the convertible debt it issued during the six months ended April 30, 2017.

**Issuances Involving Non-Cash Consideration**

All issuances of the Company's stock for non-cash consideration have been assigned a dollar amount equaling the market value of the shares issued on the date the shares were issued for such services. The non-cash consideration received pertains to officer's compensation and consulting services.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
**April 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Stock-Based Compensation**

The Company accounts for stock-based compensation under Accounting Standard Codification Topic 505-50, "Equity-Based Payments to Non-Employees." This topic defines a fair-value-based method of accounting for stock-based compensation. In accordance with the Topic, the cost of stock-based compensation is measured at the grant date based on the value of the award and is recognized over the vesting period. The value of the stock-based award is determined using Binomial or Black-Scholes option-pricing models, whereby compensation cost is the excess of the fair value of the award as determined by the pricing model at the grant date or other measurement date over the amount that must be paid to acquire the stock. The resulting amount is charged to expense on the straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

**Accounts receivable and allowance for doubtful accounts**

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

**Revenue recognition**

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

**Recent Accounting Pronouncements**

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

**NOTE 3 - MINING CLAIMS**

**McNeil Claims, Canada**

On March 24, 2011 the Company signed an agreement with Warrior Ventures, Inc. ("Warrior"), a private company, to acquire 100% of the McNeil Gold Property. The McNeil property is located within the Abitibi Greenstone belt, approximately 30 miles southeast of Timmins, Ontario, Canada and approximately 35 miles west of Kirkland Lake, Ontario, Canada. On October 8, 2013, the Company entered into an agreement with Trio Gold Corp. ("Trio") to assign 100% of its claims in the McNeil property, subject to a 5% net smelter royalty, to Trio once Trio has incurred exploration and administrative costs totaling \$5,000,000 (CDN) based upon the following schedule:

On or before December 31, 2015 \$ 500,000  
On or before December 31, 2017 \$2,000,000  
On or before December 31, 2019 \$2,500,000

Trio failed to perform under the terms of our agreement and the assignment agreement was terminated.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
**April 30, 2017**

**NOTE 3 - MINING CLAIMS (continued)**

**McNeil Claims, Canada (continued)**

During fiscal 2016 the Company was required to make a minimum lease payment on the McNeil Claims. As a result of failure to meet minimum expenditure requirements on the property, the claims are currently in default.

**Rodeo Creek Project, Nevada**

On February 22, 2010, the Company entered into an agreement with Carlin Gold Resources, Inc., (“Carlin”) in which Carlin assigned the Company all of its rights, title, and interest in an exploration agreement between it and Trio. The assigned exploration agreement was dated January 28, 2010. Trio leased and had an option to purchase a 100% interest in 29 unpatented lode mining claims located in Nevada within the Carlin Gold Trend (the “Claims”). The Claims are subject to a 1.5% net smelter return (“NSR”).

In December 2014, the Company notified Trio of its intent to terminate its agreement on the Rodeo Creek Property. The Company will have no further interest in this project. The Company has earned a 2% Net Smelter Royalty on the property, however such NSR has not been formally recorded as at the date of this report.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

On December 18, 2013, the Company purchased various equipment relating to its 3D metal printing operation from Mr. Janssen for \$500,000. The \$500,000 is evidenced by a promissory note assessed interest at an annual rate of 1.64%. Accrued interest is payable quarterly with the Principal balance and any unpaid accrued interest fully due and payable on December 15, 2018. Mr. Janssen has the right to convert any outstanding principal and accrued interest into restricted shares of the of the Company’s common stock at a conversion price of \$0.50 per share. The balance due Mr. Janssen at April 30, 2017 totaled \$528,366 (October 31, 2016 - \$524,095) of which the accrued interest of \$28,366 was classified as a short-term liability and the \$500,000 was classified as a long-term liability. During the three and six month periods ended April 30, 2017, accrued interest of \$2,105 and \$4,271 respectively was charged to operations. The Company has not paid any accrued interest.

**NOTE 5 - EQUIPMENT**

(1) Equipment Purchased from Mr. Janssen

By way of agreement concurrent with Mr. Janssen’s appointment to the Board of Directors and entry into an Employment Agreement (see Note 6 – Commitments and Contingencies below) and executed on December 18, 2013, the Company purchased various equipment relating to the post production processes for its 3D metal printing operation from Mr. Janssen, our sole officer and a director, for \$500,000 which amount has been capitalized on our balance sheet.

(2) Equipment Purchased from the ExOne Company

On December 23, 2013, the Company purchased equipment from an unrelated third party for \$750,000 of which \$75,000 was paid on purchase. The remaining \$675,000 is payable in two installments: \$375,000 due June 1, 2014 and \$300,000 due on September 1, 2014. The terms of the installment payments do not include a stated interest rate, therefore, the Company accounted for the purchase under ASC Topic 835-30-25 “Imputation of Interest” discounting the purchase price of the equipment by \$18,795 for imputed interest using an interest rate of 5% per annum. The total gross capitalized value of this equipment was \$731,205.



**3DX INDUSTRIES, INC.**  
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**NOTE 5 – EQUIPMENT (continued)**

(2) Equipment Purchased from the ExOne Company (continued)

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

During the fiscal year ended October 31, 2015, the Company paid \$60,461, of which \$52,472 was applied to the principal and \$7,989 applied to interest. The Company has met its payment obligations up to February 2015 and is in default of its current payment obligations. The Company has entered into negotiations with the third party to revise the payment schedule with respect to the purchase, however the loan is presently in default and is currently payable in full as at November 23, 2016 in the total remaining amount of \$681,039 (October 31, 2016 - \$678,265).

On November 23, 2016, the Company and ExOne entered into a title transfer, conditional release and equipment lease agreement where under the Company, notified of its default under the original terms of the agreement and amendments thereto effective January 11, 2017, agreed to transfer title of the equipment back to ExOne, agreed to a lump sum payment of \$10,000 and agreed to enter into a 24 month lease for the equipment under the following terms:

- a) Months 1-3: \$5,000.00 per month – was paid in full during the six month ended April 30, 2017
- b) Months 4-6: \$7,500.00 per month – was paid in full during the period ended May 31, 2017
- c) Months 7-24: \$10,000.00 per month

With each payment being due on the first date of the respective month and subject to a 5% late fee when unpaid within 10 (ten) days of the due date. Further under the terms of the agreement ExOne has provided a conditional release of all amounts due under the original agreement and amendments thereto.

The Company treated this transaction as disposal of equipment and recorded gain on disposal of \$198,948 as follows:

Disposal equipment at cost	\$ 731,205
Accumulated depreciation	<u>(259,114)</u>
Loss on carry value on disposal equipment	<u>(472,091)</u>
Settlement of equipment purchase payable and accrued interest	681,039
Lumpsum payment	<u>(10,000)</u>
Gain of debt settlement	<u>671,039</u>
Net on disposal	<u>\$ 198,948</u>

(3) Additional Equipment Purchased

During the year ended October 31, 2014 in connection with the aforementioned equipment purchase, the Company capitalized an additional \$23,366 in respect of installation costs.

In addition, the Company purchased additional equipment with a total value of \$138,410 during the three months ended July 31, 2015 which has been capitalized on the Company's balance sheets. Of this amount a total of \$122,465 is subject to an equipment finance agreement as more fully described in Note 7(6) below.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
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**NOTE 5 – EQUIPMENT (continued)**

During the three months ended April 30, 2017, the Company acquired additional equipment in the net amount of \$8,445 (see Note 9 – Commitments and Contingencies).

Capitalized manufacturing equipment (gross) at April 30, 2017 totaled \$670,221 and October 31, 2016 totaled \$1,392,981.

	<b>April 30, 2017</b>	<b>October 31, 2016</b>
Manufacturing equipment	\$ 670,221	\$ 1,392,981
Furniture and fixtures	638	638
Computer equipment	4,478	1,005
Less accumulated depreciation	<u>(254,646)</u>	<u>(459,603)</u>
	<u>\$ 420,691</u>	<u>\$ 935,021</u>

Depreciation expense of \$23,915 and \$64,514 was recorded by the Company for the three and six months ended April 30, 2017. Depreciation expense of \$50,075 and \$100,149 was recorded by the Company for the three and six months ended April 30, 2016.

**NOTE 6 – ACCRUED COMPENSATION IN CONVERTIBLE NOTE**

On January 15, 2013, the Company granted a third party corporation the option to convert up to 25% of all accrued compensation resulting from unpaid consulting fees due to it at that date into shares of the Company’s common stock at a conversion price of \$0.001 per share, and to convert the remaining 75% of accrued compensation due it at that date into shares of the Company’s common stock at a conversion price of \$0.01 per share. The agreement can be cancelled by either party. At January 15, 2013, the amount of accrued compensation due the consultant was \$175,000. Pursuant to ASC Topic 470-20, “Debt with Conversion and Other Options,” the accrued compensation was recorded net of a discount that includes the debt’s beneficial conversion feature of \$148,077. Since the accrued compensation is immediately convertible into common stock, discounts arising from beneficial conversion features are directly charged to expense pursuant to ACS 470-20-35. The beneficial conversion features were calculated using trading prices ranging from \$0.001 to \$0.01 per share and an effective conversion price of \$0.02 per share.

Effective December 18, 2013, the terms of the above indicated option grant were modified limiting the number of conversion shares the consultant can receive and hold at any point in time to no more than 9.99% of the Company’s common stock then outstanding. In June 2014, the consultant assigned \$1,000 of accrued compensation due it to a third party, who converted the \$1,000 into 1,000,000 shares of the Company’s common stock at a conversion price of \$.001 per share.

As of April 30, 2017, and October 31, 2016, \$174,000 is reflected on the accompanying balance sheet in accrued compensation–convertible.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
**April 30, 2017**

**NOTE 7 - NOTES PAYABLE – UNRELATED PARTY**

(1) Third party convertible promissory notes

(a) An unrelated third party advanced \$25,000 to the Company on February 14, 2015. The \$25,000 is evidenced by an unsecured promissory note bearing interest at a rate of 10%. The interest shall be accrued beginning on August 1, 2015. Outstanding principal and accrued interest is fully due and payable on December 31, 2016. The holder has the right to convert any or all of the outstanding principal and accrued interest into shares of the Company's common stock at a conversion rate of \$0.10 per share. Upon conversion, the holder has certain registration rights. The Company is obligated to bear all costs associated with the registration of the shares. During the six months ended April 30, 2017, the Company paid \$5,000 in cash. The outstanding balance at April 30, 2017 amounted to \$24,153 (October 31, 2016 - \$28,137). As per the terms of the agreement, the Company accrued interest of \$487 and \$1,016 during the three and six months ended April 30, 2017 which was charged to operations.

(b) An unrelated third party advanced \$17,500 to the Company on September 7, 2016. The \$17,500 is evidenced by an unsecured promissory note bearing interest at a rate of 8%. The interest shall be accrued beginning on January 1, 2017. Outstanding principal and accrued interest is fully due and payable on December 31, 2017. The outstanding balance at April 30, 2017 and October 31, 2016 amounted to \$17,500. As per the terms of the agreement, the Company accrued interest of \$345 and \$460 during the three and six months ended April 30, 2017 which was charged to operations.

(c) On March 30, 2015, the Company entered into an equipment rental agreement with Santeo Financial Corp. with respect to certain manufacturing equipment. The term of rental is 24 months, with an option to purchase the equipment at any time up to the end of the rental agreement. Under the terms of the agreement the Company shall pay a security deposit of \$700 and agreed to a monthly rental fee of \$350 with the first month payable upon signing. The Company did not make any payments under this agreement in the period ended April 30, 2017 and October 31, 2016 and has accrued a total of \$9,555 and \$7,175, respectively, as due and payable. On March 15, 2017, the Company and Santeo entered into a letter agreement to revise the terms of the original March 30, 2015 equipment lease (ref: Note 9 above). Under the terms of the letter agreement, the Company will purchase the manufacturing equipment for a total of \$18,000 no later than December 31, 2017, which amount shall also include all accrued and unpaid rental payments, and any interest thereon up to December 31, 2017. Should the Company be unable to make the required payment as at December 31, 2017, interest of 12% per annum shall apply to any balance outstanding.

(2) The ExOne Company

As further detailed above in Note 5(2) – Equipment, on October 23, 2014 the Company entered into a Secured Promissory Note, Loan and Security Agreement (the "Note") in the principal amount of \$675,000 with interest accruing at a rate of 5% per annum. Under the terms of the Note, principal and accrued interest are paid in monthly installments of \$20,230 commencing on December 1, 2014. The note is secured by a lien on the purchased equipment. During the fiscal year ended October 31, 2015, the Company paid \$60,461, of which \$52,472 was applied to the principal and \$7,989 applied to interest. The Company met its payment obligations up to February 2015 and thereafter was in default of its payment obligations. On November 23, 2016, the Company and ExOne entered into a title transfer, conditional release and equipment lease agreement where under the Company, notified of its default under the original terms of the agreement and amendments thereto effective January 11, 2017, agreed to transfer title of the equipment back to ExOne, agreed to a lump sum payment of \$10,000 and agreed to enter into a 24-month lease for the equipment

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
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**NOTE 7 - NOTES PAYABLE – UNRELATED PARTY (continued)**

(3) Lender 1

a. 5% various notes payable

Balance, October 31, 2015	\$	278,353
Additional: Principal		20,500
Accrued interest:		14,089
Balance, October 31, 2016		<u>312,942</u>
Additional principal		5,000
Accrued interest:		7,288
Debt forgiveness:		<u>(325,230)</u>
Balance, April 30, 2017	\$	<u><u>-</u></u>

During the fiscal year ended October 31, 2016 and during the six months ended April 30, 2017, the Company received an additional \$20,500 and \$5,000, respectively, in loans from the aforementioned party which is assessed interest 5% per annum and mature at various dates through July 1, 2018.

On April 28, 2017, the lender with various amounts outstanding agreed to release and waive a total of \$325,320, inclusive of accrued interest thereon, with no further consideration payable.

During the three and six months ended April 30, 2017 the Company accrued a further \$3,664 and \$7,288 in interest.

b. 5% convertible note

In addition to the loans indicated above, the same lender advanced \$150,000 to the Company on November 5, 2013. The \$150,000 is evidenced by an unsecured promissory note bearing interest at a rate of 5%. Outstanding principal and accrued interest is fully due and payable on December 31, 2015. Effective January 1, 2015, the holder has the right to convert any or all of the outstanding principal and accrued interest into shares of the Company's common stock at a conversion rate of \$0.10 per share. Upon conversion, the holder has certain registration rights. The Company is obligated to bear all costs associated with the registration of the shares. The outstanding balance at October 31, 2016 amounted to \$172,562 (October 31, 2015 - \$165,041). Accrued interest charged to operation for the twelve months ended October 31, 2016 and 2015 totaled \$7,521 and \$7,500, respectively.

On December 20, 2016, the Company and the promissory note holder entered into an amendment to the terms of that certain note and accrued interest whereby, among other considerations, the conversion price was reduced from \$0.10 per share to \$0.001 per share.

The Company recognized the intrinsic value of the embedded beneficial conversion feature ("BCF") for the convertible note on the date of the repricing, and recorded the beneficial conversion feature as additional paid-in capital reducing the carrying value of the convertible note from \$150,000 to \$nil on December 20, 2016.

Further, the lender assigned a total of \$40,000 of its principal debt to an arm's length third party who converted a total of \$6,000 in principal to 6,000,000 shares of common stock during the six months ended April 30, 2017.

Further, the lender converted a total of \$5,000 in principal to 5,000,000 shares of common stock during the six months ended April 30, 2017

**3DX INDUSTRIES, INC.**  
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**NOTE 7 - NOTES PAYABLE – UNRELATED PARTY (continued)**

(4) Lender 2

Balance, October 31, 2015	\$	71,105
Accrued interest		<u>3,259</u>
Balance, October 31, 2016		74,364
Accrued interest		<u>1,611</u>
Balance, April 30, 2017	\$	<u><u>75,975</u></u>

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

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

Accrued interest charged to operations for the three and six months ended April 30, 2017 totaled \$792 and \$1,611, respectively.

(5) Lender 3

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

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

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

	Note 1	Note 2
Balance, October 31, 2015	\$ 26,459	\$ 105,836
Accrued interest	<u>2,507</u>	<u>10,027</u>
Balance, October 31, 2016	28,966	115,863
Accrued interest	<u>1,240</u>	<u>4,958</u>
Balance, April 30, 2017	<u><u>\$ 30,206</u></u>	<u><u>\$ 120,821</u></u>

Accrued interest charged to operations for the three and six months ended April 30, 2017 totaled \$3,048 and \$6,198, respectively.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
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**NOTE 7 - NOTES PAYABLE – UNRELATED PARTY (continued)**

(6) Lender 4

On November 15, 2016, the Company borrowed \$100,000 from a third party. The loan is evidenced by an unsecured promissory note. The loan is assessed interest at an annual rate of 12% per annum. The amount owed under this promissory note will be repaid in equal installments of \$10,046 made every quarter over a loan period of 36 months. The first payment will be due on February 15, 2017. And all payments shall be first applied to interest and the balance to principal.

During the period ended April 30, 2017, the Company paid \$10,046 including \$7,046 in principal and \$3,000 in interest.

(8) Equipment Finance Agreement

On March 25, 2015, the Company entered into an Equipment Finance Agreement (“EFA”) with Global Finance Group, Inc. to borrow up to \$275,000. Under the EFA the Company received cash proceeds of \$90,000, \$5,000 was paid directly to a third party to reduce certain outstanding loans and a further \$122,465 was expended by Global to purchase equipment on behalf of the Company. The EFA is secured by the purchased equipment, and is assessed interest at a rate of 12% per annum. Principal and accrued interest are paid in monthly installments of \$7,243 commencing on May 1, 2015. It was agreed between the parties that the first 4 months of payments will be reduced by \$5,000 per payment, and thereafter, commencing September 1, 2015 payments of the full installment value will commence.

During the fiscal year ended October 31, 2015, the Company paid \$11,472, of which \$8,972 was applied to the principal and \$2,500 applied to interest. The Company met its payment obligations up to August 2015 and is currently in default of its current payment obligations.

During the six months ended April 30, 2017, the Company paid \$21,638 which was applied to the principal balance.

The balance due on this obligation April 30, 2017 is \$230,903 (October 31, 2016 - \$242,267).

During the fiscal year ended October 31, 2015 in connection with the aforementioned equipment purchase, the Company capitalized the equipment (gross) at October 31, 2015 in an amount totaling \$122,465. The EFA is personally guaranteed by the Company’s President, Mr. Roger Janssen.

**NOTE 8 - STOCKHOLDERS’ EQUITY**

**For the six months ended April 30, 2017**

On December 21, 2016, a note holder converted \$4,000 of outstanding principal into a total of 4,000,000 shares of the Company’s common stock at \$0.001 per share.

On January 19, 2017, a note holder converted \$2,000 of outstanding principal into a total of 2,000,000 shares of the Company’s common stock at \$0.001 per share.

On March 7, 2017, a note holder converted \$3,000 of outstanding principal into a total of 3,000,000 shares of the Company’s common stock at \$0.001 per share.

**3DX INDUSTRIES, INC.**  
**Notes to Unaudited Financial Statements**  
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**NOTE 8 - STOCKHOLDERS' EQUITY (continued)**

On April 18, 2017, a note holder converted \$2,000 of outstanding principal into a total of 2,000,000 shares of the Company's common stock at \$0.001 per share.

**For the fiscal years ended October 31, 2016**

No Shares were issued during the period.

There were a total of 48,461,409 and 37,461,409 shares issued and outstanding as of April 30, 2017 and October 31, 2016, respectively.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

(a) Effective November 23, 2013, the Company entered into an employment agreement with its President and Chief Executive Officer, Roger Janssen. Under the terms of the agreement, Mr. Janssen will receive a base salary of \$15,000 a month over the three-year term of the agreement. At the sole discretion of the board of directors, Mr. Janssen may be granted performance bonuses and may also participate in any incentive plans that the Company may establish. In addition, Mr. Janssen received 30,000,000 shares of the Company's restricted common stock as a signing bonus. The shares were valued at \$4,800,000 based upon the trading price of the shares on the date of grant. Officer's compensation for the year ended October 31, 2014 amounted to \$4,887,449 including the indicated stock based compensation of \$4,800,000. Accrued compensation due Mr. Janssen as of April 30, 2017, amounted to \$537,305 (October 31, 2016 - \$448,130), which is included in the balance of other payables – related parties as reflected in the accompanying balance sheet. The \$537,305 is net of \$825 that was actually paid to Mr. Janssen during the six month period ended April 30, 2017.

(b) On February 29, 2016, the Company extended a lease agreement originally entered into in January 2014 for a term of five years expiring February 28, 2021. Minimum annual lease payments under the extended lease are as follows:

Year ending October 31, 2017: \$26,280

Year ending October 31, 2018: \$53,420

Year ending October 31, 2019: \$54,452

Year ending October 31, 2020: \$55,484

Year ending October 31, 2021: \$9,276

**NOTE 10 – DERIVATIVE LIABILITIES FROM EXCEED AUTHORIZED SHARES OF COMMON STOCK**

As of April 30, 2017, we have determined that we currently have (i) the following shares of common stock issued, and (ii) outstanding instruments which are convertible into the shares of common stock indicated below in connection with convertible notes and convertible compensation previously issued by the Company or for issue as a result of agreements with the Company:

**3DX INDUSTRIES, INC.**  
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**NOTE 10 – DERIVATIVE LIABILITIES FROM EXCEED AUTHORIZED SHARES OF COMMON STOCK (continued)**

Outstanding number of shares	48,461,409
Common Shares from convertible notes	140,950,000
Common Shares from compensation	20,818,000
Total	<u>210,229,409</u>
Authorized number of shares	175,000,000
Shares exceeding authorized share capital	<u>35,229,409</u>
Fair market value as of April 30, 2017	\$0.0227
Derivative liabilities	\$799,709

**NOTE 11 - SUBSEQUENT EVENTS**

- (a) On December 20, 2016, a lender of a convertible note with a principal balance of \$150,000 (the “Original Note”) (refer to Note 6(3)(b)) entered into an amendment to the terms of that certain note and accrued interest whereby, among other considerations, the conversion price was reduced from \$0.10 per share to \$0.001 per share. Subsequently, the lender assigned a total of \$40,000 of its principal debt to an arm’s length third party who converted a total of \$6,000 in principal to 6,000,000 shares of common stock. The assignee entered into a waiver and release agreement with the Company for the balance of the assigned convertible note payable in the amount of \$34,000 on May 30, 2017.
- (b) On June 15, 2017, a total of 3,000,000 shares originally issued to settle part of convertible note in the amount of \$3,000 as discussed in Note 9(c) above were returned to treasury and canceled.
- (c) During the month of June 2017, the Company and the original stakeholder of the McNeil Claims referenced in Note 3 above entered into an assignment agreement whereby the stakeholder acquired the defaulted claims.