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 Quarterly Period Ended March 31, 2015

or

[ ] 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 000-54239

DigiPath, Inc.
(Exact name of registrant issuer as specified in its charter)

Nevada	**27-3601979**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6450 Cameron St Suite 113 Las Vegas, NV	**89118**
(Address of principal executive offices)	(zip code)

Registrant's phone number, including area code **(702) 527-2060**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [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 (section 232.405 of this chapter) during the preceding twelve months (or 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 [ ] (Do not check if a smaller reporting company)
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]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 12, 2015
Common Stock, $0.001 par value	112,409,186

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PART I - FINANCIAL INFORMATION

ITEM I - FINANCIAL STATEMENTS

DIGIPATH, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	March 31, 2015 (Unaudited)	September 30, 2014
ASSETS		
CURRENT ASSETS		
Cash	$ 1,986,619	$ 5,102,620
Accounts receivable	184,036	123,045
Other receivable	12,000	-
Inventory	196,653	285,255
Deposits and deferred expenses	391,160	117,805
TOTAL CURRENT ASSETS	2,770,468	5,628,725
Equipment, net	1,390,214	20,735
Long-term investment	92,000	-
Intellectual property	-	28,336
TOTAL ASSETS	$ 4,252,682	$ 5,677,796
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 133,599	$ 151,764
Deferred revenue	123,231	39,133
TOTAL CURRENT LIABILITIES	256,830	190,897
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, 5,150,000 and 5,850,000 shares issued and outstanding at March 31, 2015 and September 30, 2014, respectively	5,150	5,850
Common stock, $0.001 par value, 900,000,000 shares authorized, 95,735,811 and 58,756,400 shares issued and outstanding at March 31, 2015 and September 30, 2014, respectively	95,736	58,756
Additional paid in capital	10,122,744	9,280,915
Accumulated other comprehensive income	42,000	-
Accumulated deficit	(5,926,245)	(3,515,089)
TOTAL DIGIPATH, INC. STOCKHOLDERS' EQUITY	4,339,385	5,830,432
Non-controlling interest in subsidiary	(343,533)	(343,533)
Total Stockholders' Equity	3,995,852	5,486,899
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,252,682	$ 5,677,796

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

DIGIPATH, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	**2014**	**2015**	**2014**
REVENUES	$ 136,452	$ 50,602	$ 310,210	$ 105,544
COST OF SALES	88,801	33,700	208,669	64,972
GROSS PROFIT	47,651	16,902	101,541	40,572
OPERATING EXPENSES:				
General and administrative expenses	639,794	173,556	2,254,959	220,600
Research and development expenses	131,536	103,485	269,022	106,367
TOTAL OPERATING EXPENSES	771,330	277,041	2,523,981	326,967
LOSS FROM OPERATIONS	(723,679)	(260,139)	(2,422,440)	(286,395)
Interest and other expense (income)	(12,125)	5,110	(11,284)	11,417
LOSS BEFORE PROVISION FOR INCOME TAXES	(711,554)	(265,249)	(2,411,156)	(297,812)
Provision for income taxes	-	-	-	-
NET LOSS	$ (711,554)	(265,249)	$ (2,411,156)	(297,812)
NET LOSS PER SHARE OF COMMON STOCK - Basic and diluted	$ (0.01)	$ (0.05)	$ (0.03)	$ (0.05)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - Basic and diluted	89,692,569	5,536,400	80,303,887	5,536,400

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

DIGIPATH, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	**2014**	**2015**	**2014**
Net Loss	$ (711,554)	$ (265,249)	$ (2,411,156)	$ (297,812)
Other comprehensive income				
Available-for-sale investments:				
Change in net unrealized gains	42,000	-	42,000	-
Net change (net of tax effect)	42,000	-	42,000	-
Other comprehensive income	42,000	-	42,000	-
Comprehensive loss	$ (669,554)	$ (265,249)	$ (2,369,156)	$ (297,812)

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

DIGIPATH, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the Six Months Ended March 31,	
	2015	**2014**
OPERATING ACTIVITIES:		
Net loss	$ (2,411,156)	$ (297,812)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation expense	5,360	1,482
Stock based compensation	756,520	10,378
Common stock issued in separation agreement	112,083	-
Write-down of development costs	28,336	-
Changes in operating assets and liabilities:		
Accounts receivable	(60,991)	(1,765)
Other receivables	(12,000)	-
Inventory	88,602	2,177
Deposits & prepaid expenses	(273,355)	14,500
Accounts payable and accrued expenses	(18,165)	168,785
Due to related party	-	59,657
Deferred revenue	84,098	26,321
Accrued interest payable	-	11,418
Net cash used in operating activities	(1,700,668)	(4,859)
INVESTING ACTIVITIES:		
Purchases of lab equipment and leasehold improvements	(1,374,839)	-
Investment in stocks	(50,000)	-
Purchase of intangibles	-	(8,134)
Net cash used in investing activities	(1,424,839)	(8,134)
FINANCING ACTIVITIES:		
Proceeds from note payable	-	105,000
Stock issued for cash	9,506	-
Net cash provided by financing activities	9,506	105,000
Net increase (decrease) in cash	(3,116,001)	92,007
Cash at beginning of period	5,102,620	35,363
Cash at end of period	$ 1,986,619	$ 127,370
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 916	$ 11,417
Cash paid for income tax	$ -	$ -

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

DIGIPATH, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION AND ORGANIZATION

Current Operations and Background **—** DigiPath, Inc. was incorporated in Nevada on October 5, 2010. DigiPath, Inc. and its subsidiaries ("DigiPath," the "Company," "we," "our" or "us") supports the cannabis industry's best practices for reliable testing, cannabis education and training, and brings unbiased cannabis news coverage to the cannabis industry. Our four business units are described below.

- DigiPath Labs, Inc. plans to set the industry standard for testing all forms of cannabis-based products using FDA-compliant laboratory equipment and processes to report product safety and efficacy. We built our first testing lab in Las Vegas, Nevada, which we expect to open by the end of May 2015. We also have plans to open labs in other states in which cannabis use is legal.

- The National Marijuana News Corp. provides a balanced and unbiased approach to cannabis news with a news/talk radio show and national marijuana news website focusing on the political, economic, medicinal, scientific, and cultural dimensions of the rapidly evolving—and profoundly controversial—medicinal and recreational marijuana industry.

- DigiPath U ™ is developing a two-day seminar and a modularized six-week, instructor-facilitated online course for people who want to learn more about cannabis or are seeking employment in the new industry.

- DigiPath Corp. develops digital microscopy systems to create, store, manage, analyze and correlate data collected through virtual microscopy for plant and cell based industries.

On April 9, 2014, the Company entered into various Series A Convertible Preferred Stock Purchase Agreements with accredited investors pursuant to which the Company issued 6,000,000 shares, in the aggregate, of Series A Convertible Preferred Stock ("Series A Preferred") in exchange for $6,000,000, in the aggregate, which consisted of cash paid by investors and the cancellation of indebtedness of the Company under advances previously made to the Company by such investors (each agreement, a "Securities Purchase Agreement" and collectively, the "Securities Purchase Agreements"). The Company invested $1,250,000 of the gross proceeds received from the sale of Series A Preferred into its DigiPath, Corp. subsidiary for general working capital purposes in its existing digital pathology business. The remaining gross proceeds are being used to fund the Company's cannabis-related lines of business. The securities were sold pursuant to the exemption provided by Section 4 (2) of the Securities Act of 1933, as amended, and the rules promulgated under Regulation D thereunder.

On May 14, 2014, the Company completed a private placement offering to accredited investors pursuant to which the Company sold an aggregate of 44,200,000 shares of the Company's common stock resulting in gross proceeds of $2,210,000 to the Company. The gross proceeds are being used to fund the Company's cannabis-related lines of business. The securities were sold pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933, as amended, and the rules promulgated under Regulation D thereunder.

Basis of Presentation –

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Intercompany accounts and transactions have been eliminated.

The unaudited condensed consolidated financial statements of the Company and the accompanying notes included in this Quarterly Report on Form 10-Q are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the Condensed Consolidated Financial Statements have been included. Such adjustments are of a normal, recurring nature. The Condensed Consolidated Financial Statements, and the accompanying notes, are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and do not contain certain information included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2014. The interim Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K. Results for the interim periods presented are not necessarily indicative of the results that might be expected for the entire fiscal year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation –

Our consolidated financial statements include the accounts of DigiPath, Inc., and its majority-owned subsidiaries, DigiPath Labs, Inc., TNM News Corp., GroSciences, Inc., and DigiPath, Corp. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates –

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes –

The Company accounts for income taxes in accordance with ASC 740, Income Taxes (“ASC 740”), which requires the recognition of deferred tax liabilities and assets at currently enacted tax rates for the expected future tax consequences of events that have been included in the financial statements or tax returns. A valuation allowance is recognized to reduce the net deferred tax asset to an amount that is more likely than not to be realized.

ASC 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company’s financial statements. ASC 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

The Company performed a review of its material tax positions. During the period from October 5, 2010 through March 31, 2015, there were no increases or decreases in unrecognized tax benefits as a result of tax positions taken during the period, there were no decreases in unrecognized tax benefits relating to settlements with taxing authorities, and there were no reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations. As of March 31, 2015, the Company had no unrecognized tax benefits that, if recognized, would affect the effective tax rate. As of March 31, 2015, the Company has no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date.

The Company has elected to classify any interest or penalties recognized with respect to any unrecognized tax benefits as income taxes. During the period from October 5, 2010 through March 31, 2015, the Company did not recognize any amounts for interest or penalties with respect to any unrecognized tax benefits. As of March 31, 2015, no amounts for interest or penalties with respect to any unrecognized tax benefits have been accrued.

Cash and cash equivalents –

Cash and cash equivalents includes all highly liquid instruments with an original maturity of three months or less as of March 31, 2015. The Company had no cash equivalents as of March 31, 2015 and September 30, 2014.

Fair Value of Financial Instruments –

The Company adopted ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses approximates their fair values due to their short-term maturities at March 31, 2015.

Accounts Receivable –

Accounts receivable are carried at their estimated collectible amounts. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The Company has no allowance for doubtful accounts as of March 31, 2015 and September 30, 2014.

Inventory –

Inventory is valued at the lower of cost or market. Cost is determined on a first-in, first-out method. Inventory consists of digital slide scanners and slide scanner parts.

Equipment –

Equipment is stated at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Depreciation is provided on a straight-line basis over the assets' estimated useful lives. The useful lives are as follows: machinery 2 to 5 years, software 3 years, trade show booths 3 to 5 years, and leasehold improvements to the extent of the initial term of the lease. Software is amortized over the life of the license, or to the extent software is purchased, it is amortized over 3 years. Maintenance or repairs are charged to expense as incurred. Upon sale or disposition, the historically recorded asset cost and accumulated depreciation are removed from the accounts and the net amount less proceeds from disposal is charged or credited to other income/expense.

Long-Lived Assets –

Management assesses the carrying values of property and equipment and intangible assets with finite lives whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition to the extent possible. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value.

Our intellectual property is comprised of indefinite-lived brand names acquired and have been assigned an indefinite life as we currently anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Revenue Recognition –

The Company recognizes revenue in accordance with ASC 605, Revenue Recognition. ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery of product has met the criteria established in the arrangement or services rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. This occurs when the products or services are completed in accordance with the contracts we have with clients. In connection with our products and services arrangements, when we are paid in advance, these amounts are classified as deferred revenue and amortized over the term of the agreement.

Net Loss Per Share –

Basic net loss per share is computed by dividing the net loss applicable to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted loss per share is computed by dividing the loss applicable to common shareholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued, using the treasury stock method. Due to the Company's losses in the periods presented, the Company currently has no dilutive securities and as such, basic and diluted loss per share are the same for such periods.

Stock Compensation for Services Rendered –

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and ASC 505-50, Equity, Equity-Based Payments to Non-employees (ASC 505-50). All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date on which it is probable that performance will occur.

Reclassifications –

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net earnings, financial position or cash flows.

Segment Reporting –

ASC Topic 280, "Segment Reporting," requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has two reportable segments.

Recently Accounting Guidance Adopted –

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (ASU 2014-09) "Revenue from Contracts with Customers." ASU 2014-09 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)", and requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. We are currently in the process of evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

In August, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40), which now requires management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued. If conditions or events raise substantial doubt about an entity's ability to continue as a going concern, and substantial doubt is not alleviated after consideration of management's plans, additional disclosures are required. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. These requirements were previously included within auditing standards and federal securities law, but are now included within U.S. GAAP. We have evaluated our disclosures regarding our ability to continue as a going concern and concluded that we are in compliance with the disclosure requirements.

There are no other recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

NOTE 3 – RECEIVABLES

Accounts Receivable –

Accounts receivable from trade at March 31, 2015 and September 30, 2014 are $184,036 and $123,045, respectively. There is no allowance for uncollectible accounts at March 31, 2015 and September 30, 2014.

NOTE 4 – INVENTORY

Inventory at March 31, 2015 and September 30, 2014 is 196,653 and $285,255, respectively. There is no allowance for inventory obsolescence. A total of $0 and $51,553 was written off due to obsolescence and included in the consolidated statements of operations during the six months ended March 31, 2015 and the year ended September 30, 2014, respectively.

NOTE 5 – EQUIPMENT

Equipment comprises of the following at March 31, 2015 and September 30, 2014.

	March 31, 2015 (Unaudited)	September 30, 2014
Machinery	$ 35,420	$ 35,420
Lab equipment	898,001	-0-
Leasehold improvements	441,532	13,589
Software	58,914	10,019
Trade Show Booths	13,359	13,359
	1,447,226	72,387
Less accumulated depreciation	(57,012)	(51,652)
Total	1,390,214	20,735

For the six months ending March 31, 2015 and 2014, depreciation expense was $5,360 and $1,482, respectively.

NOTE 6 – LONG TERM INVESTMENT

In March 2015, the Company made an investment in the amount of $50,000 in Blue Line Protection Group, Inc., a Nevada corporation and received 400,000 shares.

The fair value of the Company's investment in Blue Line Protection Group as of March 31, 2015 was $92,000 and the related increase in investment of $42,000 is recorded in accumulated other comprehensive income.

NOTE 7 – DEFERRED REVENUE

Deferred revenue at March 31, 2015 and September 30, 2014 consisted of $77,000 and $0 for products not yet delivered and $46,231 and $39,133 for unrecognized software support, respectively.

NOTE 8 – CONCENTRATION OF CREDIT RISK

We maintain our cash balances in financial institutions that from time to time exceed amounts insured by the Federal Deposit Insurance Corporation (up to $250,000, per financial institution as of March 31, 2015). As of March 31, 2015, our deposits exceeded insured amounts by $1,316,215. We have not experienced any losses in such accounts and we believe we are not exposed to any significant credit risk on cash.

NOTE 9 – STOCKHOLDERS' EQUITY

Common Stock - Common stock consists of $0.001 par value, 900,000,000 shares authorized, of which 95,735,811 shares were issued and outstanding as of March 31, 2015.

During the quarter ended December 31, 2014, the Company issued 28,805 shares associated with the exercise of options with an exercise price of $0.33 per share and received $9,506 in cash. During the same period, the Company approved the issuance of 1,600,000 shares of the Company's common stock and recognized $114,083 of compensation expense associated with the issuance and vesting of these shares, and additional compensation expense of $68,333 for the vesting of prior period awards.

During the quarter ended December 31, 2014, a total of 447,500 shares of Series A Preferred were converted into 22,375,000 shares of common stock.

During the quarter ended December 31, 2014, the Company cancelled 12,195,890 non-plan options and issued 11,100,000 plan options and 5,000,000 warrants with exercise prices ranging from $0.03 to $0.085 per share, vesting immediately. The Company recorded the replacement of the stock options award as a modification of the terms of the cancelled awards, with the total compensation cost measured at the date of cancellation and replacement as being the sum of the portion of the grant-date fair value of the original award for which the requisite compensation expense had already been recognized at that date plus the incremental cost resulting from the cancellation and replacement. The Company recorded a net total of $845,540 stock option compensation expense related to these issuances and cancellations.

During the quarter ended March 31, 2015, a total of 252,000 shares of Series A Preferred were converted into 13,200,606 shares of common stock.

During the quarter ended March 31, 2015, the Company issued 400,000 shares of common stock and cancelled 750,000 shares of common stock associated with transactions fully recorded in a previous period. During the same period, the Company issued 125,000 shares of common stock and recognized compensation expense associated with the issuance and vesting of these shares in the amount of $23,063.

Preferred Stock **-** The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of $0.001 per share, of which 6,000,000 have been designated as Series A Convertible Preferred Stock. As of March 31, 2015, there are 5,150,000 shares of Series A Preferred issued and outstanding.

On April 9, 2014, the Company entered into the Securities Purchase Agreements with accredited investors pursuant to which the Company issued an aggregates of 6,000,000 shares of Series A Preferred in exchange for $6,000,000, which consisted of cash paid by investors and the cancellation of indebtedness of the Company under advances previously made to the Company by such investors. Shares of Series A Preferred were initially convertible into common stock based on a conversion formula equal to the price per share ($1.00) divided by a conversion price equal to the lesser of (A) $0.02 and (B) seventy percent (70%) of the average of the three (3) lowest daily volume weighted average prices ("VWAPs") occurring during the twenty (20) consecutive trading days immediately preceding the applicable conversion date on which the Holder elects to convert any shares of Series A Preferred.

On March 13, 2015, following the approval of our Board of Directors and the written consent of the holders of our Series A Preferred, the conversion price of the Series A Preferred was amended to remove the VWAP conversion feature from it, so that the Series A Preferred currently converts into common stock at a fixed price of $.02 per share.

The conversion price is adjustable in the event of stock splits and other adjustments in the Company's capitalization, and in the event of certain negative actions undertaken by the Company. At the current conversion price, the 5,150,000 shares of Series A Preferred outstanding at March 31, 2015 are convertible into 257,500,000 shares of the common stock of the Company. No holder is permitted to convert its shares of Series A Preferred if such conversion would cause the holder to beneficially own more than 4.99% of the issued and outstanding common stock of the Company immediately after such conversion, unless waived by such holder by providing at least sixty-five days' notice.

Additional terms of the Series A Preferred include the following:

- The shares of Series A Preferred are entitled to dividends when, as and if declared by the Board as to the shares of the common stock of the Company into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above.

- Upon the liquidation or dissolution of the Company, or any merger or sale of all or substantially all of the assets, the shares of Series A Preferred are entitled to receive, prior to any distribution to the holders of common stock, 100% of the purchase price per share of Series A Preferred plus all accrued but unpaid dividends.

- The Series A Preferred plus all declared but unpaid dividends thereon automatically will be converted into common stock, at the then applicable conversion rate, upon the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred.

- Each share of Series A Preferred will carry a number of votes equal to the number of shares of common stock into which such Series A Preferred may then be converted, subject to the 4.99% beneficial ownership limitation described above. The Series A Preferred generally will vote together with the common stock and not as a separate class, except as provided below.

- Consent of the holders of the outstanding Series A Preferred will be required in order for the Company to: (i) amend or change the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A Preferred; (ii) authorize, create or issue shares of any class of stock having rights, preferences, privileges or powers superior to the Series A Preferred; (iii) reclassify any outstanding shares into shares having rights, preferences, privileges or powers superior to the Series A Preferred; or (iv) amend the Company's Articles of Incorporation or Bylaws in a manner that adversely affects the rights of the Series A Preferred.

- Pursuant to the Securities Purchase Agreements, holders of Series A Preferred are entitled to unlimited "piggyback" registration rights on registrations by the Company, subject to pro rata cutback at any underwriter's discretion.

Stock Incentive Plan

On March 5, 2012, we adopted our 2012 Stock Incentive Plan (the "2012 Plan") providing for the issuance of up to 5,000,000 shares of common stock pursuant to the grant of options or other awards, including stock grants, to employees, officers or directors of, and consultants to, the Company and its subsidiaries. On May 20, 2014, the 2012 Plan was amended to increase the number of shares of Common Stock which may be issued pursuant to awards granted under the plan to 30,000,000. Options granted under the 2012 Plan may either be intended to qualify as incentive stock options under the Internal Revenue Code of 1986, or may be non-qualified options, and are exercisable over periods not exceeding ten years from date of grant.

During the quarter ended December 31, 2014, the Company cancelled 12,195,890 non-plan options and issued 11,100,000 plan options and 5,000,000 warrants with exercise prices ranging from $0.03 to $0.085 per share, vesting immediately. The Company recorded the replacement of the stock options award as a modification of the terms of the cancelled awards, with the total compensation cost measured at the date of cancellation and replacement as being the sum of the portion of the grant-date fair value of the original award for which the requisite compensation expense had already been recognized at that date plus the incremental cost resulting from the cancellation and replacement. The Company recorded a net total of $845,540 stock option compensation expense related to these issuances and cancellations.

During the quarter ended March 31, 2015, the Company did not issue any stock or option awards and recognized compensation expense associated with the vesting of option and stock awards issued in prior periods in the amount of $23,063.

The weighted-average grant date fair value of options granted during the three month periods ended December 31, 2014 and 2013 was $0.04 and $0, respectively. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted in the following table. For purposes of determining the expected life of the option, an average of the estimated holding period is used. The risk-free rate for periods within the contractual life of the options is based on the U. S. Treasury yield in effect at the time of the grant.

	Three months ended December 31,	
	2014	2013
Volatility	256%	—
Expected dividends	—	—
Expected average term (in years)	3.0	—
Risk free rate - average	1.64%	—
Forfeiture rate	0%	—

A summary of option activity as of March 31, 2015 and changes during the two years then ended is presented below:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value
Outstanding at September 30, 2014	4,067,618	$ 0.03		
Granted	11,100,000	$ 0.04		
Exercised	(28,805)	$ 0.33		
Forfeited or expired	(4,000,000)	$ 0.03		
Outstanding at December 31, 2014	11,138,813	$ 0.04	3.0	$ 0.00
Granted	-	$ -		
Exercised	-	$ -		
Forfeited or expired	-	$ -		
Exercisable at March 31, 2015	11,138,813	$ 0.04	2.74	$ 0.04

As of March 31, 2015, the aggregate intrinsic value of these options equaled $445,553 which represents the difference between the per share market price of $0.08 of the Company's common stock as of such date and the weighted-average exercise price of these options of $0.04.

A summary of the status of the Company's nonvested shares granted under the Company's stock option plan as of March 31, 2015 is presented below:

	Shares		Weighted-Average Grant Date Fair Value
Nonvested at September 30, 2014	2,291,667	$	0.04
Granted	11,100,000	$	0.04
Vested	(9,391,667)	$	0.03
Forfeited	(4,000,000)	$	-0-
Nonvested at December 31, 2014	-0-	$	
Granted	-	$	
Vested	-	$	
Forfeited	-	$	
Nonvested at March 31, 2015	-0-	$	

Additional information regarding options outstanding as of March 31, 2015 is as follows:

		Options Outstanding at March 31, 2015				Options Exercisable at March 31, 2014		
Range of Exercise Price		Number of Options Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price		Number of Shares Exercisable	Weighted Average Exercise Price	
$	0.04	11,100,000	2.75	$	0.04	11,100,000	$	0.04
$	0.33	38,813	1.25	$	0.33	38,813	$	0.33
		11,138,813	2.74			11,138,813	$	0.04

Non-Plan Options –

During the three month period ended December 31, 2014, the Company issued options outside of the 2012 Plan to purchase 1,000,000 shares of common stock with an exercise price of $0.085, vesting quarterly over a period of one year, resulting in compensation expense of $82,826. These options were cancelled and re-issued as options under our 2012 plan in the quarter ended December 31, 2015.

In addition to options granted under the 2012 Plan, at December 31, 2014, the Company had outstanding options to purchase 2,000,000 shares of common stock. During the three month period ended December 31, 2014, holders of non-plan options to purchase 2,000,000 shares of common stock surrendered such options to the Company for cancellation.

Company Warrants –

During the three months ended December 31, 2014, the Company issued warrants to purchase 5,000,000 shares of common stock at a weighted average exercise price of $0.036 per share to a service provider and former employee following the return for cancellation of prior stock grants and options totaling 5,000,000 shares. Outstanding warrants issued by the Company as of March 31, 2015, totaled 6,500,000 shares of common stock with a weighted average exercise price of $0.04 per share.

Subsidiary Warrants –

On April 19, 2014, DigiPath, Corp., a subsidiary of DigiPath, Inc. which is dedicated to digital microscopy, granted five-year Common Stock Purchase Warrants to Steven Barbee and Eric Stoppenhagen (the "Consultants") to purchase an aggregate of 6,000,000 shares of common stock of DigiPath, Corp. at an exercise price of $0.10 per share. The Company recorded a total of $343,533 of expense associated with the issuance of these warrants and recorded a non-controlling interest as a reduction to total stockholder's equity on the Company's balance sheet because the warrants were issued by the Company's subsidiary.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Lease commitment

The Company leases space for its lab operations in Las Vegas, Nevada. Amounts of minimum future annual commitments, including common area maintenance fees, under non-cancelable operating leases are as follows:

2015	$	100,624
2016		196,673
2017		204,540
2018		212,722
2019 and thereafter		388,015
Total	$	1,102,574

In addition to this commitment, the Company pays monthly rent in the aggregate amount of $6,000 for an accounting office, research office, satellite office storage space, development office, and potential lab space, each of which are rented on a month-to-month basis.

NOTE 11 – INCOME TAX

At March 31, 2015, the Company maintained a valuation allowance against its deferred tax assets. The Company determined this valuation allowance was necessary given the current and expected near term losses and the uncertainty with respect to the Company's ability to generate sufficient profits from its new business model.

During the three months ended March 31, 2015, the Company did not recognize any income tax benefit associated with its net loss due to the establishment of a valuation allowance against deferred tax assets generated during the period.

NOTE 12 – SEGMENT OPERATING RESULTS

Our business is comprised of two general divisions: cannabis related and digital microscopy sales and services. The following table shows operating results for these two divisions and corporate headquarters for the three month periods ending March 31, 2015 and 2014.

	For the three months ended March 31,					
	2015			2014		
	Corporate	Cannabis	Microscopy	Corporate	Cannabis	Microscopy
Revenues	$ -	$ 13,500	$ 122,952	$ -	$ -	$ 50,602
Net loss	$ (120,022)	$ (453,721)	$ (137,811)	$ (24,062)	$ (80,000)	$ (161,187)
Net assets	$ 1,698,446	$ 1,843,429	$ 710,807	$ 135,503	$ -	$ 203,580
Total capital expenditures	$ -	$ 610,915	$ -	$ -	$ -	$ 741
Total depreciation and amortization	$ -	$ 1,063	$ 1,548	$ -	$ -	$ (1,001)

The following table shows operating results for these two divisions and corporate headquarters for the six month periods ending March 31, 2015 and 2014.

	For the six months ended March 31,					
	2015			2014		
	Corporate	Cannabis	Microscopy	Corporate	Cannabis	Microscopy
Revenues	$ -	$ 15,750	$ 294,460	$ -	$ -	$ 105,544
Net loss	$ (1,120,704)	$ (1,010,199)	$ (280,253)	$ (145,875)	$ (80,000)	$ (71,937)
Net assets	$ 1,698,446	$ 1,843,429	$ 710,807	$ 135,503	$ -	$ 203,580
Total capital expenditures	$ -	$ 1,374,839	$ -	$ -	$ -	$ -
Total depreciation and amortization	$ -	$ 2,265	$ 3,095	$ -	$ -	$ 1,482

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this Form 10-Q is intended to update the information contained in our Annual Report on Form 10-K for the year ended September 30, 2014 and presumes that readers have access to, and will have read, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other information contained in such Form 10-K. The following discussion and analysis also should be read together with our financial statements and the notes to the financial statements included elsewhere in this Form 10-Q.

The following discussion contains certain statements that may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Report, including, without limitation, "Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements are not guarantees of future performance and involve risks, uncertainties and requirements that are difficult to predict or are beyond our control. Forward-looking statements speak only as of the date of this quarterly report. You should not put undue reliance on any forward-looking statements. We strongly encourage investors to carefully read the factors described in our Annual Report on Form 10-K for the year ended September 30, 2014 in the section entitled "Risk Factors" for a description of certain risks that could, among other things, cause actual results to differ from these forward-looking statements. We assume no responsibility to update the forward-looking statements contained in this quarterly report on Form 10-Q. The following should also be read in conjunction with the unaudited Financial Statements and notes thereto that appear elsewhere in this report.

Overview

DigiPath, Inc. was incorporated in Nevada on October 5, 2010. DigiPath, Inc. and its subsidiaries ("DigiPath," the "Company," "we," "our" or "us") supports the cannabis industry's best practices for reliable testing, cannabis education and training, and brings unbiased cannabis news coverage to the cannabis industry. Our four business units are described below.

- DigiPath Labs, Inc. plans to set the industry standard for testing all forms of cannabis-based products using FDA-compliant laboratory equipment and processes to report product safety and efficacy. We built our first testing lab in Las Vegas, Nevada, which we expect to open by the end of May 2015. We also have plans to open labs in other states in which cannabis use is legal.

- The National Marijuana News Corp. provides a balanced and unbiased approach to cannabis news with a news/talk radio show and national marijuana news website focusing on the political, economic, medicinal, scientific, and cultural dimensions of the rapidly evolving—and profoundly controversial—medicinal and recreational marijuana industry.

- DigiPath U™ is developing a two-day seminar and a modularized six-week, instructor-facilitated online course for people who want to learn more about cannabis or are seeking employment in the new industry.

- DigiPath Corp. develops digital microscopy systems to create, store, manage, analyze and correlate data collected through virtual microscopy for plant and cell based industries.

On April 9, 2014, the Company entered into various Series A Convertible Preferred Stock Purchase Agreements with accredited investors pursuant to which the Company issued 6,000,000 shares, in the aggregate, of Series A Convertible Preferred Stock ("Series A Preferred") in exchange for $6,000,000, in the aggregate, which consisted of cash paid by investors and the cancellation of indebtedness of the Company under advances previously made to the Company by such investors (each agreement, a "Securities Purchase Agreement" and collectively, the "Securities Purchase Agreements"). The Company invested $1,250,000 of the gross proceeds received from the sale of Series A Preferred into its DigiPath, Corp. subsidiary for general working capital purposes in its existing digital pathology business. The remaining gross proceeds are being used to fund the Company's cannabis-related lines of business. The securities were sold pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933, as amended, and the rules promulgated under Regulation D thereunder.

On May 14, 2014, the Company completed a private placement offering to accredited investors pursuant to which the Company sold an aggregate of 44,200,000 shares of the Company's common stock resulting in gross proceeds of $2,210,000 to the Company. The gross proceeds are being used to fund the Company's cannabis-related lines of business. The securities were sold pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933, as amended, and the rules promulgated under Regulation D thereunder.

Results of Operation

Three Months Ended March 31, 2015 and 2014

During the three months ended March 31, 2015, we operated in the following two business segments: (i) cannabis related services; and (ii) the sale and distribution of digital microscopy solutions. Our cannabis segment commenced in fiscal 2015 and contributed $13,500 of our revenues for the quarter ended March 31, 2015. Our digital microscopy business segment accounted for $122,952 of our revenues for the quarter ended March 31, 2015 and all of our revenues, or $50,602, for the quarter ended March 31, 2014.

Summarized financial information regarding each business and corporate headquarters as of the quarter ended March 31, 2015 and 2014 are as follows:

	For the three months ended March 31,					
	2015			2014		
	Corporate	Cannabis	Microscopy	Corporate	Cannabis	Microscopy
Revenues	$ -	$ 13,500	$ 122,952	$ -	$ -	$ 50,602
Net loss	$ (120,022)	$ (453,721)	$ (137,811)	$ (24,062)	$ (80,000)	$ (161,187)
Net assets	$ 1,698,446	$ 1,843,429	$ 710,807	$ 135,503	$ -	$ 203,580
Total capital expenditures	$ -	$ 610,915	$ -	$ -	$ -	$ 741
Total depreciation and amortization	$ -	$ 1,063	$ 1,548	$ -	$ -	$ (1,001)

Comparison of fiscal quarters ended March 31, 2015 and March 31, 2014

Revenues

Revenues for the quarters ended March 31, 2015 and 2014 were $136,452 and $50,602, respectively. Revenue from our cannabis businesses for the quarters ended March 31, 2015 and 2014 were $13,500 and $0, respectively and was earned from advertisers on The National Marijuana News talk radio show. We built our first testing lab in Las Vegas, Nevada and we expect to start earning revenue through it during our third fiscal quarter ending June 30, 2015. We also plan to open labs in other states in which cannabis use is legal. Microscopy revenues for the quarters ended March 31, 2015 and 2014 were $122,952 and $50,602, respectively. This increase of revenue is attributable to infrastructure and sales force investments made in 2014.

Cost of Sales

Cost of sales for the quarters ended March 31, 2015 and 2014 were $88,801 and $33,700, respectively. This increase is attributable to increased sales in our microscopy business.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $639,794 and $173,556 for the quarters ended March 31, 2015 and 2014, respectively. This increase is attributable to expenses associated with launching our new cannabis related business units of cannabis testing labs, and promoting The National Marijuana News talk radio show. Non-cash stock compensation expenses of $23,063 and $10,378 are included within the SG&A expenses for the quarters ended March 31, 2015 and 2014, respectively.

Research and Development

Research and development expenses were $131,536 and $103,485 for the quarters ended March 31, 2015 and 2014, respectively. This increase is attributable to expenses associated with developing new microscopy solutions, developing radio show for our broadcasting unit, and developing testing protocols for the cannabis lab.

Non-cash stock option expense

Non-cash stock option expenses were $23,063 and $10,378 for the quarters ended March 31, 2015 and 2014, respectively.

Net interest and other income (expense)

Net interest and other (income) expense was $(12,125) and $5,110 for the quarters ended March 31, 2015 and 2014, respectively, which related to interest accrued on borrowings from the related party revolving note payable which was settled on April 9, 2014. Other income during the quarter ended March 31, 2015 consisted of proceeds from the sublease of a portion of our facilities.

Six months Ended March 31, 2015 and 2014

During the six months ended March 31, 2015, we operated in the following two business segments: (i) cannabis related services; and (ii) the sale and distribution of digital microscopy solutions. Our cannabis segment commenced in fiscal 2015 and contributed $15,750 of our revenues for the six months ended March 31, 2015. Our digital microscopy business segment accounted for $294,460 of our revenues for the six months ended March 31, 2015 and all of our revenues, or $105,544, for the six months ended March 31, 2014.

Summarized financial information regarding each business and corporate headquarters as of the six months ended March 31, 2015 and 2014 are as follows:

	For the six months ended March 31,					
	2015			2014		
	Corporate	Cannabis	Microscopy	Corporate	Cannabis	Microscopy
Revenues	$ -	$ 15,750	$ 294,460	$ -	$ -	$ 105,544
Net loss	$ (1,120,704)	$ (1,010,199)	$ (280,253)	$ (145,875)	$ (80,000)	$ (71,937)
Net assets	$ 1,698,446	$ 1,843,429	$ 710,807	$ 135,503	$ -	$ 203,580
Total capital expenditures	$ -	$ 1,374,839	$ -	$ -	$ -	$ -
Total depreciation and amortization	$ -	$ 2,265	$ 3,095	$ -	$ -	$ 1,482

Comparison of six months ended March 31, 2015 and March 31, 2014

Revenues

Revenues for the six months ended March 31, 2015 and 2014 were $310,210 and $105,544, respectively. Revenue from our cannabis businesses for the six months ended March 31, 2015 and 2014 were $15,750 and $0, respectively and was earned from advertisers on The National Marijuana News talk radio show. Microscopy revenues for the six months ended March 31, 2015 and 2014 were $294,460 and $105,544, respectively. This increase of revenue is attributable to infrastructure and sales force investments made in 2014.

Cost of Sales

Cost of sales for the six months ended March 31, 2015 and 2014 were $208,669 and $64,972, respectively. This increase is attributable to increased sales in our microscopy business.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $2,254,959 and $220,600 for the six months ended March 31, 2015 and 2014, respectively. This increase in expenses over the prior six month period is attributable to expenses associated with launching our new cannabis related business units of cannabis testing labs, cannabis news broadcasting, and cannabis training and education. Expenses during the six months ended March 31, 2015 include non-cash stock compensation expense of $756,520 and a one-time expense of $237,083 in connection with a separation with our former CEO (comprised of cash obligations of $125,000 and non-cash stock compensation of $112,083).

Research and development

Research and development expenses were $269,022 and $106,367 for the six months ended March 31, 2015 and 2014, respectively. This increase is attributable to expenses associated with developing new microscopy solutions, developing radio show for our broadcasting unit, and developing testing protocols for the cannabis lab.

Non-cash stock option expense

Non-cash stock option expenses were $868,603 and $10,378 for the six months ended March 31, 2015 and 2014, respectively.

Separation agreement

A total of $237,083 was recognized in connection with a separation agreement with our former CEO and was comprised of cash obligations of $125,000 and non-cash stock compensation of $112,083, both of which have been fulfilled.

Net interest and other income (expense)

Net interest and other (income) expense was $(11,284) and $11,417 for the six months ended March 31, 2015 and 2014, respectively, which related to interest accrued on borrowings from the related party revolving note payable which was settled on April 9, 2014. Other income during the six months ended March 31, 2015 primarily consisted of proceeds from the sublease of a portion of our facilities.

Liquidity and Capital Resources

As of March 31, 2015, we had current assets equal to $2,770,468, comprised of cash of $1,986,619, accounts receivable of $184,036, other receivable of $12,000, inventory of $196,653, and deposits and deferred expenses of $391,160. Our current liabilities as of March 31, 2015 were $256,830 comprising of accounts payable, accrued expenses, and deferred revenue.

The following is a summary of the Company's cash flows provided by (used in) operating, investing, and financing activities for the six month periods ended March 31, 2015 and 2014:

	2015	2014
Operating Activities	$ (1,700,668)	$ (4,859)
Investing Activities	(1,424,839)	(8,134)
Financing Activities	9,506	105,000
Net increase (decrease) on Cash	$ (3,116,001)	$ 92,007

Net Cash Used In Operating Activities

During the six months ended March 31, 2015, net cash used in operating activities was $1,700,668 as compared to $4,859 for the same period ended March 31, 2015. The increase in cash used for operating activities is primarily attributable to the commencement of research, development, and operations surrounding our cannabis lab and broadcasting businesses.

Net Cash Used in Investing Activities

During the six months ended March 31, 2015, net cash used in investing activities was $1,424,839 compared to $8,134 for the same period ended March 31, 2015. The increase is attributable to investments made for cannabis testing equipment and leasehold improvements required for our Nevada cannabis testing lab.

Net Cash Provided By Financing Activities

During the six months ended March 31, 2015, net cash provided by financing activities was $9,506 compared to $105,000 for the same period ended March 31, 2014, received upon the exercise of stock options and collection of a note receivable, respectively.

The success of our growth strategy is dependent upon the availability of additional capital resources on terms satisfactory to management. Our sources of capital in the past have included the sale of equity securities, which include common and preferred stock sold in private transactions and may include in the future capital leases and long-term debt. There can be no assurance that we can raise such additional capital resources on satisfactory terms. We believe that our current cash on hand is adequate to support operations for at least the next 12 months. However, we anticipate continuing to rely on equity sales and shareholder loans in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing shareholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our plan of operations.

Off-Balance Sheet Arrangements

We have no outstanding off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. We do not engage in trading activities involving non-exchange traded contracts.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make assumptions, estimates and judgments that affect the amounts reported, including the notes thereto, and related disclosures of commitments and contingencies, if any. We have identified certain accounting policies that are significant to the preparation of our financial statements. These accounting policies are important for an understanding of our financial condition and results of operations. Critical accounting policies are those that are most important to the presentation of our financial condition and results of operations and require management's subjective or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments. We believe the following accounting policies are critical in the preparation of our financial statements.

Long-Lived Assets

Management assesses the carrying values of property and equipment and intangible assets with finite lives whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition to the extent possible. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. For the year ended September 30, 2014 and the six months ended March 31, 2015, the Company did not recognize any impairment for its property and equipment. For the year ended September 30, 2014 and the six months ended March 31, 2015, the Company recognized an impairment loss on intangible assets of $1,003,416 and $0 respectively. The impairment loss represented the development costs for the intangible assets, which had been capitalized. Although management believes these assets will be utilized by the Company to generate future revenues, since future revenue generation from these assets is uncertain, these amounts were written off.

Our intellectual property is comprised of indefinite-lived brand names acquired and have been assigned an indefinite life as we currently anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired. For the year ended September 30, 2014 and the six months ended March 31, 2015, the Company recognized an impairment loss of $0 and $28,336 respectively. The impairment loss represented the carrying value of its intellectual property. Although management believes these assets will be utilized by the Company to generate future revenues, since the revenues generated from these assets to date have been minimal, these amounts were written off.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 605, Revenue Recognition. ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery of product has met the criteria established in the arrangement or services rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. This occurs when the products or services are completed in accordance with the contracts we have with clients. In connection with our products and services arrangements, when we are paid in advance, these amounts are classified as deferred revenue and amortized over the term of the agreement.

Stock Compensation for Services Rendered

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and ASC 505-50, Equity, Equity-Based Payments to Non-employees (ASC 505-50). All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date on which it is probable that performance will occur.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures : We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term "disclosure controls and procedures", as defined in Rules 13a-15(e) and 15d-15(e) under the

Securities and Exchange Act of 1934, as amended ("Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of March 31, 2015, that our disclosure controls and procedures are effective to a reasonable assurance level of achieving such objectives. However, it should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control over Financial Reporting : There were no changes in our internal control over financial reporting during the quarter ending March 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not a party to any legal or administrative proceedings that we believe, individually or in the aggregate, would be likely to have a material adverse effect on our financial condition or results of operations.

ITEM 1A. RISK FACTORS.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On May 4, 2015, W-Net, Inc. notified us of the termination of its consulting agreement with us, effective as of May 11, 2015. As a result, the lock-up agreement executed by its affiliate W-Net Fund I LP, which is the holder of 1,150,000 shares of Series A Preferred, terminated upon the filing of this Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

ITEM 6. EXHIBITS.

Exhibit No.	Name of Exhibit
3.1	Articles of Incorporation (1)
3.2	Certificate of Amendment to Articles of Incorporation dated April 4, 2014 (2)
	Certificate of Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Convertible Preferred Stock (2)
3.3	Bylaws (1)
31.1	Certification of Chief Executive Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.*
31.2	Certification of Principal Financial Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

(1) Incorporated herein by reference from the Company’s Form 10 filed with the Securities and Exchange Commission on July 15, 2011.

(2) Incorporated by reference from the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on April 10, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2015

DIGIPATH, INC.

By: */s/ Todd Denkin*
Name: Todd Denkin
Title: Chief Executive Officer and Director

By: */s/ David J. Williams*
Name: David J. Williams
Title: Chief Financial Officer and Secretary

EXHIBIT 31.1

DIGIPATH, INC.

Certification of Chief Executive Officer Pursuant to
Securities Exchange Act Rules 13a-14 and 15d-14
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Todd Denkin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DigiPath, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

May 13, 2015

/s/ Todd Denkin
Todd Denkin
Principal Executive Officer

EXHIBIT 31.2

DIGIPATH, INC.

Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David J. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DigiPath, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

May 13, 2015

/s/ David J. Williams

David J. Williams
Principal Financial Officer

EXHIBIT 32.1

DIGIPATH, INC.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DigiPath, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Todd Denkin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

May 13, 2015

/s/ Todd Denkin
Todd Denkin
Principal Executive Officer

EXHIBIT 32.2

DIGIPATH, INC.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of DigiPath, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Williams, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

May 13, 2015

/s/ David J. Williams
David J. Williams
Principal Financial Officer