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 June 30, 2016

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)

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

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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.

The number of shares of registrant's common stock outstanding as of August 12, 2016 was 22,071,041.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS .

DIGIPATH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2016 (Unaudited)	September 30, 2015
Assets		
Current assets:		
Cash	$ 73,498	$ 481,095
Accounts receivable, net	103,179	6,146
Inventory	-	192,561
Prepaid expenses	34,323	60,447
Deposits	39,850	44,949
Total current assets	250,850	785,198
Available-for-sale securities	13,640	14,000
Investment in DigiPath, Corp.	-	-
Fixed assets, net	1,198,369	1,373,691
Total Assets	$ 1,462,859	$ 2,172,889
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 105,862	$ 62,383
Accrued expenses	-	21,671
Deferred revenues	-	73,121
Total current liabilities	105,862	157,175
Total Liabilities	105,862	157,175
Stockholders' Equity:		
Series A convertible preferred stock, $0.001 par value, 10,000,000 shares authorized; 3,621,442 and 4,351,442 shares issued and outstanding at June 30, 2016 and September 30, 2015, respectively	3,621	4,351
Common stock, $0.001 par value, 90,000,000 shares authorized; 20,986,041 and 13,762,705 shares issued and outstanding at June 30, 2016 and September 30, 2015, respectively	20,986	13,763
Additional paid-in capital	11,376,328	10,224,551
Accumulated other comprehensive loss	(36,360)	(36,000)
Accumulated deficit	(10,007,578)	(7,847,418)
	1,356,997	2,359,247
Noncontrolling interest	-	(343,533)
Total Stockholders' Equity	1,356,997	2,015,714
Total Liabilities and Stockholders' Equity	$ 1,462,859	$ 2,172,889

See accompanying notes to financial statements.

DIGIPATH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Nine Months Ended June 30, 2016	For the Nine Months Ended June 30, 2015
Revenues	$ 264,178	$ 6,915	$ 507,430	$ 317,125
Cost of sales	102,724	19,304	258,083	227,973
Gross profit	161,454	(12,389)	249,347	89,152
Operating expenses:				
General and administrative	241,221	589,522	726,684	1,719,054
Professional fees	1,004,225	170,940	1,414,913	1,554,230
Bad debts expense (recoveries)	(30,646)	-	272,375	5,799
Depreciation and amortization	61,162	10,774	183,392	16,134
Total operating expenses	1,275,962	771,236	2,597,364	3,295,217
Operating loss	(1,114,508)	(783,625)	(2,348,017)	(3,206,065)
Other income (expense):				
Other income	16,000	12,000	46,000	24,000
Interest income	2,500	95	7,500	295
Interest expense	-	-	-	(916)
Gain on early extinguishment of debt	-	-	12,133	-
Equity in losses of unconsolidated entity	-	-	(992,682)	-
Total other income (expense)	18,500	12,095	(927,049)	23,379
Net loss	$ (1,096,008)	$ (771,530)	$ (3,275,066)	$ (3,182,686)
Weighted average number of common shares outstanding - basic and fully diluted	20,342,817	10,984,239	17,225,893	9,015,005
Net loss per share - basic and fully diluted	$ (0.05)	$ (0.07)	$ (0.19)	$ (0.35)
Net loss attributable to DigiPath, Inc.	$ (1,096,008)	$ (771,530)	$ (3,275,066)	$ (3,182,686)
Other comprehensive loss				
Available-for-sale investments:				
Change in net unrealized loss (net of tax effect)	5,760	(72,000)	(360)	(30,000)
Comprehensive loss	$ (1,090,248)	$ (843,530)	$ (3,275,426)	$ (3,212,686)

See accompanying notes to financial statements.

DIGIPATH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended June 30, 2016	2015
Cash flows from operating activities		
Net loss	$ (3,275,066)	$ (3,182,686)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debts	272,375	5,799
Depreciation and amortization expense	183,392	16,135
Impairment of development costs	-	28,336
Stock issued for services	88,720	868,603
Options and warrants granted for services	1,018,491	-
Gain on early extinguishment of debt	(12,133)	-
Equity in losses of unconsolidated entity	992,682	-
Decrease (increase) in assets:		
Accounts receivable	(106,283)	32,256
Inventory	-	79,116
Prepaid expenses	(11,056)	32,786
Deposits	(675)	(310,745)
Increase (decrease) in liabilities:		
Accounts payable	76,862	(48,133)
Accrued expenses	(21,671)	8,292
Deferred revenues	(4,167)	135,785
Net cash used in operating activities	(798,529)	(2,334,456)
Cash flows from investing activities		
Cash disposed in divestiture of unconsolidated entity	(57,876)	-
Investment in available-for-sale securities	-	(50,000)
Purchase of fixed assets	(11,192)	(1,439,691)
Net cash used in investing activities	(69,068)	(1,489,691)
Cash flows from financing activities		
Proceeds from exercised options	-	9,506
Proceeds from sale of common stock	460,000	-
Net cash provided by financing activities	460,000	9,506
Net decrease in cash	(407,597)	(3,814,641)
Cash - beginning	481,095	5,102,620
Cash - ending	$ 73,498	$ 1,287,979
Supplemental disclosures:		
Interest paid	$ -	$ 916
Income taxes paid	$ -	$ -
Non-cash investing and financing activities:		
Value of preferred stock converted to common stock	$ 730,000	$ 1,223,989

See accompanying notes to financial statements.

DIGIPATH, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 – Organization, Basis of Presentation and Significant Accounting Policies

Organization

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 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. In May of 2015, we opened our first testing lab in Nevada and have plans to open labs in other legal states. Our customers were not fully operational when we opened our lab. As a result, we had minimal revenues for the first four months of operations and our customers have subsequently been steadily opening their businesses.

- TNM 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 Corp. develops digital pathology systems to create, store, manage, analyze and correlate data collected through virtual microscopy for plant and cell based industries. We divested two-thirds of this entity on October 1, 2015, and now own a minority interest of approximately 33.34%.

Stock Split

All share and per share amounts herein have been given retroactive effect to the 1-for-10 reverse stock split of the Company's common stock effected May 27, 2015 (See Note 10).

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, 2015. 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.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which were under common control and ownership at June 30, 2016:

Name of Entity (1)	State of Incorporation	Relationship
DigiPath, Inc. (2)	Nevada	Parent
DigiPath Labs, Inc.	Nevada	Subsidiary
TNM News, Inc.	Nevada	Subsidiary
GroSciences, Inc. (3)	Colorado	Subsidiary

(1) All entities are in the form of a corporation.

(2) Holding company, which owns each of the wholly-owned subsidiaries. As of June 30, 2016, all subsidiaries shown above were wholly-owned by DigiPath, Inc., the parent company.

(3) Entity formed for prospective purposes, but has not incurred any income or expenses to date.

The consolidated financial statements herein contain the operations of the wholly-owned subsidiaries listed above. All significant inter-company transactions have been eliminated in the preparation of these financial statements. The parent company and subsidiaries will be collectively referred to herein as the "Company", "DigiPath" or "DIGP". The Company's headquarters are located in Las Vegas, Nevada and substantially all of its customers are within the United States.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Equity Method

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to an Investee depends on an evaluation of several factors including, among others, representation on the Investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the Investee company. Under the equity method of accounting, an Investee company's accounts are not reflected within the Company's Consolidated Balance Sheets and Statements of Operations; however, the Company's share of the earnings or losses of the Investee company is reflected in the caption "Equity in losses of unconsolidated entity" in the Consolidated Statements of Operations. The Company's carrying value in an equity method Investee company is reflected in the caption "Investment in DigiPath Corp." in the Company's Consolidated Balance Sheets.

U.S. GAAP considers a change in reporting entity to include "changing specific subsidiaries that make up the group of entities for which consolidated financial statements are presented." Circumstances may arise where a parent's controlling financial interest (e.g., generally an ownership interest in excess of 50 percent of the outstanding voting stock) is reduced to a noncontrolling investment that still enables it to exercise significant influence over the operating and financial policies of the investee. A change that results from changed facts and circumstances (such as a partial sale of a subsidiary), where there was only one acceptable method of accounting prior to the change in circumstances (consolidation) and only one acceptable method of accounting after the change (equity method accounting), is not a change in reporting entity and is not be accounted for retrospectively. Accordingly, a change from a controlling interest to a noncontrolling investment accounted for under the equity method is accounted for prospectively from the date of change in control. When the Company's carrying value in an equity method Investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company guaranteed obligations of the Investee company or has committed additional funding. When the Investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Reclassifications

Certain prior period 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

Under FASB ASC 280-10-50, the Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short term nature of the instruments. In addition, the Company had debt instruments that required fair value measurement on a recurring basis.

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. With respect to our cannabis lab testing revenues, we sell our services on a determinable fixed fee per test, or panel of tests basis, and offer a discounted price for customers that agree to enter into exclusive, long term contracts. We typically require payment prior to the delivery of results. As such, revenues are recognized upon the delivery of results, which coincide with the completion of the tests.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees as compensation in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and equity-based payments as compensation to non-employees pursuant to ASC 505-50 (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 at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)* ("ASU 2016-09") . The provisions of the update amend ASC Topic 718, Compensation – Stock Compensation, and includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including accounting for the income tax consequences, estimates of forfeitures and classification of excess tax benefits on the statement of cash flows. For public business entities, this update is effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is evaluating the impact of this ASU on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842): Balance Sheet Classification of Deferred Taxes* ("ASU 2016-02"). ASU 2016-02 amends various aspects of existing accounting guidance for leases, including the recognition of a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This standard also introduces new disclosure requirements for leasing arrangements. ASU 2016-02 is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2018, and early adoption is permitted. This ASU must be adopted using a modified retrospective approach. The Company is evaluating the impact of this ASU on the Company's financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01") . The provisions of the update require equity investments to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment. The update also simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. It also eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities, and eliminates the requirement for public business entities to disclose the methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost on the balance sheet. ASU No. 2016-16 requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes. It also requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The update requires separate presentation of financial assets and financial liabilities by category and form on the balance sheet or the accompanying notes to the financial statements. In addition, the update clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. For public business entities, the amendments in the update are effective for fiscal years beginning after December 15, 2017, including interim periods. The adoption of this ASU is not expected to have a material impact on the Company's financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). ASU 2015-17 requires deferred tax liabilities and assets to be classified as noncurrent in the consolidated financial statements instead of separating deferred taxes into current and noncurrent amounts. ASU 2015-17 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016, and early adoption is permitted. The adoption of ASU 2015-17 is not expected to have a material effect on the Company's consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Consolidation: Amendments to the Consolidation Analysis* ("ASU 2015-02"). ASU 2015-02 changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. ASU 2015-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The Company will adopt ASU 2015-02 on October 1, 2016, and it is not expected to have a material impact on the Company's consolidated financial statements and disclosures.

In January 2015, the FASB issued ASU No. 2015-01, *Simplifying Income Statement—Presentation by Eliminating the Concept of Extraordinary Items* ("ASU 2015-01"). ASU 2015-01 is intended to reduce complexity and cost of compliance with GAAP by eliminating the concept of extraordinary items in the statement of operations. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, and early adoption is permitted. The Company adopted ASU 2015-01 as of October 1, 2015. The adoption did not have a material impact on the Company's consolidated financial statements and disclosures.

In April 2014, the FASB issued ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360:)Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (collectively "ASU 2014-08"). ASU 2014-08 changes the reporting requirements for reporting discontinued operations in Subtopic 205-20. A disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when any of the following occurs:

1. The component of an entity or group of components of an entity meets the criteria in paragraph 205-20-45-1E to be classified as held for sale.

2. The component of an entity or group of components of an entity is disposed of by sale.

3. The component of an entity or group of components of an entity is disposed of other than by sale (for example, by abandonment or in a distribution to owners in a spinoff).

ASU 2014-08 is effective for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. The Company adopted ASU 2014-08 for the fiscal year ended September 30, 2015.

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 2 – Going Concern

As shown in the accompanying condensed consolidated financial statements, the Company has incurred recurring losses from operations resulting in an accumulated deficit of ($10,007,578), and as of June 30, 2016, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. Management believes these factors will contribute toward achieving profitability. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The consolidated financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Investment, Equity Method

On October 1, 2015, as more fully described in Note 4 below, we divested two-thirds of DigiPath Corp. when warrant holders in DigiPath Corp. acquired one-third interest through the exercise of warrants held by Steven D. Barbee, our former Director, and the other warrant holder acquired another one-third interest through the sale of new issuances, commensurate with the cancellation of previously issued warrants. We now own a minority interest of approximately 33.34%. As a result, the comparative statement of operations for the nine months ended June 30, 2015, which included the accounts of the digital pathology business segment, on a consolidated basis, has been restated to reflect adjustments of line items for revenue and costs applicable to the digital pathology business segment and to reflect the losses of this business on the equity basis of accounting. The original investment was adjusted to fair value on October 1, 2015, resulting in a carrying value of $106,675 and an "Equity in losses of unconsolidated entity" of $992,682 was recognized during the nine months ended June 30, 2016, consisting of an impairment of $893,325 on the adjustment to from the carrying value to the fair value and $99,357 of the Company's pro-rata share of the net loss. As of March 31, 2016, DigiPath Corp's losses have exceeded our investment and we are no longer recognizing any loss on our investment. Our pro rata share of subsequent gains will be recognized when they have exceeded our pro rata share of unrecognized losses. The operating results of the Digital Corp. pathology business are summarized below.

Condensed Statements of Operations Information (Unaudited):

	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Nine Months Ended June 30, 2016	For the Nine Months Ended June 30, 2015
Revenues	$ 42,824	$ 5,293	$ 79,809	$ 299,754
Cost of sales	27,689	5,399	45,761	214,068
Gross profit	15,135	(106)	34,048	85,686
Expenses:				
General and administrative	111,417	146,788	229,114	513,033
Total operating expenses	111,417	146,788	229,114	513,033
Operating loss	(96,282)	(146,894)	(195,066)	(427,347)
Other income (expense)	(2,490)	95	(8,191)	295
Net loss	$ (98,772)	$ (146,799)	$ (203,257)	$ (427,052)

Note 4 – Related Party Transactions

Appointment of Joseph J. Bianco as Chief Executive Officer

On June 21, 2016, the Board appointed Joseph J. Bianco, one of our directors, to serve as the Company's Chief Executive Officer. As described further below, Todd Denkin, the Company's Chief Executive Officer prior to such appointment, now serves as the Company's President and Chief Operating Officer, and as the President of DigiPath's wholly-owned subsidiaries, DigiPath Labs, Inc. and TNM News Corp.

In connection with his appointment as Chief Executive Officer, Mr. Bianco entered into an Employment Agreement with the Company dated June 21, 2016 for a three year term, and providing for an initial base salary of $96,000 per annum and a car allowance of $1,250 per month. Pursuant to this Employment Agreement, Mr. Bianco was awarded a stock option to purchase 4,750,000 shares of the Company's common stock at an exercise price of $0.20 per share. The option vests immediately as to one-half of the shares, one year from the grant date as to one-quarter of the shares, and two years following the grant date as to the remaining one-quarter of the shares. The Employment Agreement also terminated the letter agreement between Mr. Bianco's affiliate and the Company pursuant to which Mr. Bianco had provided consulting services to the Company.

Todd Denkin Amended and Restated Employment Agreement

In connection with Mr. Bianco's appointment as the Company's Chief Executive Officer, on June 21, 2016, the Company entered into an Amended and Restated Employment Agreement with Todd Denkin, pursuant to which Mr. Denkin continues to serve as the Company's President, and in addition as its Chief Operating Officer, and as the President of DigiPath's wholly-owned subsidiaries, DigiPath Labs, Inc. and TNM News Corp. In addition, the term of Mr. Denkin's employment has been extended for a period of three years from June 21, 2016, and he will continue to be paid a base salary of $192,000 per annum, and receives a car allowance of $750 per month. Pursuant to the Amended and Restated Employment Agreement, Mr. Denkin was awarded a stock option to purchase 2,500,000 shares of the Company's common stock at an exercise price of $0.20 per share. The option vests immediately as to one-half of the shares, one year from the grant date as to one-quarter of the shares, and two years following the grant date as to the remaining one-quarter of the shares.

Divestiture of Wholly-Owned Subsidiary, DigiPath Corp.

On October 1, 2015, DigiPath, Inc., entered into an Omnibus Agreement and Amendment (the "Agreement") with DigiPath Corp., and our former Director, Steven D. Barbee. Pursuant to the Agreement, among other things:

- The exercise price of the warrant held by Mr. Barbee to purchase 3,000,000 shares of common stock of DigiPath Corp. (the "Barbee Warrant") was reduced from $0.10 per share to $0.0333333 per share, and Mr. Barbee subsequently exercised the warrant.

- Mr. Barbee resigned as a director of the Company.

- The Consulting, Confidentiality and Proprietary Rights Agreement, dated as of May 30, 2014, between the Company and Mr. Barbee, as amended, was terminated.

- Indebtedness of approximately $18,201 owed by the Company to DigiPath Corp. was cancelled.

- DigiPath Corp. was provided with the right to require the Company to change its name so as not to include the name "DigiPath" in the event of the sale of all or substantially all of the assets or capital stock of DigiPath Corp., or a merger of DigiPath Corp. following which the Company ceases to be a shareholder of DigiPath Corp., in each case, that occurs within 12 months following the date of the Agreement.

- The Company, as a shareholder of DigiPath Corp, was provided with (i) rights of first-refusal and co-sale rights with respect to sales of common stock of DigiPath Corp by Barbee, and (ii) pre-emptive rights with respect to issuances of common stock by DigiPath Corp.

Concurrently with the execution of the Agreement, DigiPath Corp. agreed to issue 3,000,000 shares of its common stock to a third party for an aggregate purchase price of $100,000, and an affiliate of such party agreed to surrender 60,000 shares of Series A Preferred of the Company for cancellation, and terminate a previously held warrant to purchase 3,000,000 shares of common stock of DigiPath Corp. As a result of such issuance of shares of DigiPath Corp common stock, and after giving effect to the exercise of the Barbee Warrant, the Company continued to hold approximately 33.34% of the outstanding shares of common stock of DigiPath Corp. Following the execution of the Agreement, Mr. Barbee continued to serve as the President and sole director of DigiPath Corp.

Note 5 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of June 30, 2016 and September 30, 2015, respectively:

	Fair Value Measurements at June 30, 2016		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 73,498	$ -	$ -
Available-for-sale securities	13,640	-	-
Note receivable	-	-	-
Investment in DigiPath Corp.	-	-	-
Total assets	87,138	-	-
Liabilities			
Total liabilities	-	-	-
	$ 87,138	$ -	$ -

	Fair Value Measurements at September 30, 2015		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 481,095	$ -	$ -
Note receivable	-	-	-
Available-for-sale securities	14,000	-	-
Total assets	495,095	-	-
Liabilities			
Total liabilities	-	-	-
	$ 495,095	$ -	$ -

The fair value of our intellectual properties are deemed to approximate book value, and are considered Level 3 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the nine months ended June 30, 2016 or the year ended September 30, 2015.

We recognized total impairment losses of $893,325 on our ownership interest in DigiPath Corp. during the nine months ended June 30, 2016, and impairment losses of $328,336 on our intellectual properties during the year ended September 30, 2015.

Note 6 – Accounts Receivable

Accounts receivable was $103,179 and $6,146 at June 30, 2016 and September 30, 2015, respectively, net of allowance for doubtful accounts of $1,750 and $36,715 at June 30, 2016 and September 30, 2015, respectively.

Note 7 – Note Receivable

On December 17, 2014, DigiPath, Inc. made an unsecured $250,000 loan to DigiPath Corp., a wholly-owned subsidiary at the time, bearing interest at 6% and maturing on December 17, 2015. On October 1, 2015, we amended the note to extend the maturity date to September 30, 2016. Commensurate with the change in ownership of DigiPath Corp. from 100% to approximately 33.34%, we evaluated the asset for collectability and recognized an allowance for uncollectible accounts for the full amount of the asset. The balance of the allowance for uncollectible accounts, including interest of $20,625, was $270,625 at June 30, 2016.

Note 8 – Available-for-Sale Securities

Available-for-sale securities consist of the following at June 30, 2016 and September 30, 2015:

	For the Nine Months Ended June 30, 2016			
	Amortized Cost	Gains in Accumulated Other Comprehensive Income	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value
Common stock	$ 50,000	-	$ (36,360)	$ 13,640
Total available-for-sale securities	$ 50,000	-	$ (36,360)	$ 13,640

	For the Year Ended September 30, 2015			
	Amortized Cost	Gains in Accumulated Other Comprehensive Income	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value
Common stock	$ 50,000	-	$ (36,000)	$ 14,000
Total available-for-sale securities	$ 50,000	-	$ (36,000)	$ 14,000

Common stock consisted of a purchase of 400,000 shares of common stock acquired in March of 2015, in the amount of $50,000 in Blue Line Protection Group, Inc., a Nevada corporation.

Note 9 – Fixed Assets

Fixed assets consist of the following at June 30, 2016 and September 30, 2015:

	June 30, 2016	September 30, 2015
Software	$ 121,617	$ 131,636
Office equipment	36,080	35,467
Furniture and fixtures	2,357	14,607
Lab equipment	809,056	835,006
Leasehold improvements	487,066	487,066
	1,456,176	1,503,782
Less: accumulated depreciation	(257,807)	(130,091)
Total	$ 1,198,369	$ 1,373,691

As a result of the deconsolidation of DigiPath Corp. on October 1, 2015, we were deemed to have disposed of furniture and fixtures and software with a net book value of $3,122, consisting of a historical cost basis of $58,798 and accumulated depreciation and amortization of $55,676. No gain or loss was recognized on the disposal.

Depreciation and amortization expense totaled $183,392 and $16,134 for the nine months ended June 30, 2016 and 2015, respectively.

Note 10 - Changes in Stockholders' Equity

Reverse Stock Split

Effective May 27, 2015, the Company effected the 1 for 10 Reverse Stock Split. No fractional shares were issued, and no cash or other consideration was paid in connection with the Reverse Stock Split. Instead, the Company issued one whole share of the post-Reverse Stock Split common stock to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split. The Company was authorized to issue 900,000,000 shares of common stock prior to the Reverse Stock Split. As a result of the Reverse Stock Split, the Company's authorized shares decreased ratably to 90,000,000 shares of common stock. The Reverse Stock Split did not have any effect on the stated par value of the common stock, or the Company's authorized preferred stock. Unless otherwise stated, all share and per share information in this Quarterly Report on Form 10-Q has been retroactively adjusted to reflect the Reverse Stock Split.

Convertible 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 ("Series A Preferred"). The Board of Directors is authorized to determine any number of series into which shares of preferred stock may be divided and to determine the rights, preferences, privileges and restrictions granted to any series of the preferred stock. Effective as of April 4, 2014, the designations, rights and preferences of the preferred shares changed to blank check preferred. As of June 30, 2016, there were 3,621,442 shares of Series A Preferred issued and outstanding. Shares of Series A Preferred are convertible into common stock at a fixed conversion rate of $0.20 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 3,520,442 shares of Series A Preferred outstanding at June 30, 2016 are convertible into 17,602,210 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.

Preferred Stock Conversions

On June 13, 2016, a shareholder converted 100,000 shares of Series A Preferred into 500,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On April 18, 2016, a shareholder converted 100,000 shares of Series A Preferred into 500,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On April 1, 2016, a shareholder converted 150,000 shares of Series A Preferred into 750,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On February 26, 2016, a shareholder converted 100,000 shares of Series A Preferred into 500,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On October 29, 2015, a shareholder converted 100,000 shares of Series A Preferred into 500,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On October 8, 2015, a shareholder converted 120,000 shares of Series A Preferred into 600,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Preferred Stock Cancellation

On October 1, 2015, a shareholder cancelled 60,000 shares of Series A Preferred as part of the divestiture of DigiPath Corp.

Common Stock

Common stock consists of $0.001 par value, 90,000,000 shares authorized, of which 20,986,041 shares were issued and outstanding as of June 30, 2016.

Common Stock Sales

On May 2, 2016, the Company sold 100,000 units, consisting of 100,000 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $15,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 29, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 14, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 12, 2016, the Company sold 83,334 units, consisting of 83,334 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $12,500. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 7, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On March 15, 2016, the Company sold 1,666,667 units, consisting of 1,666,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $250,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On February 17, 2016, the Company sold 83,333 units, consisting of 83,333 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $12,500. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On January 19, 2016, the Company sold 333,334 units, consisting of 333,334 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $50,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On December 21, 2015, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On November 23, 2015, the Company sold 100,000 units, consisting of 100,000 shares of its common stock and an equal number of warrants, exercisable at $0.40 per share over a thirty six month period, in exchange for total proceeds of $20,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Common Stock Issued for Services

On February 1, 2016, a total of 300,000 shares of common stock were awarded to three consultants that were engaged to assist with acquisition activities over for a three month period. The aggregate fair value of the common stock was $45,720 based on the closing price of the Company's common stock on the date of grant, and is being expensed over the three month requisite service period, resulting in $30,480 of stock based compensation during the period.

On January 1, 2016, the Company issued 40,000 shares of restricted common stock for investor relations services provided. The total fair value of the common stock was $8,000 based on the closing price of the Company's common stock on the date of grant and was expensed in full.

On January 1, 2016, an affiliate of Mr. Bianco, a director of the Company, became entitled to receive 500,000 shares of common stock for consulting services to be performed during 2016, subject to a ratable “claw back” provision the event of an early termination of the consulting agreement. The total fair value of the common stock was $70,000 based on the closing price of the Company’s common stock on the date of grant, and is being expensed over the twelve month requisite service period, resulting in $17,500 of stock based compensation during the period.

Amortization of Stock Options

A total of $779,168 of stock-based compensation expense was recognized from the amortization of options over their vesting period during the nine months ended June 30, 2016.

Note 11 – Common Stock Options

Stock Incentive Plan

On June 21, 2016, we amended and restated our 2012 Stock Incentive Plan (the “2012 Plan”), which was originally adopted on March 5, 2012 and previously amended on May 20, 2014. As amended, the 2012 Plan provides for the issuance of up to 11,500,000 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. 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.

Options Granted

On June 21, 2016, the Company granted 4,750,000 common stock options as compensation for services to our CEO, Mr. Bianco. The options are exercisable over a ten year period at an exercise price of $0.20 per share, and 50% vest immediately, with 25% vesting each year thereafter. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 230% and a call option value of $0.1986, was $943,193.

On June 21, 2016, the Company granted 2,500,000 common stock options as compensation for services to our President and COO, Mr. Denkin. The options are exercisable over a ten year period at an exercise price of $0.20 per share, and 50% vest immediately, with 25% vesting each year thereafter. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 230% and a call option value of $0.1986, was $496,417.

On April 7, 2016, the Company granted a total of 130,000 fully vested common stock options as compensation for services to five employees. The options are exercisable over a ten year period at an exercise price of $0.22 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 238% and a call option value of $0.2183, was $28,382.

On November 20, 2015, the Company granted 500,000 fully vested common stock options as compensation for services to a consultant. The options are exercisable over a three year period at an exercise price of $0.181 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 234% and a call option value of $0.1734, was $86,708.

Options Expired

No options expired during the nine months ended June 30, 2016.

Options Exercised

No options were exercised during the nine months ended June 30, 2016.

Note 12 – Common Stock Warrants

Warrants Granted

On June 6, 2016, the Company granted 659,800 fully vested common stock warrants as compensation for services to a consulting firm. The options are exercisable over a five year period at an exercise price of $0.1901 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 231% and a call option value of $0.1883, was $124,233, and was expensed in full on June 6, 2016.

On May 2, 2016, the Company sold 100,000 units, consisting of 100,000 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $15,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 29, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 14, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 12, 2016, the Company sold 83,334 units, consisting of 83,334 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $12,500. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On April 7, 2016, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On March 15, 2016, the Company sold 1,666,667 units, consisting of 1,666,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $250,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On February 17, 2016, the Company sold 83,333 units, consisting of 83,333 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $12,500. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On January 19, 2016, the Company sold 333,334 units, consisting of 333,334 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $50,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On December 21, 2015, the Company sold 166,667 units, consisting of 166,667 shares of its common stock and an equal number of warrants, exercisable at $0.30 per share over a thirty six month period, in exchange for total proceeds of $25,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On November 23, 2015, the Company sold 100,000 units, consisting of 100,000 shares of its common stock and an equal number of warrants, exercisable at $0.40 per share over a thirty six month period, in exchange for total proceeds of $20,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Warrants Expired

No warrants expired during the nine months ended June 30, 2016.

Warrants Exercised

No warrants were exercised during the nine months ended June 30, 2016.

Note 13 – Other Income

Other income consists of rental income of $30,000 and $24,000 for the nine months ended June 30, 2016 and 2015, respectively, for office space subleased to GB Sciences, Inc. at a monthly fee of $6,000. The tenant vacated the premises on February 1, 2016. In addition, we recognized $16,000 and $-0- of other income for the nine months ended June 30, 2016 and 2015, respectively, related to restitution payments received from a former employee.

Note 14 – Gain on Debt Settlements

On October 1, 2015, as part of the divestiture of DigiPath Corp., a total of $18,201 of intercompany debt owed from DigiPath, Inc. to DigiPath Corp. was forgiven by DigiPath Corp. As a related party, one third of the debt was eliminated and the remaining $12,133 was recognized as a gain on early extinguishment of debt. The Company evaluated the classification of this gain and determined that the gain does not meet the criteria for classification as an extraordinary item. As a result, the gain has been included as "Gain on early extinguishment of debt: under "Other income (expense)" within income from continuing operations in the accompanying Consolidated Statement of Operations for the nine months ended June 30, 2016.

Note 15 - Income Tax

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the nine months ended June 30, 2016 and the year ended September 30, 2015, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At June 30, 2016, the Company had approximately $6,697,000 of federal net operating losses. The net operating loss carry forwards, if not utilized, will begin to expire in 2031.

Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at June 30, 2016 and September 30, 2015, respectively.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 16 – Subsequent Events

Preferred Stock Conversions

On July 5, 2016, a shareholder converted 101,000 shares of Series A Preferred into 505,000 shares of common stock. The stock was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Issued for Services

On July 1, 2016, a total of 580,000 shares of common stock were issued to six consultants that were engaged to assist the Company with acquisition activities over for a three month period. The aggregate fair value of the common stock was $104,980 based on the closing price of the Company's common stock on the date of grant, and is being expensed over the three month requisite service period.

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, 2015 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, 2015 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 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. In May of 2015, we opened our first testing lab in Nevada and have plans to open labs in other legal states. Our customers were not fully operational when we opened our lab. As a result, we had minimal revenues for the first four months of operations and our customers have subsequently been steadily opening their businesses.

- TNM 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 Corp. develops digital pathology systems to create, store, manage, analyze and correlate data collected through virtual microscopy for plant and cell based industries. We divested two-thirds of this entity on October 1, 2015, and now own a minority interest of 33.34%.

Results of Operations for the Three Months Ended June 30, 2016 and 2015:

The following table summarizes selected items from the statement of operations for the three months ended June 30, 2016 and 2015. The operations of our deconsolidated subsidiary, DigiPath Corp. have been removed and summarized in a single line item as, "Equity in losses of unconsolidated entity" within "Other income (expense)".

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Increase / (Decrease)
Revenues	$ 264,178	$ 6,915	$ 257,263
Cost of sales	102,724	19,304	83,420
Gross profit	161,454	(12,389)	173,843
Operating expenses:			
General and administrative	241,221	589,522	(348,301)
Professional fees	1,004,225	170,940	833,285
Bad debts expense (recoveries)	(30,646)	-	(30,646)
Depreciation and amortization	61,162	10,774	50,388
Total operating expenses:	1,275,962	771,236	504,726
Operating loss	(1,114,508)	(783,625)	330,883
Total other income	18,500	12,095	6,405
Net loss	$ (1,096,008)	$ (771,530)	$ 324,478

Revenues

Revenues were generated by our cannabis testing lab and our advertising from our National Marijuana News Corp. division. Aggregate revenues for the three months ended June 30, 2016 were $264,178, compared to revenues of $6,915 during the three months ended June 30, 2015, an increase of $257,263, or 3,720%. The revenue in the current period was due to the commencement of our testing lab operations in Nevada and the corresponding growth in our customer base as production and cultivation facilities established their operations, while the comparative period revenues were derived from our digital pathology business that has been divested and is now being presented prospectively on the equity method of accounting. We anticipate steadily increasing lab testing revenues during the remainder of the fiscal year ending September 30, 2016.

Cost of Sales

Cost of sales for the three months ended June 30, 2016 were $102,724, compared to $19,304 during the three months ended June 30, 2015, an increase of $83,420, or 432%. The cost of sales in the current period was primarily due to the costs of labor and supplies consumed in our testing operations that were not incurred prior to the opening of our lab in May of 2015, while the comparative period cost of sales were primarily derived from our digital pathology business.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2016 were $241,221, compared to $589,522 during the three months ended June 30, 2015, a decrease of $348,301, or 59%. The expenses consisted primarily of marketing, rent, salaries and wages, and travel expenses. The decrease was primarily due to decreased marketing and officer compensation expenses as we aggressively instituted budget cuts in our cannabis testing lab operations to conserve resources, in addition to no longer carrying the consolidated general and administrative expenses of our digital pathology business.

Professional Fees

Professional fees for the three months ended June 30, 2016 were $1,004,225, compared to $170,940 during the three months ended June 30, 2015, an increase of $833,285, or 487%. Professional fees increased primarily due to increased stock based compensation of $770,676 during the three months ended June 30, 2016, consisting of the amortization of $737,936 of options expense and $32,740 of amortized stock based compensation on previously awarded shares of common stock issued for services.

Bad Debts Expense (Recoveries)

Bad debts (recoveries) for the three months ended June 30, 2016 were $(30,646), compared to $-0- during the three months ended June 30, 2015, an increase of $30,646. Bad debts (recoveries) during the current period consisted of a decreased allowance for doubtful accounts of $30,646 related to the subsequent collections on past due rent receivables owed to us by our former sublet tenant.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended June 30, 2016 were $61,162, compared to $10,774 during the three months ended June 30, 2015, an increase of $50,388, or 468%. Depreciation and amortization expense increased as we placed approximately $1,456,176 of property and equipment in service for our lab that were not in service during the comparative period.

Operating Loss

Our operating loss for the three months ended June 30, 2016 was $1,114,508, compared to $783,625 during the three months ended June 30, 2015, an increase of $330,883, or 42%. Our operating loss increased primarily due to the increased stock based compensation of $770,676 during the three months ended June 30, 2016, as diminished by reductions in general and administrative expenses as we aggressively instituted budget cuts in our cannabis testing lab operations to conserve resources, in addition to no longer carrying the consolidated general and administrative expenses of our digital pathology business.

Other Income

Other income for the three months ended June 30, 2016 was $18,500, compared to other income of $12,095 during the three months ended June 30, 2015, an increase of $6,405, or 53%. Other income during the three months ended June 30, 2016 consisted of sublet rent and restitution payments from a former employee. Other income during the three months ended June 30, 2015 consisted primarily of sublet rent.

Net Loss

Net loss for the three months ended June 30, 2016 was $1,096,008, compared to $771,530 during the three months ended June 30, 2015, an increase of $324,478, or 42%.

Results of Operations for the Nine Months Ended June 30, 2016 and 2015:

The following table summarizes selected items from the statement of operations for the nine months ended June 30, 2016 and 2015. The operations of our deconsolidated subsidiary, DigiPath Corp. have been removed and summarized in a single line item as, "Equity in losses of unconsolidated entity" within "Other income (expense)".

	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015	Increase / (Decrease)
Revenues	$ 507,430	$ 317,125	$ 190,305
Cost of sales	258,083	227,973	30,110
Gross profit	249,347	89,152	160,195
Operating expenses:			
General and administrative	726,684	1,719,054	(992,370)
Professional fees	1,414,913	1,544,230	(139,317)
Bad debts expense	272,375	5,799	266,576
Depreciation and amortization	183,392	16,134	167,258
Total operating expenses:	2,597,364	3,295,217	(697,853)
Operating loss	(2,348,017)	(3,206,065)	(858,048)
Total other income (expense)	(927,049)	23,379	(950,428)
Net loss	$ (3,275,066)	$ (3,182,686)	$ 92,380

Revenues

Revenues were generated by our cannabis testing lab and our advertising from our National Marijuana News Corp. division. Aggregate revenues for the nine months ended June 30, 2016 were $507,430, compared to revenues of $317,125 during the nine months ended June 30, 2015, an increase of $190,305, or 60%. The revenue in the current period was due to the commencement of our testing lab operations in Nevada and the corresponding growth in our customer base as production and cultivation facilities established their operations, while the comparative period revenues were primarily derived from our digital pathology business that has been divested and is now being presented prospectively on the equity method of accounting. We anticipate steadily increasing lab testing revenues during the remainder of the fiscal year ending September 30, 2016.

Cost of Sales

Cost of sales for the nine months ended June 30, 2016 were $258,083, compared to $227,973 during the nine months ended June 30, 2015, an increase of $30,110, or 13%. The cost of sales in the current period was primarily due to the costs of labor and supplies consumed in our testing operations that were not incurred prior to the opening of our lab in May of 2015, while the comparative period cost of sales were derived from our digital pathology business.

General and Administrative Expenses

General and administrative expenses for the nine months ended June 30, 2016 were $726,684, compared to $1,719,054 during the nine months ended June 30, 2015, a decrease of $992,370, or 58%. The expenses consisted primarily of marketing, rent, salaries and wages, and travel expenses. The decrease was primarily due to decreased marketing and officer compensation expenses as we aggressively instituted budget cuts in our cannabis testing lab operations to conserve resources, in addition to no longer carrying the consolidated general and administrative expenses of our digital pathology business.

Professional Fees

Professional fees for the nine months ended June 30, 2016 were $1,414,913, compared to $1,554,230 during the nine months ended June 30, 2015, a decrease of $139,317, or 9%. Professional fees decreased primarily due to decreased professional fees that we no longer incur from our digital pathology business, as diminished by an increase in non-cash stock based compensation. Stock based compensation was $1,107,211 during the nine months ended June 30, 2016, compared to $868,603 during the nine months ended June 30, 2015, an increase of $238,608, or 27%.

Bad Debts Expense

Bad debts expense for the nine months ended June 30, 2016 were $272,375, compared to $5,799 during the nine months ended June 30, 2015, an increase of $266,576. Bad debts expense during the current period consisted of an allowance for bad debts of $270,625 related to a note receivable and corresponding interest on debt owed by DigiPath Corp. for which DigiPath Corp. does not currently have the ability to repay, as well as an allowance for doubtful accounts of $1,750 on outstanding receivables more than 30 days outstanding.

Depreciation and Amortization

Depreciation and amortization expense for the nine months ended June 30, 2016 were $183,392, compared to $16,134 during the nine months ended June 30, 2015, an increase of $167,258, or 1,037%. Depreciation and amortization expense increased as we placed approximately $1,456,176 of property and equipment in service for our lab that were not in service during the comparative period.

Operating Loss

Our operating loss for the nine months ended June 30, 2016 was $2,348,017, compared to $3,206,065 during the nine months ended June 30, 2015, a decrease of $858,048, or 27%. Our operating loss decreased primarily due to approximately, $160,000 of increased gross profits in our cannabis testing lab operations, a decrease of approximately $1,371,000 in general and administrative expenses and professional and marketing fees as we aggressively instituted budget cuts in our lab operations to conserve resources and no longer carry the consolidated expenses of our digital pathology business, as diminished by approximately $434,000 of non-cash increases in our allowance for doubtful accounts and depreciation and amortization expense and an approximate increase of $239,000 in stock based compensation incurred during the nine months ended June 30, 2016, compared to the nine months ended June 30, 2015.

Other Income (Expense)

Other expenses, on a net basis, for the nine months ended June 30, 2016 were $927,049, compared to other income of $23,379 during the nine months ended June 30, 2015, a net increase of $950,428. Other expenses during the nine months ended June 30, 2016, consisted of equity in losses of unconsolidated entity of $992,682, which consists of a loss on the impairment of our investment in DigiPath Corp. of $893,325 and $99,357 from our interest in the current period losses of the unconsolidated entity, as diminished by a gain on early extinguishment of debt of $12,133 owed to DigiPath Corp. and $7,500 of interest income owed by DigiPath Corp., along with $30,000 of other income from sublet rent and $16,000 of other income on restitution payments received from a former employee. Other income during the nine months ended June 30, 2015 consisted primarily of sublet rent.

Net Loss

Net loss for the nine months ended June 30, 2016 was $3,275,066, compared to $3,182,686 during the nine months ended June 30, 2015, an increase of $92,380, or 3%. Our net loss for the nine months ended June 30, 2016 included an aggregate of $2,543,527 of non-cash expenses, compared to $918,873 of non-cash expenses during the comparative nine months ended June 30, 2015, an increase of $1,624,654, or 177%.

Liquidity and Capital Resources

The following is a summary of the Company’s cash flows provided by (used in) operating, investing, and financing activities for the nine month periods ended June 30, 2016 and 2015:

	2016	2015
Operating Activities	$ (798,529)	$ (2,334,456)
Investing Activities	(69,068)	(1,489,691)
Financing Activities	460,000	9,506
Net decrease in Cash	$ (407,597)	$ (3,814,641)

Net Cash Used in Operating Activities

During the nine months ended June 30, 2016, net cash used in operating activities was $798,529, compared to $2,334,456 for the same period ended June 30, 2015. The decrease in cash used for operating activities is primarily attributable to marketing, officer compensation and office expense cost savings we implemented as we aggressively cut costs in our cannabis testing lab operations to conserve resources until our lab revenues can sustain operations.

Net Cash Used in Investing Activities

During the nine months ended June 30, 2016, net cash used in investing activities was $69,068, compared to $1,489,691 for the same period ended June 30, 2015. The decrease is attributable to investments made for cannabis testing equipment and leasehold improvements required for our Nevada cannabis testing lab made in the previous period that were not necessary in the current period, as diminished by $57,876 of cash held and retained by our subsidiary, DigiPath Corp., at the time of divestiture.

Net Cash Provided by Financing Activities

During the nine months ended June 30, 2016, net cash provided by financing activities was $460,000, compared to $9,506 for the same period ended June 30, 2015. The increase is primarily due to the increased sale of securities during the nine months ended June 30, 2016, compared to the nine months ended June 30, 2015.

Ability to Continue as a Going Concern

As of June 30, 2016, our balance of cash on hand was $73,498. We currently do not have funds sufficient to fund our operations for the next twelve months and need to raise additional cash to fund our operations and expand our lab testing business. As we continue to develop our lab testing business and attempt to expand operational activities, we expect to continue to experience net negative cash flows from operations in amounts not now determinable, and will be required to obtain additional financing to fund operations through common stock offerings to the extent necessary to provide working capital. We have and expect to continue to have substantial capital expenditure and working capital needs.

The Company has incurred recurring losses from operations resulting in an accumulated deficit, and, as set forth above, the Company's cash on hand is not sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. In the event sales do not materialize at the expected rates, management would seek additional financing or would attempt to conserve cash by further reducing expenses. There can be no assurance that we will be successful in achieving these objectives, becoming profitable or continuing our business without either a temporary interruption or a permanent cessation. In addition, additional financing may result in substantial dilution to existing stockholders.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. The unaudited consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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.

While our significant accounting policies are more fully described in notes to our consolidated financial statements appearing elsewhere in this Form 10-Q, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we used in the preparation of our financial statements.

Equity Method

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to an Investee depends on an evaluation of several factors including, among others, representation on the Investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the Investee company. Under the equity method of accounting, an Investee company's accounts are not reflected within the Company's Consolidated Balance Sheets and Statements of Operations; however, the Company's share of the earnings or losses of the Investee company is reflected in the caption "Equity in losses of unconsolidated entity" in the Consolidated Statements of Operations. The Company's carrying value in an equity method Investee company is reflected in the caption "Investment in DigiPath Corp." in the Company's Consolidated Balance Sheets.

U.S. GAAP considers a change in reporting entity to include "changing specific subsidiaries that make up the group of entities for which consolidated financial statements are presented." Circumstances may arise where a parent's controlling financial interest (e.g., generally an ownership interest in excess of 50 percent of the outstanding voting stock) is reduced to a noncontrolling investment that still enables it to exercise significant influence over the operating and financial policies of the investee. A change that results from changed facts and circumstances (such as a partial sale of a subsidiary), where there was only one acceptable method of accounting prior to the change in circumstances (consolidation) and only one acceptable method of accounting after the change (equity method accounting), is not a change in reporting entity and is not be accounted for retrospectively. Accordingly, a change from a controlling interest to a noncontrolling investment accounted for under the equity method is accounted for prospectively from the date of change in control. When the Company's carrying value in an equity method Investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company guaranteed obligations of the Investee company or has committed additional funding. When the Investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 505-50 (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 at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

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 June 30, 2016, 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 June 30, 2016, 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.

The information set forth below describes our issuance of securities without registration under the Securities Act of 1933, as amended, during the three months ended June 30, 2016, that were not previously disclosed in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K:

On May 2, 2016, the Company sold to a single accredited investor 100,000 units at a price of $0.15 per Unit, with each Unit consisting of one share of our common stock and a three (3) year warrant to purchase one share of common stock at an exercise price of $0.30 per share. Proceeds to the Company from the sale of the Units in the offering were $15,000. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder.

On April 29, 2016, the Company sold to a single accredited investor 166,667 units at a price of $0.15 per Unit, with each Unit consisting of one share of our common stock and a three (3) year warrant to purchase one share of common stock at an exercise price of $0.30 per share. Proceeds to the Company from the sale of the Units in the offering were $25,000. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder.

On April 14, 2016, the Company sold to a single accredited investor 166,667 units at a price of $0.15 per Unit, with each Unit consisting of one share of our common stock and a three (3) year warrant to purchase one share of common stock at an exercise price of $0.30 per share. Proceeds to the Company from the sale of the Units in the offering were $25,000. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder.

On April 12, 2016, the Company sold to a single accredited investor 83,334 units at a price of $0.15 per Unit, with each Unit consisting of one share of our common stock and a three (3) year warrant to purchase one share of common stock at an exercise price of $0.30 per share. Proceeds to the Company from the sale of the Units in the offering were $12,500. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder.

On April 7, 2016, the Company sold to a single accredited investor 166,667 units at a price of $0.15 per Unit, with each Unit consisting of one share of our common stock and a three (3) year warrant to purchase one share of common stock at an exercise price of $0.30 per share. Proceeds to the Company from the sale of the Units in the offering were $25,000. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933 and Regulation D promulgated thereunder.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS .

Exhibit	Description
3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Form 10 filed with the Securities and Exchange Commission by DigiPath, Inc. on July 15, 2011)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 of the Form 10 filed with the Securities and Exchange Commission by DigiPath, Inc. on July 15, 2011)
3.3	Certificate of Amendment to Articles of Incorporation dated April 4, 2014 (incorporated by reference to Exhibit 3.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on April 10, 2014)
3.4	Certificate of Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Convertible Preferred Stock dated April 9, 2014 (incorporated by reference to Exhibit 3.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on April 10, 2014)
3.5	Certificate of Amendment to Articles of Incorporation dated May 22, 2015 (incorporated by reference to Exhibit 3.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on May 26, 2015)
10.1	DigiPath, Inc. Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on June 27, 2016)
10.2	Form of Stock Option Grant Notice for grants under the Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on June 27, 2016)
10.3	Form of Option Agreement for grants under the Amended and Restated 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on June 27, 2016)
10.4	Employment Agreement between DigiPath, Inc. and Joseph J. Bianco, dated as of June 21, 2016 (incorporated by reference to Exhibit 10.4 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on June 27, 2016)
10.5	Amended and Restated Employment Agreement between DigiPath, Inc. and Todd Denkin, dated as of June 21, 2016 (incorporated by reference to Exhibit 10.5 of the Report on Form 8-K filed with the Securities and Exchange Commission by DigiPath, Inc. on June 27, 2016)
31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer
32.1*	Section 906 Certification of Chief Executive Officer
32.2*	Section 906 Certification of Chief Financial Officer
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document

* Filed herewith.

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: August 15, 2016

DIGIPATH, INC.

By: */s/ Joseph J. Bianco*
Name: Joseph J. Bianco
Title: Chief Executive Officer and Director

By: */s/ Todd Peterson*
Name: Todd Peterson
Title: Chief Financial Officer and Secretary

EXHIBIT 31.1

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, Joseph J. Bianco, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2016 of DigiPath, Inc.;

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

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

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

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

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

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

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

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 small business issuer's internal control over financial reporting.

Dated: August 15, 2016

/s/ Joseph J. Bianco

Joseph J. Bianco, Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

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, Todd Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2016 of DigiPath, Inc.;

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

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

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

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

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

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

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

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 small business issuer's internal control over financial reporting.

Date: August 15, 2016

/s/ Todd Peterson

Todd Peterson, Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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 June 30, 2016 (the "Report") I, Joseph J. Bianco, Chief Executive Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(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.

Dated: August 15, 2016

/s/ Joseph J. Bianco

Joseph J. Bianco, Chief Executive Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

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 June 30, 2016 (the "Report") I, Todd Peterson, Chief Financial Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(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.

Dated: August 15, 2016

/s/ Todd Peterson

Todd Peterson, Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.