

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number: 33-2783-S

Sigma Labs, Inc.

(Exact name of registrant as specified in its charter)

NEVADA

82-0404220

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

100 Cienega Street, Suite C
Santa Fe, NM 87501

(Address of principal executive offices)

(505) 438-2576

(Registrant's telephone number)

(Former Name or Former Address, if Changed Since Last Report)

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

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of August 8, 2013, the issuer had 557,766,061 shares of common stock issued and 555,016,061 shares outstanding.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

SIGMA LABS, INC.

For the quarter ended June 30, 2013

FORM 10-Q

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PART I

ITEM 1. FINANCIAL STATEMENTS.

Sigma Labs, Inc. and Subsidiaries
Consolidated Balance Sheets
June 30, 2013 and December 31, 2012

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current Assets		
Cash	\$ 463,733	\$ 150,071
Accounts Receivable, net	153,278	273,282
Prepaid Assets	17,722	26,163
Total Current Assets	634,733	449,516
Other Assets		
Furniture and Equipment, net	3,409	10,393
Intangible Assets, net	187,629	231,803
Total Other Assets	191,038	242,196
TOTAL ASSETS	\$ 825,771	\$ 691,712
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 139,192	\$ 106,595
Accrued Expenses	31,203	27,347
Other Current Liabilities	300,000	-
Total Current Liabilities	470,395	133,942
TOTAL LIABILITIES	470,395	133,942
Stockholders' Equity		
Preferred Stock, \$0.001 par; 10,000,000 shares authorized; None issued and outstanding	-	-
Common Stock, \$0.001 par; 750,000,000 shares authorized; 432,667,400 issued and 429,917,400 outstanding at June 30, 2013 and 429,167,400 issued and 425,167,400 outstanding at December 31, 2012	432,667	429,167
Additional Paid-In Capital	2,318,744	2,226,244
Less Deferred Compensation 2,750,000 and 4,000,000 common shares, respectively	(59,300)	(80,000)
Retained Earnings (Deficit)	(2,336,735)	(2,017,641)
Total Stockholders' Equity	355,376	557,770
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 825,771	\$ 691,712

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

Sigma Labs, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
Three Months and Six Months Ended June 30, 2013 and 2012

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
INCOME				
Services	\$ 307,985	\$ 107,633	\$ 472,249	\$ 193,725
Total Revenue	307,985	107,633	472,249	193,725
COST OF SERVICE REVENUE	149,549	88,745	236,479	174,561
GROSS PROFIT	158,436	18,888	235,770	19,164
EXPENSES				
General & Administration	146,798	196,155	282,349	327,589
Payroll Expense	67,417	78,009	155,826	201,499
Non-cash Stock Compensation	66,700	125,000	116,700	125,000
Total Expenses	280,915	399,164	554,875	654,088
OTHER INCOME (EXPENSE)				
Interest Income	1	390	11	390
Interest Expense	-	(25)	-	(114)
Total Other Income (Expense)	1	365	11	276
INCOME (LOSS) BEFORE INCOME TAXES	(122,478)	(379,911)	(319,094)	(634,648)
Current Income Tax Expense	-	-	-	-
Deferred Income Tax Expense	-	-	-	-
Net Income (Loss)	\$ (122,478)	\$ (379,911)	\$ (319,094)	\$ (634,648)
Loss per Common Share - Basic and Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Number of Shares				
Outstanding - Basic and Diluted	433,488,829	426,469,598	432,330,383	428,068,499

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

Sigma Labs, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
Six Months Ended June 31, 2013 and 2012

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
OPERATING ACTIVITIES		
Net Income (Loss)	\$ (319,094)	\$ (634,648)
Adjustments to reconcile Net Income (Loss) to Net Cash provided (used) by operations:		
Noncash Expenses:		
Amortization	44,174	44,174
Depreciation	6,984	10,960
Stock Compensation	116,700	125,000
Change in assets and liabilities:		
Decrease in Accounts Receivable	120,004	166,202
Decrease in Prepaid Assets	8,441	20,146
Increase (Decrease) in Accounts Payable	32,597	(74,762)
Increase (Decrease) In Accrued Expenses	3,856	(6,579)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	13,662	(349,507)
INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	-	-
Purchase of Intangible Assets	-	-
NET CASH (USED) BY INVESTING ACTIVITIES	-	-
FINANCING ACTIVITIES		
Proceeds from Sale of Stock Subscription	300,000	-
Contributions	-	342
NET CASH PROVIDED BY FINANCING ACTIVITIES	300,000	342
NET CASH INCREASE (DECREASE) FOR PERIOD	313,662	(349,165)
CASH AT BEGINNING OF PERIOD	150,071	653,113
CASH AT END OF PERIOD	\$ 463,733	\$ 303,948
Supplemental Disclosure for Cash Flow Information		
Cash paid during the period for:		
Interest	\$ -	\$ 114
Income Taxes	\$ -	\$ -

Supplemental Schedule of Noncash Investing and Financing Activities:

For the six months ended June 30, 2013

4,250,000 shares issued for consulting services at \$0.03 per share. Of these, 1,500,000 vested during the six months and 2,750,000 were cancelled.

500,000 shares of unvested stock valued at \$10,000 or \$0.02 per share were cancelled.

2,000,000 shares issued for consulting services at \$0.0243 per share. Of these, 1,000,000 vested during the six months and 1,000,000 are unvested.

500,000 shares issued for consulting services at \$0.0248 per share.

1,750,000 shares vested relating to the Company's Equity Incentive Plan, reducing deferred compensation by \$5,000

For the six months ended June 30, 2012

5,000,000 shares of common stock issued for consulting services at \$0.01 per share

7,000,000 unvested shares of common stock were cancelled, and deferred compensation was reduced by \$40,000, or \$0.02 per share

3,750,000 shares vested relating to the Company's Equity Incentive Plan, reducing deferred compensation by \$75,000

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

SIGMA LABS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – Summary of Significant Accounting Policies

Nature of Business – On September 13, 2010 Sigma Labs, Inc., formerly named Framewaves, Inc., a Nevada corporation (the “Company”), acquired 100% of the shares of B6 Sigma, Inc. by exchanging 6.67 shares of Framewaves, Inc. restricted common stock for each issued and outstanding share of B6 Sigma, Inc. The acquisition has been accounted for as a “reverse purchase”, and accordingly the operations of Framewaves, Inc. prior to the date of acquisition have been eliminated.

B6 Sigma, Inc., incorporated February 5, 2010, was founded by a group of scientists, engineers and businessmen to develop and commercialize novel and unique manufacturing and materials technologies. Management believes the Company’s In Process Quality Assurance (IPQA®) technology is a technology that will fundamentally redefine manufacturing practices by embedding quality assurance in the manufacturing processes in real time. Management also anticipates that the Company’s core competencies will allow its clientele to combine advanced manufacturing with novel material to achieve breakthrough product potential in many industries including aerospace, defense, oil and gas, prosthetic implants, sporting goods, and power generation.

As of December 31, 2011, Sigma Labs, Inc. acquired 100% of the shares of Sumner & Lawrence Limited (“Sumner”), a New Mexico Corporation, and La Mancha Company, a New Mexico Corporation, in exchange for 35,000,000 shares of Sigma Labs, Inc. common stock. The operations of Sumner and La Mancha Company prior to the date of acquisition have been eliminated. La Mancha has since ceased all operations.

Sumner is a small business with a broad spectrum of scientific disciplines that provides consulting services to the public sector, especially with regard to emerging technologies, alternative applications of established technologies, and assessment of development and maintenance programs for strategic technologies. Sumner’s principal product is scientific and technological knowledge, gained through academic discipline, research activities and application experience. Sumner, formed in 1985, expanded in 1993 with the addition of retired senior scientists and technical managers from the Los Alamos National Laboratory. Sumner offers consulting services that are based on sound science, an unprejudiced perspective and multi-disciplined capabilities at reasonable rates. Sumner holds ongoing contracts with government agencies that provide a framework of audited fees and burden, as well as appropriate levels of security clearance. Major clients include the State Department, the Department of Defense, the Department of Energy, various military services and affiliated agencies, the National Laboratories, and contractors to these organizations.

Basis of Presentation – The accompanying consolidated financial statements have been prepared by the Company in accordance with Article 8 of U.S. Securities and Exchange Commission Regulation S-X. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2013 and 2012 and for the periods then ended have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. Management suggests these condensed consolidated financial statements be read in conjunction with the December 31, 2012 audited consolidated financial statements and notes thereto included in the Company’s Form 10-K. The results of operations for the periods ended June 30, 2013 and 2012 are not necessarily indicative of the operating results for the full year.

Reclassification – Certain amounts in prior-period financial statements have been reclassified for comparative purposes to conform to presentation in the current-period financial statements.

Principles of Consolidation – The consolidated financial statements for June 30, 2013 include the accounts of Sigma Labs, Inc., B6 Sigma, Inc., Sumner & Lawrence Limited and La Mancha Company. All significant intercompany balances and transactions have been eliminated.

Property and Equipment – Property and equipment are stated at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized upon being placed in service. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated life has been determined to be three years unless a unique circumstance exists, which is then fully documented as an exception to the policy.

Fair Value of Financial Instruments – The Company estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated balance sheets because of the short-term maturity of these financial instruments.

Income Taxes – The Company accounts for income taxes in accordance with ASC Topic No. 740, “Accounting for Income Taxes.”

The Company adopted the provisions of ASC Topic No. 740, “Accounting for Income Taxes,” at the date of inception on February 5, 2010. As a result of the implementation of ASC Topic No. 740, the Company recognized no increase in the liability for unrecognized tax benefits.

The Company has no tax positions at June 30, 2013 and December 31, 2012 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the six months ended June 30, 2013, the Company recognized no interest and penalties. The Company had no accruals for interest and penalties at June 30, 2013 and 2012, or December 31, 2012. All tax years starting with 2009 are open for examination.

Loss Per Share – The computation of loss per share is based on the weighted average number of shares outstanding during the period in accordance with ASC Topic No. 260, “Earnings Per Share.”

Allowance for Doubtful Accounts - The Company establishes an allowance for doubtful accounts to ensure accounts receivables are not overstated due to uncollectability. Bad debt reserves are maintained based on a variety of factors, including the length of time receivables are past due and a detailed review of certain individual customer accounts. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. The allowance for doubtful accounts at June 30, 2013 and December 31, 2012 is \$4,884 and \$4,884, respectively.

Long-Lived and Intangible Assets – Long-lived assets and certain identifiable definite life intangibles to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company continuously evaluates the recoverability of its long-lived assets based on estimated future cash flows and the estimated liquidation value of such long-lived assets, and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived assets. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment was recorded during the six months ended June 30, 2013 or the year ended December 31, 2012.

Recently Enacted Accounting Standards – The FASB established the Accounting Standards Codification (“Codification” or “ASC”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact our financial statements. The ASC does change the way the guidance is organized and presented.

Accounting Standards Update (“ASU”) ASU’s No. 2009-2 through ASU No. 2013-11 which contain technical corrections to existing guidance or affect guidance to specialized industries or entities were recently issued. These updates have no current applicability to the Company or their effect on the financial statements would not have been significant.

Cash Equivalents - The Company considers all highly liquid investments with an original maturity of three months or less at date of purchase to be cash equivalents.

Concentration of Credit Risk - The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Organization Expenditures – Organizational expenditures are expensed as incurred for Securities Exchange Commission (SEC) filings, but capitalized and amortized for income tax purposes.

Stock Based Compensation – The Company recognizes compensation costs to employees under ASC Topic No. 718, “Compensation – Stock Compensation.” Under ASC Topic No. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options, restricted share plans, performance based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by ASC Topic No. 505, "Equity Based Payments to Non-Employees." In general, the measurement date is when either (a) a performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Amortization - Utility patents are amortized over a 17 year period. Patents which are pending are not amortized. Customer contacts intangible asset is being amortized over a 3 year period.

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

Revenue Recognition – The Company’s revenue is derived primarily from providing services under contractual agreements. The Company recognizes revenue in accordance with ASC Topic No. 605 based on the following criteria: Persuasive evidence of an arrangement exists, services have been rendered, the price is fixed or determinable, and collectability is reasonably assured.

NOTE 2 – Stockholders' Equity

Common Stock

The Company has authorized 750,000,000 shares of common stock, \$0.001 par value.

On September 13, 2010 the Company closed a share exchange transaction (the "Reorganization") with the shareholders of B6 Sigma, Inc., a Delaware corporation ("B6 Sigma"), which resulted in B6 Sigma becoming a wholly-owned subsidiary of the Company. Each share of B6 Sigma, Inc. common stock outstanding as at the closing of the Reorganization was exchanged for 6.67 shares of the Company's common stock. At the closing, B6 Sigma, Inc. also acquired and cancelled 110,700,000 (post-split) shares of the Company's common stock from three shareholders for the sum of \$195,000. Upon the closing of the Reorganization, the Company ceased to be a "Shell" company (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended). As a condition to the closing of the Reorganization, B6 Sigma, Inc. also closed a private offering of \$1,000,000 of its common stock contemporaneously with the closing of the Reorganization, which included the conversion of \$300,000 of previously issued convertible notes and related interest by B6 Sigma, Inc. into the private offering of common stock.

Following issuance of the Reorganization shares to the B6 Sigma shareholders and the stock cancellation, the Company had 313,067,400 (post split) shares of its common stock issued and outstanding. In connection with the closing of the Reorganization, the shareholders of the Company approved a 150:1 forward stock split, and a change of the name of the corporation to Sigma Labs, Inc. Additionally, following completion of the Reorganization, B6 Sigma became a wholly owned subsidiary.

On January 6, 2011, the Company issued an aggregate of 1,100,000 shares of the Company's common stock to two consultants as noncash compensation for services rendered valued at \$22,000 or \$0.02 per share.

In January 2011, the Company commenced a private offering of up to 75,000,000 shares of common stock, \$0.001 par value per share, at an issue price of \$0.02 per share of common stock. On April 15, 2011, the Company closed the private offering, pursuant to which the Company issued 55,875,000 shares of the Company's common stock. Gross proceeds amounted to \$1,117,500.

The placement agent received a total of \$105,735 in commissions. The Company also issued to the agent five year warrants to purchase up to 7,931,250 shares of the Company's common stock. Such warrants have an exercise price of \$0.025 per share and are valued at \$158,625. As of June 30, 2013, none of the warrants have been exercised. The direct cost associated with the stock offering has been reflected as a reduction to Additional Paid-in-Capital. Net proceeds from the sale of stock were \$1,011,765.

The fair value of the warrants issued was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions: risk free interest rate of 2.14%; Volatility of 470 and an expected life of five years. It is assumed that no dividends will be paid during the periods of calculation, resulting in a respective weighted-average fair value per warrant of \$0.02. Management believes the resulting warrant values are reasonable.

On March 9, 2011, our Board of Directors adopted the 2011 Equity Incentive Plan (the "Equity Plan"). On March 31, 2011, the holders of at least a majority of the issued and outstanding shares of common stock of the Company approved the Equity Plan. Pursuant to the Equity Plan, the Company is authorized to grant options, restricted stock and stock appreciation rights to purchase up to 31,000,000 shares of common stock to its employees, officers, directors, consultants and advisors. The Equity Plan provides for awards of incentive stock options, non-statutory stock options, and rights to acquire restricted stock. Incentive stock options granted under the Equity Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Non-statutory stock options granted under the Equity Plan are not intended to qualify as incentive stock options under the Code.

In April 2011, the Company issued an aggregate of 3,625,000 shares of the Company's common stock to one consultant and two professionals as noncash compensation for services rendered to the Company, which services were valued at \$72,500 or \$0.02 per share.

On May 16, 2011, the Company issued 1,000,000 shares of the Company's common stock to a consultant as noncash compensation for services rendered valued at \$0,000 or \$0.02 per share.

On December 31, 2011, the Company issued 35,000,000 shares of the Company's common stock to acquire 100% of the shares of Sumner & Lawrence Limited and La Mancha Company.

On June 7, 2012, the Company issued 5,000,000 shares of the Company's common stock to two consultants as noncash compensation for services rendered valued at \$0,000 or \$0.01 per share.

On December 12, 2012, the Company issued 1,500,000 shares of the Company's common stock to three consultants as noncash compensation for services rendered valued at \$16,500 or \$0.011 per share.

On January 31, 2013, the Company issued 250,000 shares of the Company's common stock to a consultant as noncash compensation for services to be rendered valued at \$7,500 or \$0.03 per share.

On February 14, 2013, the Company issued 4,000,000 shares of the Company's common stock to a consultant as noncash compensation for services to be rendered valued at \$120,000 or \$0.03 per share. Of these shares, 1,250,000 (valued at \$37,500) vested during the six months and 2,750,000 (valued at \$82,500) were cancelled in June 2013.

On May 10, 2013, the Company issued 500,000 shares of the Company's common stock to a consultant as noncash compensation for services rendered valued at \$2,400 or \$0.0248 per share.

On May 23, 2013, the Company issued 2,000,000 shares of the Company's common stock to a consultant as noncash compensation for services to be rendered valued at \$48,600 or \$0.0243 per share. Of these shares, 1,000,000 (valued at \$24,300) vested immediately and 1,000,000 (valued at \$24,300) remain unvested and are reflected as deferred compensation as of June 30, 2013.

The Company has authorized 750,000,000 shares of common stock, \$0.001 par value. At June 30, 2013, there were 432,667,400 shares issued and 429,917,400 outstanding, reflecting 2,750,000 issued but unvested shares pursuant to the Equity Plan. At December 31, 2012, there were 429,167,400 shares issued and 425,167,400 shares outstanding, reflecting 4,000,000 issued but unvested shares pursuant to the Equity Plan.

Deferred Compensation

During April 2011, the Company issued to five employees an aggregate of 20,000,000 shares of the Company's common stock, subject to restrictions, pursuant to the 2011 Equity Incentive Plan. Such shares were valued at the fair value of \$400,000 or \$0.02 per share. This compensation is being expensed over the vesting period. As of June 30, 2013, the balance of unvested compensation cost expected to be recognized is \$35,000 and is recorded as a reduction of stockholders' equity. As of December 31, 2012, the balance of unvested compensation cost expected to be recognized was \$80,000 and is recorded as a reduction of stockholders' equity. The unvested compensation is expected to be recognized over the weighted average period of approximately 1 year (through April 8, 2014).

During the year ended December 31, 2012, 7,000,000 shares of unvested common stock valued at \$140,000 (previously included in deferred compensation) were cancelled or forfeited.

During the year ended December 31, 2012, an additional 3,750,000 shares of common stock valued at \$75,000 vested and were recorded to expense and as a reduction to deferred compensation.

During the six months ended June 30, 2013, 500,000 shares of unvested common stock valued at \$0,000 (previously included in deferred compensation) were cancelled or forfeited.

During the six months ended June 30, 2013, an additional 1,750,000 shares of common stock valued at \$35,000 vested and were recorded to expense and as a reduction to deferred compensation.

During the six months ended June 30, 2013, 4,250,000 shares of common stock were issued to consultants at \$0.03 per share, 500,000 shares were issued to a consultant at \$0.0248 per share and 2,000,000 shares were issued to a consultant at \$0.0243 per share. The unvested portion of the shares at June 30, 2013 (1,000,000 unvested shares) increased deferred compensation by \$24,300.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock, \$0.001 par value. There were none issued and outstanding at June 30, 2013 and December 31, 2012.

NOTE 3 – Going Concern

The Company has sustained losses since its inception. The ability of the Company to continue as a going concern is dependent on expanding income opportunities. Management anticipates that additional contracts and their recent business acquisitions will allow the Company to achieve profitable operations. There is no assurance that the Company will be successful in raising additional capital or in achieving profitable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 4 – Loss Per Share

The following data show the amounts used in computing loss per share and the effect on income and the weighted average number of shares of dilutive potential common stock for the period ended June 30, 2013 and 2012:

	3 Months Ending		6 Months Ending	
	06-30-13	06-30-12	06-30-13	06-30-12
Loss from continuing Operations available to Common stockholders (numerator)	\$ (122,478)	\$ (379,911)	\$ (319,094)	\$ (634,648)
Weighted average number of common shares Outstanding used in loss per share during the Period (denominator)	433,488,829	426,469,598	432,330,383	428,068,499

Dilutive loss per share was not presented as the Company had no common equivalent shares for all periods presented that would affect the computation of diluted loss per share or its effect is anti-dilutive.

NOTE 5– Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and determined there are no items to disclose, except as follows.

In June 2013, the Company commenced a private offering of up to 85,000,000 restricted shares of common stock at a price of \$0.01 per share. In July 2013, the Company increased the number of shares offered in the private offering to 120,000,000 shares, for total gross proceeds of up to \$1,200,000. Funds received by June 30, 2013 of \$300,000 were held by the Company as a liability pending the closing of the offering, which occurred on July 18, 2013. The Company sold 120,000,000 restricted shares of common stock in the private placement, resulting in aggregate gross proceeds of \$1,200,000.

During July 2013, warrants issued in April 2011 in connection with a private placement were exercised using the cashless exercise option resulting in 1,098,661 shares being issued.

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

Forward-looking statements

This Quarterly Report, including any documents which may be incorporated by reference into this Report, contains "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including any projections of revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 and elsewhere in this report.

Introductory Comment

Our predecessor, Framewaves, Inc., a Nevada corporation, was incorporated in December 1985 as "Messidor Limited." In December 2000, Messidor Limited's shareholders approved a name change to "Framewaves, Inc." Framewaves, Inc. was a shell company (as that term is defined in Rule 12b-2 under the Securities Exchange Act of 1934) immediately prior to the September 2010 Reorganization (the "Reorganization") with no ongoing operations, and was focused on seeking a business opportunity. See further discussion of the Reorganization under the caption "The Reorganization" included under Item 1 ("Business"), Part I of our Annual Report on Form 10-K for the year ended December 31, 2012.

B6 Sigma, Inc., a Delaware corporation ("B6 Sigma"), was incorporated in February 2010. Two members of our current management team worked together at Technology Management Company, Inc., a New Mexico corporation ("TMC"), before leaving to form B6 Sigma. On September 13, 2010, Framewaves entered into a share exchange agreement with B6 Sigma and the shareholders of B6 Sigma pursuant to which Framewaves acquired all of the issued and outstanding shares of B6 Sigma. Following the closing of the transactions contemplated by the share exchange agreement, B6 Sigma became our wholly owned subsidiary.

On December 31, 2011, the Company completed its acquisition of Sumner & Lawrence Limited (dba Sumner Associates) ("Sumner") and La Mancha Company, New Mexico corporations incorporated in 1985 and 1982, respectively, under an Exchange Agreement and Plan of Reorganization dated as of December 10, 2011. La Mancha Company has since ceased all operations.

Throughout this Quarterly Report on Form 10-Q, unless otherwise indicated or the context otherwise requires, the term "B6 Sigma" refers to B6 Sigma, Inc., a Delaware corporation and the operating company acquired in connection with the Reorganization; the term "Sumner" refers to Sumner & Lawrence Limited (dba Sumner Associates), a New Mexico corporation; and the terms the "Company," "Sigma," "we," "us" and "our" refers to Sigma Labs, Inc. (f/k/a Framewaves, Inc.), together with B6 Sigma, Inc. and Sumner & Lawrence Limited, our wholly owned subsidiaries.

Overview of Business

B6 Sigma is a company that specializes in the development and commercialization of innovative manufacturing and materials technologies. Pursuant to an asset purchase agreement, B6 Sigma acquired certain assets from a division of TMC in exchange for the surrender of certain securities of TMC previously issued to the founders of B6 Sigma. The assets acquired include equipment, contracts, licenses and intellectual property relating to our "In Process Quality Assurance" or IPQA[®] technology. See further discussion of our IPQA[®] technology under the caption "Products and Services" included under Item 1 ("Business"), Part I of our Annual Report on Form 10-K for the year ended December 31, 2012.

We believe that our primary manufacturing quality control solutions technology, which we refer to as "IPQA," will redefine conventional manufacturing quality control practices primarily by embedding quality assurance protocols in real-time manufacturing processes, thereby reducing the need for and cost of post-manufacturing quality control processes. The most promising application of IPQA to new and emerging markets is for the monitoring and control of additive manufacturing, also known as 3D printing. This is particularly true for the 3D printing of metal components for parts in aerospace, automotive, defense, biomedical, and general industrial applications. Sigma Labs Inc. has developed a suite of applications known as PrintRite3D[®] to address this rapidly growing and emerging market. As we previously announced, in April 2013, we entered into a Joint Technology Development Agreement with GE Aviation, an operating component of General Electric Company, to advance and implement in-process inspection technologies for additive manufactured metal jet engine components. In addition to PrintRite3D, we have other related technologies under development to address other emergent needs of the 3D Printing metals market. PrintRite3D is described in more detail below.

Although 3D printing is a rapidly expanding and emerging market, there are significant barriers which are holding back its rapid growth of 3D printing for metals in particular. First, the quality of 3D printed metals still varies significantly from day-to-day, from machine-to-machine, and from part-to-part. Therefore, a way of assuring the quality of 3D printed metal parts is needed. Second, the geometry of 3D printed metal parts can deviate from the desired shape due to thermal distortion caused by the high temperatures required to melt and fuse metal powders in order to form a part. Thus, a way of measuring and assuring the geometry of 3D printed metal parts is needed. Third, the current speed of 3D metal printing is too slow and therefore 3D metal printing for industries like automotive may not be cost effective until a higher speed or higher productivity metal printing solution is developed. PrintRite3D addresses the quality and geometry of 3D printed metal parts by offering an in-process, real-time non-destructive inspection (NDI) of verifying part quality in real-time and part geometry in the near future. This helps to minimize the need for costly post-process inspections. We are exploring opportunities with potential partners to develop technologies to address the third barrier described above relating to the current speed of 3D metal printing.

We expect to generate revenues primarily by direct sales or licensing our technology solutions to businesses that seek to improve their manufacturing production processes and/or manipulate and improve the most functional characteristics of the materials and other input components used in their business operations. Our management anticipates that the Company's technology solutions will allow its clientele to combine advanced manufacturing quality control with innovative materials solutions to achieve breakthrough product potential in many industries including the following industries: aerospace, defense, oil and gas, biomedical prosthetic implants, sporting goods, and power generation. We are currently investigating and pursuing application of our PrintRite3D and other technologies in some of these markets, and we anticipate growth in both the breadth and depth of these offerings in the future.

Regarding our dental technology, we entered into an exclusive marketing agreement, effective May 24, 2013, with Manhattan Scientifics, Inc. Under the agreement, we have granted Manhattan Scientifics, Inc., a company that operates as a technology incubator that seeks to acquire, develop and commercialize life-enhancing technologies in various fields, with emphasis in the areas of nanotechnologies and nanomedicine, the exclusive right to seek to identify prospective licensees and strategic partners for the purpose of commercializing our dental technology, as further described under Item 5 (“Other Information”), Part II of this Quarterly Report.

With respect to our munitions technology, as described under Item 1 (“Business”), Part I of our Annual Report on Form 10-K for the year ended December 31, 2012, effective April 11, 2013, we entered into an exclusive license agreement with Allotrope Sciences Corporation (“Allotrope”), pursuant to which we granted Allotrope rights to market and sell Sigma Labs' ARMS™ and BAM™ technologies to U.S. and Foreign Government customers. Allotrope is obligated to pay specified license fees and royalties on sales relating to the licensed patents.

We anticipate that our primary business focus will continue to be in the (i) deployment and implementation of our PrintRite3D technologies to all appropriate manufacturing businesses, and (ii) development and commercialization of related IPQA breakthrough technologies and innovations in manufacturing and materials sciences. We will continue to expand our operations in this regard, including investigating additional opportunities for applications of our technology as well as undertaking further development efforts towards the commercialization of various technologies we have identified.

Our board of directors and management comprise scientists and business professionals with experience in the advanced manufacturing, advanced materials technology, and energy-related markets. These individuals have worked with some of the largest defense contractors in the world in varied projects such as advanced reactive munitions and nuclear weapons stewardship programs. These individuals collectively possess decades of experience working in the advanced manufacturing and materials technology space. As such, we believe we possess the resident expertise to provide consulting services to other companies regarding their advanced manufacturing needs, or to companies seeking to improve the design of their products by using alternative next-generation materials & processes or improving certain characteristics of the original input material, on a fee for services basis. Accordingly, in addition to our primary business focus, we intend to generate revenues by providing such consulting services to businesses seeking the same. Such consulting services may not necessarily involve deployment of our own technologies and may be limited to consulting with respect to the development, exploitation or improvement of the client's own technology.

Moreover, some members of our management team have worked at or with United States Department of Energy (“DOE”) national laboratories (including the Los Alamos National Laboratory (“LANL”) and Sandia National Laboratory (“SNL”)) over the last 30 years. Due to their work with the DOE, members of our management team have developed extensive relationships with the DOE and its network of national laboratories. Accordingly, we expect to leverage these relationships in connection with licensing and developing technologies created at such national laboratories for commercialization in the private sector.

Sumner, based in Santa Fe, New Mexico, provides consulting services to the public sector, especially with regard to emerging technologies and alternative applications of established technologies. Sumner holds ongoing contracts with government agencies and the appropriate levels of security clearance for those contracts. Sumner’s current clients include, but are not limited to, the State Department, the Department of Defense, the Department of Energy, various military services and affiliated agencies, the National Laboratories, and contractors to these organizations.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported assets, liabilities, sales and expenses in the accompanying financial statements. Critical accounting policies are those that require the most subjective and complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. Such critical accounting policies, including the assumptions and judgments underlying them, are disclosed in Note 1 to the Consolidated Financial Statements included in this Quarterly Report. However, we do not believe that there are any alternative methods of accounting for our operations that would have a material effect on our financial statements.

Results of Operations

We expect to generate revenues primarily by direct sales or licensing our technology solutions to businesses that seek to improve their manufacturing production processes and/or manipulate and improve the most functional characteristics of the materials and other input components used in their business operations. However, we presently make no sales of these technologies and generate no revenues therefrom, except for license fees payable to the Company under the exclusive license agreement with Allotrope. During the six months ended June 30, 2013, we recognized revenues of \$472,249, as compared to \$193,725 in revenues that we generated during the same period in 2012. The revenues we generated during the six months ended June 30, 2013 and 2012 were primarily generated from consulting services we provided to third parties during these periods. Due to the increase in revenue, our costs of service revenue for the six months ended June 30, 2013 were \$236,479, as compared to \$174,561 for the same period in 2012.

Our general and administrative expenses for the six months ended June 30, 2013 were \$282,349, as compared to \$327,589 for the same period in 2012. Our payroll expenses for the six months ended June 30, 2013 were \$155,826, as compared to \$201,499 for the same period in 2012. Our expenses relating to non-cash stock compensation for the six months ended June 30, 2013 were \$116,700, as compared to \$125,000 for the same period in 2012.

General and administrative expenses principally include organizational expenses and outside services fees, the largest component of which consists of services in connection with our obligations as an SEC reporting company, in addition to other legal and accounting fees. The net decrease in payroll expenses for the six months ended June 30, 2013 as compared to the same period in 2012 is principally the result of the reduction in hours worked by employees of Sigma Labs.

We expect our general and administrative expenses to increase for the remainder of 2013 as we continue to actively pursue our business plans and increase our operations and marketing. Similarly, we expect our payroll and non-cash compensation expenses to increase as we grow our business.

Our net loss for the six months ended June 30, 2013 decreased overall and totaled \$319,094, as compared to \$634,648 for the same period in 2012.

Liquidity and Capital Resources

As of June 30, 2013, we had \$463,733 in cash and had a working capital surplus of \$164,338, as compared with \$150,071 in cash and a working capital surplus of \$315,574 as of December 31, 2012. On July 18, 2013, we closed a private placement of our common stock, pursuant to which we received \$1,200,000 from the sale of 120,000,000 shares of restricted stock at \$0.01 per share.

We plan to generate revenues primarily by marketing and selling our manufacturing quality control and materials technologies. However, for the period from our inception through June 30, 2013, we generated revenues and financed our operations primarily from consulting services we provided during this period and through private sales of Sigma Labs common stock.

We expect that that our continued development of our “In Process Quality Assurance” or “IPQA technology will enable us to commercialize this technology during fiscal 2014. We will continue to refine that and our other technologies, including our dental implant biomedical prosthetics technology. However, until commercialization of our technologies, we plan to continue funding our development activities and operating expenses by providing consulting services concerning our areas of expertise, i.e., manufacturing quality control and materials technologies, and through the use of proceeds from sales of our securities.

As of August 14, 2013, B6 Sigma has 1 active consulting contract with respect to which we expect to perform and generate up to \$57,639 in revenues during the remainder of 2013 and Sumner has 4 active consulting contracts, which Sumner expects to perform and generate up to \$128,352 in revenues during the remainder of 2013.

Some of these consulting contracts are fixed price contracts, for which we will receive a specified fee regardless of our cost to perform under such contract. In connection with entering into these fixed-contract consulting arrangements, we are required to estimate our costs of performance. To actually earn a profit on these contracts, we must accurately estimate costs involved and assess the probability of meeting the specified objectives, realizing the expected units of work or completing individual transactions, within the contracted time period. Accordingly, if we under-estimate the cost to complete a contract, we remain obligated to complete the work based on our initial cost estimate, which would reduce the amount of profit actually earned under the contract.

We have no credit lines or facilities as of August 14, 2013, nor have we ever had a credit facility since our inception. We will continue to evaluate potential future sources of capital, as we do not currently have commitments from any third parties to provide us with additional capital.

Based on the funds we have as of August 14, 2013 and the revenues we expect to receive under our consulting agreements, we believe that we will have sufficient funds to pay our administrative and other operating expenses through 2014. Until we are able to generate significant revenues and royalties from sales or licensing of our technologies, our ability to continue to fund our liquidity and working capital needs will be dependent upon revenues from existing and future consulting contracts and proceeds received from sales of our securities.

Our general and administrative expenses are expected to increase as we seek to commercialize our IPQA[®]-related technologies, and we may have to incur additional marketing expenses to further bring exposure to our business plan. Despite our sale of \$1,200,000 of restricted common stock since June 30, 2013, we may have to obtain additional capital from the sale of additional securities or by borrowing funds from private lenders. There is no assurance that we will be successful in obtaining additional funding.

If we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail or cease our operations. No assurance can be given that we will be able to obtain sufficient capital to meet our requirements.

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

We have no off-balance sheet arrangements as defined in Item 303 of Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Our management, including our Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of our “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 (“Exchange Act”) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

Based on that evaluation, we have concluded that as of the end of the period covered by this quarterly report, our disclosure controls and procedures are effective at a reasonable assurance level in ensuring that information required to be disclosed by us in our reports is recorded, processed, summarized and reported within the required time periods. The foregoing conclusion is based, in part, on the fact that we are a small public company in the early stage of our business, with limited revenues and employees. Based upon our evaluation, we also concluded that there was no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 1A. RISK FACTORS.

Not applicable.

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

On May 10, 2013, we issued to a consultant 500,000 shares of our common stock for services to be rendered valued at \$12,400 or \$0.0248 per share. The foregoing shares were issued in reliance upon an exemption from the registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

Effective May 24, 2013, we entered into an exclusive marketing agreement with Manhattan Scientifics, Inc. ("Manhattan"), pursuant to which we granted Manhattan a five-year exclusive right to seek to identify prospective licensees and strategic partners for the purpose of commercializing our dental technology, and to negotiate licenses to such technology; provided that no license shall be executed until approved by us. We agreed under the agreement to divide any proceeds realized from any commercialization of our dental technology under the agreement, with 70% of such proceeds to us and 30% to Manhattan. The parties also must pay their own expenses. The agreement may be terminated by mutual agreement of the parties at any time or by us, at any time, after two-years following the effective date of the agreement as provided in the agreement.

ITEM 6. EXHIBITS

- | | |
|------|---|
| 10.1 | License agreement dated April 11, 2013 between Sigma Labs, Inc. and Allotrope Sciences Corp.(1) |
| 10.2 | Consulting Agreement, effective May 10, 2013 between Sigma Labs, Inc. and Patagonia Global Trading, LLC.(2) |
| 10.3 | Form of Sigma Labs, Inc. Subscription Agreement.* |
| 10.4 | Exclusive Marketing Agreement, effective as of May 24, 2013, between Manhattan Scientifics, Inc. and Sigma Labs, Inc.* |
| 31.1 | Rule 13a-14(a) Certification of Principal Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |

31.2	Rule 13a-14(a) Certification of Principal Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
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

- (1) Previously filed as an Exhibit to the Company's Form 10-K on April 16, 2013 (033-02783-S) and incorporated herein by reference.
(2) Previously filed as an Exhibit to the Company's Form 10-Q on May 15, 2013 (033-02783-S) and incorporated herein by reference.
* Filed herewith.

SIGMA LABS, INC.

SUBSCRIPTION INSTRUCTIONS

Sigma Labs, Inc., a Nevada corporation (the “**Company**”) is offering and selling shares of its common stock to investors who qualify as “accredited investors,” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”), and who meet the other suitability standards stated herein.

If you wish to subscribe to purchase shares of common stock of the Company, you must complete, sign separately and deliver to Wells Fargo Bank, as escrow agent for the offering (the “**escrow agent**”), the attached Subscription Agreement and Confidential Purchaser Questionnaire attached to the Subscription Agreement, along with a check or wire transfer as described in the Company's Private Offering Memorandum, dated June 17, 2013 (the “**Memorandum**”) and below.

Payment by wire transfer should be sent referencing the subscriber's name to:

Bank Name: Wells Fargo Bank (Santa Fe Business Banking)
Address: 241 Washington Ave.
Santa Fe, NM 87501
ABA Number: 121000248
Account Name: Wells Fargo Bank as Escrow Agent for Sigma Labs, Inc.
Account Number: 5054326862
Reference: *[Insert Subscriber's Name Exactly as it Appears on Signature Page]*

The Subscription Agreement provides that the Company may accept or reject your subscription, in whole or in part. If the Company rejects your subscription, the rejected subscription funds will be returned promptly, without deduction or interest. Questions regarding these instructions should be directed to Mark Cola at 505-438-2576 or cola@b6sigma.com.

SIGMA LABS, INC.

SUBSCRIPTION AGREEMENT AND CONFIDENTIAL
PURCHASER QUESTIONNAIRE

Sigma Labs, Inc.
c/o Wells Fargo Bank
Santa Fe Business Banking
241 Washington Ave.
Santa Fe, NM 87501

Ladies and Gentlemen:

The undersigned subscriber (hereinafter, the "**Purchaser**") acknowledges that he has received and carefully read the Private Offering Memorandum, dated June 17, 2013 (the "**Memorandum**"), including the "Risk Factors" section of the Memorandum, which describes certain of the risks associated with an investment in Sigma Labs, Inc., a Nevada corporation (the "**Company**"). The Company is offering pursuant to the Memorandum to sell and issue up to 85,000,000 shares of the Company's common stock, \$0.001 par value per share (the "**Shares**").

Subscription. Subject to the terms and conditions of this subscription agreement (this "**Subscription Agreement**"), the Purchaser hereby irrevocably subscribes for and agrees to purchase from the Company the number of the Shares indicated on the signature page hereof at a price of \$0.01 per share. The Purchaser hereby tenders this Subscription Agreement, together with a check or wire transfer to the escrow agent for the total subscription amount indicated on the signature page hereof.

The Purchaser agrees that this subscription shall be irrevocable and shall survive the death or disability of the Purchaser.

1. *Acceptance of Subscription.* The Purchaser acknowledges that the Company has the right to accept or reject this subscription, in whole or in part, for any reason, and that this subscription shall be deemed to be accepted by the Company only when it is signed on its behalf. The Subscription Agreement either will be accepted or rejected, or accepted in part and rejected in part, as promptly as practical after receipt. The Purchaser agrees that subscriptions need not be accepted in the order they are received by the Company. Upon rejection of this Subscription Agreement for any reason, all items received with this Subscription Agreement shall be returned to the Purchaser without deduction for any fee, commission or expense, and without interest with respect to any money received, and this Subscription Agreement shall be deemed to be null and void and of no further force or effect. The Purchaser understands and agrees that the acceptance of this subscription, or a part of this subscription, will in no way constitute a determination that an investment in the Company is a suitable investment for the Purchaser.

2. *Representations, Warranties and Covenants of the Purchaser.* The Purchaser hereby represents and warrants to and covenants with the Company as follows:

(a) Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D ("**Regulation D**") promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), and that the information contained in the Confidential Purchaser Questionnaire (the "**Questionnaire**") attached hereto is complete, accurate and true in all respects. Pursuant to this Section 2, the Purchaser agrees that the foregoing representation may be used as a defense in any actions relating to the Company or the offering of the Shares, and that it is only on the basis of such representations and warranties that the Company may be willing to accept the Purchaser's subscription for the Shares as an "accredited investor";

(b) The Purchaser has examined the Memorandum and has relied solely upon the investigations made by or on behalf of the Purchaser in evaluating the suitability of an investment in the Company and recognizes that an investment in the Shares involves a high degree of risk, and that the Company will need to raise additional capital in order to operate and fund its proposed operations;

(c) The Purchaser has been advised that there is a limited trading market for the Shares, and there is no assurance that an active public market for the Shares will develop in the foreseeable future, if ever; and it may not be possible to readily liquidate the Purchaser's investment in the Company;

(d) The Purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her or its net worth; his, her or its investment in the Shares will not cause such overall commitment to become excessive; and he, she or it can afford to bear the loss of his, her or its entire investment in the Shares;

(e) The Purchaser has adequate means of providing for his, her or its current needs and personal contingencies and has no need for liquidity in his, her or its investment in the Shares;

(f) The Purchaser has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Company, or the Purchaser has employed the services of an independent investment advisor, attorney or accountant to read all of the documents furnished or made available by the Company to him and to evaluate the merits and risks of such an investment on the Purchaser's behalf;

(g) The Purchaser satisfies any special suitability or other applicable requirements of his state of residence and/or the state in which the transaction by which the Common Stock is purchased occurs;

(h) The Purchaser hereby acknowledges that the Purchaser has been advised that this offering has not been registered with, or reviewed by, the Securities and Exchange Commission (the "SEC") because this offering is intended to be a non-public offering pursuant to Section 4(2) of the Securities Act and Regulation D. The Purchaser represents that the Purchaser's Shares are being purchased for the Purchaser's own account, for investment purposes only and not with a view towards distribution or resale to others. The Purchaser agrees that the Purchaser will not attempt to sell, transfer, assign, pledge or otherwise dispose of all or any portion of the Shares unless they are registered under the Securities Act or unless in the opinion of counsel satisfactory to the Company an exemption from such registration is available. The Purchaser understands that the Shares have not been registered under the Securities Act by reason of a claimed exemption under the provisions of the Securities Act, which depends, in part, upon the Purchasers' investment intention;

(i) The execution, delivery and performance by the Purchaser of the Subscription Agreement are within the powers of the Purchaser, have been duly authorized and will not constitute or result in a breach or default under, or conflict with, any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which the Purchaser is a party or by which the Purchaser is bound; and, if the Purchaser is not an individual, will not violate any provision of the charter documents, by-laws, indenture of trust, partnership agreement or similar documents, as applicable, of the Purchaser. The signatures on the Subscription Agreement are genuine; and the Purchaser has legal competence and capacity to execute the same; and this Subscription Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms; and

(j) The Purchaser acknowledges that the Shares have not been recommended by any Federal or state securities commission or regulatory authority. In making an investment decision, investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act, and the applicable state securities laws, pursuant to registration or exemption therefrom.

The foregoing representations and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of delivery of this Subscription Agreement and accompanying documents to the Company and shall survive the delivery of the Shares. If, in any respect, those representations and warranties shall not be true and accurate prior to acceptance or rejection of this subscription by the Company pursuant to paragraph 2, the undersigned shall immediately give written notice to the Company specifying which representations and warranties are not true and accurate and the reason therefor. The Purchaser agrees that the foregoing representations and warranties may be used as a defense in any actions relating to the Company or the offering of the Shares, and that it is only on the basis of such representations and warranties that the Company may be willing to accept the Purchaser's subscription for the Shares.

3. *Indemnification.* The Purchaser acknowledges that he, she or it understands the meaning and legal consequences of the representations, warranties and covenants in paragraph 2 hereof, and that the Company has relied upon such representations, warranties and covenants, as applicable, and he, she or it hereby agrees to indemnify and hold harmless the Company and any of its officers, directors, controlling persons, agents and employees, who is or may be a party or is or may be threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of or arising from any actual or alleged misrepresentation or misstatement of facts or omission to represent or state facts made or alleged to have been made by the undersigned to the Company (or any agent or representative of the Company), or omitted or alleged to have been omitted by the undersigned, concerning the undersigned or the undersigned's authority to invest or financial position in connection with the offering or sale of the Shares, including, without limitation, any such misrepresentation, misstatement or omission contained in the Questionnaire submitted by the Purchaser, against losses, damages, liabilities or expenses for which the Company or any officer, director or controlling person of the Company has not otherwise been reimbursed (including reasonable attorney's fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by the Company or such officer, director or controlling person in connection with such action, suit or proceeding. Notwithstanding the foregoing, however, no representation, warranty, covenant, acknowledgment or agreement made herein by the Purchaser shall in any manner be deemed to constitute a waiver of any rights granted to the Purchaser under U.S. Federal or state securities laws. All representations, warranties and covenants contained in this Subscription Agreement and the indemnification contained in this paragraph 3 shall survive the acceptance of this Subscription Agreement and the delivery of the Shares.

4. *Restrictions on Transfer.* The Purchaser understands and agrees that the Shares purchased pursuant to this subscription are being offered pursuant to Section 4(2) of the Securities Act and Regulation D thereunder and any interests therein may not be offered, sold, transferred, pledged or otherwise disposed of except pursuant to (i) an effective registration statement under the Securities Act and any applicable state securities laws or (ii) an exemption from registration under such act and such laws which, in the opinion of counsel for the holder of such Shares, which counsel and opinion are reasonably satisfactory to counsel for the Company, is available. In this connection, the Purchaser represents that the Purchaser is familiar with Rule 144 promulgated under the Securities Act. The Purchaser also understands and agrees that the following legend or a substantially similar legend shall appear on all certificates representing the Shares and that the Company may give appropriate instructions to the transfer agent for the Shares to enforce such restrictions:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS. THESE SHARES HAVE NOT BEEN ACQUIRED WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SHARES UNDER THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933 OR UNDER APPLICABLE STATE SECURITIES LAWS."

5. *Purchaser Information.* The Purchaser has furnished a completed and executed Questionnaire as part of the Subscription Agreement, the information in which is true and correct in all respects and which is hereby incorporated by reference herein.

6. *Standstill.* Unless approved in advance in writing by the Company's board of directors, the Purchaser agrees that neither the Purchaser nor any of the Purchaser's representatives acting on behalf of or in concert with the Purchaser or the Purchaser's affiliates will, for a period of two years after the date of this Agreement, directly or indirectly:

(a) make any statement or proposal to the Company's board of directors or the Company, any of the Company's representatives or any of the Company's other stockholders regarding, or make any public announcement, proposal or offer (including any "solicitation" or "proxies" as such terms are defined or used in Regulation 14A of the Securities Exchange Act of 1934, as amended) with respect to, or otherwise solicit, seek or offer to effect (including, for the avoidance of doubt, indirectly by means of communication with the press or media) (i) any business combination, merger, tender offer, exchange offer or similar transaction involving the Company's or any of the Company's subsidiaries, (ii) any restructuring, recapitalization, liquidation or similar transaction involving the Company's or any of the Company's subsidiaries, (iii) any proposal to seek representation on the Company's board or otherwise seek to control or influence the management, board of directors or policies of the Company, (iv) any request or proposal to waive, terminate or amend the provisions of this Section 6 or (v) any proposal, arrangement or other statement that is inconsistent with the terms of this Section 6;

(b) instigate, encourage or assist any third party (including forming a "group" with any such third party) to do, or enter into any discussions or agreements with any third party with respect to, any of the actions set forth in clause (a), above; or

(c) take any action which would reasonably be expected to require the Company or any of the Company's affiliates to make a public announcement regarding any of the actions set forth in clause (a), above.

7. *Entire Agreement.* This Subscription Agreement (including all exhibits hereto) contains the entire agreement of the parties with respect to the subject matter of this Agreement and there are no representations, covenants or other agreements except as stated or referred to herein or as are embodied in the Subscription Agreement.

8. *Assignability.* This Subscription Agreement is not transferable or assignable by the undersigned or any successor thereto.

9. *Applicable Law.* This Subscription Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without reference to the principles thereof relating to conflicts of law.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement as of the ____ day of _____, 2013.

Number of Shares to be purchased: _____.

Amount Subscribed for: \$ _____ (no. of shares, times \$0.01 per share).

If individuals, please indicate form of ownership below:

- | | |
|--|---|
| _____ Individual ownership
(One signature required below) | _____ As community property
(Both spouses must sign below) |
| _____ Joint tenants with right of survivorship (All tenants must
sign below) | _____ Tenants in common
(All tenants must sign below) |
| _____ In the name of the trust specified below (A trustee with
authority to bind the trust must sign below) | |

Address for notice:

Print name of individual(s) or entity that is subscribing

Signature:

Signature

Title (if fiduciary, etc.)

_____ (Please initial)

By signing above and initialing to the left, the subscriber represents and warrants to the Company that they have independently identified and evaluated the risks and uncertainties involved in an investment in the Shares, including those set forth in the "Risk Factors" section of the Memorandum.

Accepted as of this ____ day of _____, 2013

SIGMA LABS, INC.

By: _____
Mark Cola, President and Chief Executive Officer

SIGMA LABS, INC.

CONFIDENTIAL PURCHASER QUESTIONNAIRE

Name(s) of Purchaser(s):

(1) _____

(2) _____

1. *Background Information.*

- a. Home Address: _____

- b. Home Telephone: _____
- c. Social Security #(s): _____
- d. Bus. Address: _____
- e. Bus. Telephone: _____
- f. E-Mail Address: _____
- g. Send Mail to: _____ Home _____ Office _____ E-Mail

2. *Type of Ownership.*

Indicate type of ownership subscribed for (if other than for a single individual):

_____ (i.e., Corporation, Partnership, Limited Liability Company, Trust, Joint Tenants with Rights of Survivorship, Tenants in Common, Tenants by the Entirety)

3. *Purchaser Suitability.* The exemption from registration under the Securities Act pursuant to Regulation D promulgated thereunder permits sales by the issuer to "accredited investors." Listed below are the categories of "accredited investors." The undersigned meets one or more of the following "accredited" categories as indicated in the space provided below (check any and all appropriate categories):

- _____ (A) A natural person whose individual net worth, individually or together with his or her spouse, exceeds \$1,000,000. For purposes of this Questionnaire, your "net worth" is equal to the excess of your total assets at fair market value over your total liabilities, excluding from this calculation the fair value of your primary residence and the amount of any indebtedness secured by your primary residence (up to the fair value of the residence). The amount of any indebtedness secured by your primary residence in excess of the fair value of the residence must be included in total liabilities.

- _____ (B) A natural person who had individual income (not including any amounts attributable to my spouse or to property owned by my spouse) exceeding \$200,000 in each of the last two calendar years and I have a reasonable expectation of reaching the same income level in the current calendar year. For purposes of this Questionnaire, "income" means adjusted gross income, as reported for Federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount of any tax-exempt interest income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), received, (ii) the amount of losses claimed as a limited partner in a limited partnership as reported on Schedule E of Form 1040 and (iii) any deduction claimed for depletion under Section 611 et. seq. of the Code.
- _____ (C) Any executive officer or director of the Company.
- _____ (D) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; an insurance company as defined in Section 2(18) of the Act; an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 801(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Securities Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.
- _____ (E) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- _____ (F) A corporation, partnership, tax-exempt organization (IRS Section 501(c)(3) exemption) or Massachusetts or similar business trust not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
- _____ (G) An entity in which all equity owners are accredited investors.
- _____ (H) A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who, if not an accredited investor, either alone or with a purchaser representative, has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.

4. *Reliance by the Company.*

I understand that the Company will be relying on the accuracy and completeness of my responses to the foregoing questions and I represent, warrant and covenant to the Company as follows:

- (i) The answers to the above questions are complete and correct and may be relied upon by the Company in determining whether the Offering in connection with which I have executed this Questionnaire is exempt from registration under the Securities Act;
- (ii) I will notify the Company immediately of any material change in any statement made herein or any event resulting in the omission of any statement required to be made herein that occurs prior to the acceptance of my subscription; and
- (iii) I understand that an investment in the Shares involves a high degree of risk.

Dated: _____, 2013.

(Signature of Purchaser)

(Name Type or Printed)

(Signature of Co-Purchaser)

(Name Typed or Printed)

(Title Typed or Printed)

Exclusive Marketing Agreement

This Exclusive Marketing Agreement (“**EMA**”) is by and between Manhattan Scientifics, Inc. (“**MSI**”), and Sigma Labs, Inc. (“**Sigma**”), and is effective as of May 24, 2013 (the “**Effective Date**”).

MSI has rights to technology related to nanostructured metals (“**MSI Technology**”), and has licensed that technology to Carpenter Technologies, Inc. The technology offers benefits in various fields, including in the field of metal implants for medical applications such as dental implants.

Sigma has rights to technology related to surface conditioning and cleaning of metals (“**Sigma Technology**”). The technology offers benefits in various fields, including in the field of metal implants for medical applications such as dental implants.

The MSI Technology and the Sigma Technology can provide similar benefits in some applications, even though the method of action is different. MSI and Sigma desire to cooperate in marketing the technologies such that the technologies cooperate instead of competing.

Sigma desires to engage MSI to market the Sigma Technology to prospective licensees and strategic partners. Sigma hereby grants to MSI the exclusive right to market the Sigma Technology, and to negotiate licenses to the Sigma Technology. No such license shall be executed until approved by Sigma, which approval shall not be unreasonably withheld or denied.

MSI shall keep Sigma reasonably informed of MSI’s efforts to market the Sigma Technology. Sigma shall make available Sigma personnel, including Vivek Dave, to present the Sigma Technology to prospective licensees and strategic partners. MSI shall make Marvin Maslow and Manny Tsoupanarias available in furtherance of the marketing of the Sigma Technology. MSI and Sigma understand that Gerald Grafe may be engaged directly by Sigma to support the marketing of the Sigma Technology.

Each party shall pay its own expenses under this EMA, including compensation of its own personnel. Sigma shall pay reasonable expenses necessary for Sigma’s performance under this EMA, including as an example travel expenses, provided that such expenses have Sigma’s prior approval.

The parties shall divide any proceeds realized from any exploitation of the Sigma Technology under this EMA, with 70% to Sigma and 30% to MSI. As examples, if the Sigma Technology is licensed under a royalty-bearing license, then each royalty payment received shall be apportioned 30% to MSI and 70% to Sigma. Any expenses required by the governing documents to be borne by the licensor (e.g., patent maintenance fees, technical support services) shall be paid by Sigma, and Sigma shall be reimbursed for such expenses prior to the apportionment of proceeds.

MSI’s exclusive right to market the Sigma Technology shall continue for 5 years after the Effective Date. The apportionment of revenue for any transactions entered under this EMA shall continue for so long as revenue is received or receivable. The parties can terminate this EMA by mutual agreement, in writing, at any time. Sigma may terminate this EMA any time after 2 years after the Effective Date if in Sigma’s reasonable judgment, MSI has not made good faith efforts to market the Sigma Technology.

MSI acknowledges that Mr. Maslow and Mr. Grafe may own, and may later acquire or be awarded, equity interests in Sigma; and that Mr. Grafe's law firm is separately engaged to provide counsel on other matters to Sigma; and consents to such ownership, acquisition, and engagement.

Sigma acknowledges the affiliations of Mr. Grafe and Mr. Maslow with MSI are not in conflict with any duties owed to Sigma by Mr. Grafe or Mr. Maslow.

IN WITNESS WHEREOF, MSI and Sigma executed and delivered this EMA by their duly authorized representatives as of the Effective Date.

Manhattan Scientifics, Inc.

Sigma Labs, Inc.

/s/ Manny Tsoupanarias June 5, 2013

/s/ Mark Cola

Manny Tsoupanarias, CEO

Mark Cola, CEO

Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.

I, Mark Cola, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sigma Labs, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control 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; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2013

By: /s/ Mark Cola
Name: Mark Cola
Title: President and Chief Executive Officer
(Principal Executive Officer)

Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.

I, Monica Yaple, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sigma Labs, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control 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; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2013

By: /s/ Monica Yaple

Name: Monica Yaple

Title: Treasurer (Principal Financial Officer)

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sigma Labs, Inc. (the “Company”) hereby certifies that, to his knowledge:

- (i) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2013 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2013

By: /s/ Mark Cola
Name: Mark Cola
Title: President and Chief Executive Officer (Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sigma Labs, Inc. (the "Company") hereby certifies that, to her knowledge:

- (i) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2013

By: /s/ Monica Yaple
Name: Monica Yaple
Title: Treasurer (Principal Financial Officer)
