

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 September 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

(State or other jurisdiction of incorporation or organization)

82-0404220

(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 November 8, 2013, the issuer had 59,266,061 shares of common stock issued and 556,516,061 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

**SSIGMA LABS, INC.**

**For the quarter ended September 30, 2013**

**FORM 10-Q**

**TABLE OF CONTENTS**

<b>PART I</b>	<b>2</b>
ITEM 1. FINANCIAL STATEMENTS.	2
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.	13
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.	18
ITEM 4. CONTROLS AND PROCEDURES.	18
<b>PART II</b>	<b>19</b>
ITEM 1. LEGAL PROCEEDINGS.	19
ITEM 1A. RISK FACTORS.	19
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.	19
ITEM 3. DEFAULTS UPON SENIOR SECURITIES.	19
ITEM 4. MINE SAFETY DISCLOSURES.	19
ITEM 5. OTHER INFORMATION	19
ITEM 6. EXHIBITS	19

## PART I

## ITEM 1. FINANCIAL STATEMENTS.

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

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 1,217,298	\$ 150,071
Accounts Receivable, net	198,825	273,282
Prepaid Assets	12,393	26,163
<b>Total Current Assets</b>	<b>1,428,516</b>	<b>449,516</b>
<b>Other Assets</b>		
Furniture and Equipment, net	9,601	10,393
Intangible Assets, net	165,540	231,803
<b>Total Other Assets</b>	<b>175,141</b>	<b>242,196</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,603,657</b>	<b>\$ 691,712</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 101,527	\$ 106,595
Accrued Expenses	35,869	27,347
Other Current Liabilities	400	-
<b>Total Current Liabilities</b>	<b>137,796</b>	<b>133,942</b>
<b>TOTAL LIABILITIES</b>	137,796	133,942
<b>Stockholders' Equity</b>		
<b>Preferred Stock, \$0.001 par; 10,000,000 shares authorized;</b> None issued and outstanding	-	-
<b>Common Stock, \$0.001 par; 750,000,000 shares authorized;</b> 559,266,061 issued and 556,516,061 outstanding at September 30, 2013 and 429,167,400 issued and 425,167,400 outstanding at December 31, 2012	559,266	429,167
<b>Additional Paid-In Capital</b>	3,488,057	2,226,244
<b>Less Deferred Compensation</b> 2,750,000 and 4,000,000 common shares, respectively	(59,300)	(80,000)
<b>Retained Earnings (Deficit)</b>	(2,522,162)	(2,017,641)
<b>Total Stockholders' Equity</b>	<b>1,465,861</b>	<b>557,770</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,603,657</b>	<b>\$ 691,712</b>

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 Nine Months Ended September 30, 2013 and 2012

	Three Months Ended		Nine Months Ended	
	09-30-2013	09-30-2012	09-30-2013	09-30-2012
<b>INCOME</b>				
Services	\$ 280,831	\$ 456,369	\$ 753,080	\$ 650,094
<b>Total Revenue</b>	<b>280,831</b>	<b>456,369</b>	<b>753,080</b>	<b>650,094</b>
<b>COST OF SERVICE REVENUE</b>				
	159,367	265,946	395,846	440,507
<b>GROSS PROFIT</b>	<b>121,464</b>	<b>190,423</b>	<b>357,234</b>	<b>209,587</b>
<b>EXPENSES</b>				
General & Administration	181,562	142,921	463,911	470,509
Payroll Expense	29,137	62,712	184,963	264,212
Non-cash Stock Compensation	96,500	-	213,200	125,000
<b>Total Expenses</b>	<b>307,199</b>	<b>205,633</b>	<b>862,074</b>	<b>859,721</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest Income	308	103	319	493
Interest Expense	-	-	-	(114)
<b>Total Other Income (Expense)</b>	<b>308</b>	<b>103</b>	<b>319</b>	<b>379</b>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>(185,427)</b>	<b>(15,107)</b>	<b>(504,521)</b>	<b>(649,755)</b>
Current Income Tax Expense	-	-	-	-
Deferred Income Tax Expense	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ (185,427)</b>	<b>\$ (15,107)</b>	<b>\$ (504,521)</b>	<b>\$ (649,755)</b>
<b>Loss per Common Share - Basic and Diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Shares</b>				
<b>Outstanding - Basic and Diluted</b>	<b>533,549,034</b>	<b>423,667,400</b>	<b>466,440,698</b>	<b>419,411,013</b>

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

**Sigma Labs, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**Nine Months Ended September 30, 2013 and 2012**

	Nine Months Ended 09-30-2013	Nine Months Ended 09-30-2012
<b>OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ (504,521)	\$ (649,755)
<b>Adjustments to reconcile Net Income (Loss) to Net Cash provided (used) by operations:</b>		
<b>Noncash Expenses:</b>		
Amortization	66,263	66,260
Depreciation	9,151	16,369
Stock Compensation	213,200	125,000
<b>Change in assets and liabilities:</b>		
Decrease in Accounts Receivable	74,457	94,578
Decrease in Prepaid Assets	13,770	15,739
Increase (Decrease) in Accounts Payable	(5,068)	101
Increase (Decrease) In Accrued Expenses	8,922	4,478
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(123,826)</b>	<b>(327,230)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of Furniture and Equipment	(8,359)	-
Purchase of Intangible Assets	-	-
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<b>(8,359)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Net Proceeds from Sale of Stock Subscription	1,171,099	-
Contributions	28,313	342
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,199,412</b>	<b>342</b>
<b>NET CASH INCREASE (DECREASE) FOR PERIOD</b>	<b>1,067,227</b>	<b>(326,888)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>150,071</b>	<b>653,113</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 1,217,298</b>	<b>\$ 326,225</b>
<b>Supplemental Disclosure for Cash Flow Information</b>		
Cash paid during the period for:		
Interest	\$ -	\$ 114
Income Taxes	\$ -	\$ -
<b>Supplemental Schedule of Noncash Investing and Financing Activities:</b>		
For the nine months ended September 30, 2013		
5,098,661 shares issued through a cashless exercise of warrants previously issued during 2011		
1,000,000 shares issued relating to the Company's Equity Incentive Plan at \$0.065 per share.		
500,000 shares issued for consulting services at \$0.063 per share.		
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 \$35,000		
For the nine months ended September 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 \$140,000, 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**  
**September 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 Company has since ceased all operations and has dissolved.

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 September 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 September 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 September 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 September 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 nine months ended September 30, 2013, the Company recognized no interest and penalties. The Company had no accruals for interest and penalties at September 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 September 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 nine months ended September 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 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 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 had an exercise price of \$0.025 per share and are valued at \$158,625. During July 2013, such warrants were exercised using the cashless exercise option resulting in 5,098,661 shares being issued.

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 ended June 30, 2013 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 September 30, 2013.

On July 18, 2013, the Company completed a private placement of 120,000,000 shares of common stock, resulting in aggregate gross proceeds of \$1,200,000. Offering costs were approximately \$28,901.

During July 2013, warrants previously issued during 2011 in connection with a private placement were exercised using the cashless exercise option resulting in 5,098,661 shares being issued.

On August 12, 2013, the Company issued 500,000 shares of the Company's common stock to a consultant as noncash compensation for services rendered valued at \$1,500 or \$0.063 per share.

On August 26, 2013, the Company issued 1,000,000 shares of the Company's common stock to a director pursuant to the Company's 2011 Equity Incentive Plan valued at \$65,000 or \$0.065 per share.

The Company has authorized 750,000,000 shares of common stock, \$0.001 par value. At September 30, 2013, there were 559,266,061 shares issued and 556,516,061 shares outstanding, reflecting 2,750,000 issued but unvested shares pursuant to the Company's 2011 Equity Incentive 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 Company's 2011 Equity Incentive 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 September 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 nine months ended September 30, 2013, 500,000 shares of unvested common stock valued at \$10,000 (previously included in deferred compensation) were cancelled or forfeited.

During the nine months ended September 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 nine months ended September 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 September 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 September 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 September 30, 2013 and 2012:

	3 Months Ending		9 Months Ending	
	09-30-13	09-30-12	09-30-13	09-30-12
Loss from continuing Operations available to Common stockholders (numerator)	\$ (185,427)	\$ (15,107)	\$ (504,521)	\$ (649,755)
Weighted average number of common shares Outstanding used in loss per share during the Period (denominator)	533,549,034	423,667,400	466,440,698	419,411,013

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 conjunction with the October 31, 2013 appointment of Tom O'Mara as a member of the Company's Board of Directors, the Board of Directors granted to Mr. O'Mara under our 2011 Equity Incentive Plan a stock option to purchase up to 500,000 shares of our common stock at an exercise price equal to \$0.156 per share, which was the closing market price of our common stock on October 31, 2013 (i.e., the date of grant). The stock option vested immediately upon grant as to 300,000 shares, and will vest and become exercisable in two equal installments of 100,000 shares each on the second and third six month anniversary of the date of grant, provided, in each case, that Mr. O'Mara remains a director through such vesting date. The option has a five-year term and will be on such other terms set forth in our standard form of stock option agreement for our non-employee directors.

## 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. One member of our current management team worked 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 and has been dissolved.

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., 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, in advanced 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 and continues to develop 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 strategic 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 our 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.

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 and Board of Directors 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 and Board of Directors 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, and sales of two of our PrintRite3D<sup>®</sup> systems to a leading aerospace company for use for test and evaluation purposes with respect to 3D metal printing. During the three months and nine months ended September 30, 2013, we recognized revenues of \$280,831 and \$753,080, respectively, as compared to \$456,369 and \$650,094, respectively, in revenues that we generated during the same periods in 2012. The revenues we generated during the three months and nine months ended September 30, 2013 and 2012 were primarily generated from consulting services we provided to third parties during these periods. Our costs of service revenue for the three months and nine months ended September 30, 2013 were \$159,367 and \$395,846, respectively, as compared to \$265,946 and \$440,507, respectively, for the same periods in 2012.

Our general and administrative expenses for the three and nine months ended September 30, 2013 were \$181,562 and \$463,911, respectively, as compared to \$142,921 and \$470,509, respectively, for the same periods in 2012. Our payroll expenses for the three and nine months ended September 30, 2013 were \$29,137 and \$184,963, respectively, as compared to \$62,712 and \$264,212, respectively, for the same periods in 2012. Our expenses relating to non-cash stock compensation for the three and nine months ended September 30, 2013 were \$96,500 and \$213,200, respectively, as compared to \$0 and \$125,000, respectively for the same periods in 2012.

General and administrative expenses principally include operating 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 three and nine months ended September 30, 2013 as compared to the same periods 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 and in 2014 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 three and nine months ended September 30, 2013 decreased overall and totaled \$185,427 and \$504,521, respectively, as compared to \$15,107 and \$649,755, respectively, for the same periods in 2012.

### **Liquidity and Capital Resources**

As of September 30, 2013, we had \$1,217,298 in cash and had a working capital surplus of \$1,290,720, 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.

We plan to generate revenues primarily by marketing and selling our advanced manufacturing quality control and materials technologies. However, for the period from our inception through September 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 our continued development of our “In Process Quality Assurance™” or IPQA® technology will enable us to commercialize this technology during fiscal 2014. 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 November 14, 2013, B6 Sigma has 3 active consulting contract with respect to which we expect to perform and generate up to \$238,238 in revenues during the remainder of 2013, and Sumner has 2 active consulting contracts, which Sumner expects to perform and generate up to \$50,000 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 November 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 November 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 during July, 2013, we anticipate having to obtain additional capital from the sale of additional securities or by borrowing funds from private lenders to fulfill our business plans. 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 August 12, 2013, we issued to a consultant 500,000 shares of our common stock for services to be rendered valued at \$31,500 or \$0.063 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 August 31, 2013, Vivek Dave, Ph.D., resigned as Executive Vice President and as a director of the Company. Dr. Dave's resignation was not the result of a disagreement with the Company on any matter relating to the Company's operations, policies or practices. Concurrently with Dr. Dave's resignation, Dr. Dave was appointed as the Company's Chief Scientist and a member, together with Damon Giovanielli, a director of the Company, of the Company's Technical Advisory Board, which was recently established to advise and consult with the Board of Directors and management of Sigma Labs with respect to technical and engineering matters relating to the Company's operations.

Effective June 1, 2013, we entered into an amendment to our consulting agreement with Monica Yaple, the Company's Chief Financial Officer/Treasurer, to extend the expiration date of the consulting agreement to May 31, 2014 and to increase our maximum financial obligation to Ms. Yaple during the term of the agreement from \$108,675 to \$177,184.

### ITEM 6. EXHIBITS

- |      |   |
|------|---|
| 10.1 | Form of Subscription Agreement between participants in July 2013 private placement and Sigma Labs, Inc.(1)                          |
| 10.2 | Amendment to Consulting Agreement, effective June 1, 2013, between Sigma Labs, Inc. and Monica Yaple.* **                           |
| 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-Q filed on August 14, 2013 (033-02783-S) and incorporated herein by reference.

\* Filed herewith.

\*\* Indicates a management contract or compensatory plan or arrangement.

**SIGNATURES**

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

SIGMA LABS, INC.

November 14, 2013

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

November 14, 2013

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

**PERSONAL SERVICES CONSULTING AGREEMENT**

PSCA.2012.011.MYA

01 June 2012

**Modification 001**

01 June 2013

This Personal Services Consulting Agreement is modified effective 01 June 2013 to 1) extend the period of performance; and 2) increase the maximum obligation.

3. PERIOD OF PERFORMANCE  
01 June 2012 through 31 May 2014

4. COSTS, FUNDING, AND MAXIMUM OBLIGATION  
c. Maximum Obligation

The Buyer's maximum obligation for payment during the term of this Agreement shall not exceed \$177,184.00 inclusive of any authorized costs incurred by the Consultant. It is understood that there is no guarantee of any minimum obligation under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this modification on the date shown below:

**Sigma Labs, Inc.**

**Monica Yaple**

By /s/ Mark J. Cola  
Name Mark J. Cola  
Title President  
Date 7-11-2013  
Voice (505) 438-2576  
Email cola@b6sigma.com

By /s/ Monica Yaple  
Name Monica Yaple  
Title CPA  
Date 7-15-2013  
Voice 505-350-2607  
Email \_\_\_\_\_  
Tax ID \_\_\_\_\_

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**PERSONAL SERVICES CONSULTING AGREEMENT**

PSCA.2012.011.MYA  
01 June 2012

**TASK ORDER 0001**  
01 June 2012

**Modification 001**  
01 June 2013

This Task Order is modified effective 01 June 2013 to 1) modify the statement of work; 2) extend the period of performance; 3) increase the task order funding.

A.1 STATEMENT OF WORK  
Delete "B6 Sigma liaison with DCAA".

A.2 PERIOD OF PERFORMANCE  
01 June 2012 through 31 May 2014

A.4 TASK ORDER FUNDING

**MODIFICATION 001**

Labor	62,400.00	(832 hours)
NMGRT	5,109.00	(on labor)
Travel	1,000.00	(POV mileage)
<b>TOTAL</b>	<b>\$68,509.00</b>	

**TOTAL TO0001 FUNDING**

Labor	152,400.00	(2032 hours)
NMGRT	11,409.00	(on labor)
Travel	13,375.00	(POV mileage)
<b>TOTAL</b>	<b>\$177,184.00</b>	

IN WITNESS WHEREOF, the parties hereto have executed this modification on the date shown below:

**Sigma Labs, Inc.**

**Monica Yaple**

By /s/ Mark J. Cola  
Name Mark J. Cola  
Title President  
Date 7-11-2013  
Voice (505) 438-2576  
Email cola@b6sigma.com

By /s/ Monica Yaple  
Name Monica Yaple  
Title CPA  
Date 7-15-2013  
Voice 505-350-2607  
Email \_\_\_\_\_  
Tax ID \_\_\_\_\_



**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: November 14, 2013

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

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

I, Monica Yapple, 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: November 14, 2013

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

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**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 September 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: November 14, 2013

By: /s/ Mark Cola

Name: Mark Cola

Title: President and Chief Executive Officer  
(Principal Executive Officer)

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**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 September 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: November 14, 2013

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

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