UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

COMMISSION FILE NUMBER 000-54697

3DICON CORPORATION
(Exact Name of small business issuer as specified in its charter)

Oklahoma	73-1479206
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6804 South Canton Avenue, Suite 150, Tulsa, Oklahoma 74136
(Address of principal executive offices) (Zip Code)

(918) 494-0505
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes☐ No☐

APPLICABLE ONLY TO CORPORATE ISSUERS

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

As of August 15, 2016, there were 1,481,754,533 shares of $0.0002 par value common stock issued and outstanding.

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PART I

Item 1. Financial Statements.

3DIcon CORPORATION
BALANCE SHEETS
June 30, 2016 and December 31, 2015
(unaudited)

		June 30, 2016		December 31, 2015
Assets				
Current assets:				
Cash	$	14,083	$	11,121
Prepaid expenses		7,847		21,321
Total current assets		21,930		32,442
Deposits-other		2,315		2,315
Total Assets	$	24,245	$	34,757
Liabilities and Stockholders' Deficiency				
Current liabilities:				
Current maturities of convertible notes and debentures payable	$	89,466	$	183,402
Warrant exercise advances		-		55
Accounts payable		368,936		823,695
Accrued salaries		89,299		317,134
Accrued interest on debentures		16,058		49,262
Total current liabilities		563,759		1,373,548
Long term debt:				
Term loan		75,000		-
Total Liabilities		638,759		1,373,548
Stockholders' deficiency:				
Preferred stock, Series A convertible, $0.0002 par value, 500,000 shares authorized; 345,000 shares issued and outstanding at June 30, 2016 and December 31, 2015		69		69
Preferred stock, Series B convertible, $0.0002 par value, 2,000,000 shares authorized; 1,609,464 and -0- shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively		322		-
Common stock $0.0002 par, 1,500,000,000 shares authorized; 1,481,754,533 and 1,370,953,255 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively		296,351		274,191
Additional paid-in capital		21,694,060		20,545,939
Accumulated deficit		(22,605,316)		(22,158,990)
Total Stockholders' Deficiency		(614,514)		(1,338,791)
Total Liabilities and Stockholders' Deficiency	$	24,245	$	34,757

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF OPERATIONS
Three and Six Months Ended June 30, 2016 and 2015
(unaudited)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Income:				
Grant income	$ -	$ -	$ -	$ 5,122
Total income	-	-	-	5,122
Expenses:				
Research and development	2,305	2,329	4,930	45,238
General and administrative	210,918	213,636	438,327	472,483
Interest	2,005	17,125	3,069	25,748
Total expenses	215,228	233,090	446,326	543,469
Net loss	$ (215,228)	$ (233,090)	$ (446,326)	$ (538,347)
Loss per share:				
Basic and diluted	$ (0.000)	$ (0.000)	$ (0.000)	$ (0.001)
Weighted average shares outstanding, basic and diluted	1,385,469,040	796,607,687	1,390,428,810	687,732,896

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
Six Months Ended June 30, 2016
(unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional		
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Paid-In Capital	Accumulated Deficit	Total
Balance December 31, 2015	**345,000**	**$ 69**	**-**	**$ -**	**1,370,953,255**	**$ 274,191**	**$20,545,939**	**$ (22,158,990)**	**$(1,338,791)**
Warrants and options exercised	-	-	-	-	77	-	29,430	-	29,430
Debentures converted	-	-	172,421	35	92,809,800	18,562	100,680	-	119,277
Stock issued for liabilities	-	-	1,361,919	272	13,445,946	2,689	960,225	-	963,186
Stock issued for services	-	-	16,862	3	4,545,455	909	17,588	-	18,500
Stock issued for accrued interest	-	-	58,262	12	-	-	40,198	-	40,210
Net loss for the period	-	-	-	-	-	-	-	(446,326)	(446,326)
Balance June 30, 2016	**345,000**	**$ 69**	**1,609,464**	**$ 322**	**1,481,754,533**	**$ 296,351**	**$21,694,060**	**$ (22,605,316)**	**$ (614,514)**

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF CASH FLOWS
Six Months ended June 30, 2016 and 2015
(unaudited)

Cash Flows from Operating Activities	**2016**	**2015**
Net loss	$ (446,326)	$ (538,347)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	18,500	47,500
Amortization of debt issuance costs	-	26,314
Change in:		
Prepaid expenses	13,474	9,268
Accounts payable and accrued liabilities	287,598	273,233
Net cash used in operating activities	(126,754)	(182,032)
Cash Flows from Financing Activities		
Proceeds from stock and warrant sales, exercise of warrants and warrant exercise advances	14,716	49,050
Proceeds from issuance of debentures, notes and options	115,000	99,000
Net cash provided by financing activities	129,716	148,050
Net change in cash	2,962	(33,982)
Cash, beginning of period	11,121	34,485
Cash, end of period	$ 14,083	$ 503
Supplemental Disclosures		
Cash paid for interest	$ 600	$ 687
Non-Cash Investing and Financing Activities		
Conversion of debentures to common stock (net)	$ 119,277	$ 214,970
Stock issued to satisfy accrued interest and other liabilities	$ 1,003,396	$ 75,000
Exercise of warrants to satisfy other liabilities	$ 14,659	$ -

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS
June 30, 2016
(unaudited)

Note 1 – Uncertainties and Use of Estimates

Basis of Presentation

The accompanying financial statements of 3DIcon Corporation (the "Company") have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's year-end audited financial statements and related footnotes included in the previously filed 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company as of June 30, 2016, and the statements of its operations for the three and six months ended June 30, 2016 and 2015, and cash flows for the six months ended June 30, 2016 and 2015. The results of operations for interim periods may not be indicative of the results which may be realized for the full year.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

Recent Accounting Pronouncements

The following is a summary of recent accounting pronouncements that are relevant to the Company:

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* intended to increase transparency and comparability among companies by requiring most leases to be included on the balance sheet and by expanding disclosure requirements. This is effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted for all public business entities and all nonpublic business entities upon issuance. The Company is currently evaluating the impact that this new guidance may have on its results of operations, cash flows, financial position and disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*. The amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this update. The provisions of ASU 2015-03 are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The guidance in this ASU is to be applied on a retrospective basis. The adoption of this standard did not have a material impact on the Company's financial position and results of operations.

The FASB has issued ASU 2014-09, *Revenue from Contracts with Customers*. This ASU supersedes the revenue recognition requirements in FASB ASC 605 - Revenue Recognition and most industry-specific guidance throughout the Codification. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB deferred the effective date of ASU No. 2014-09 from annual periods beginning after December 15, 2016 to annual periods beginning after December 15, 2017. This ASU should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application. The adoption of this standard is not expected to have a material impact on the Company's financial position and results of operations.

The FASB has issued ASU 2014-12, *Compensation - Stock Compensation (ASC Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.* This ASU requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. The adoption of this standard did not have a material impact on the Company's financial position and results of operations.

Uncertainties

The accompanying financial statements have been prepared on a going concern basis. The Company is in the development stage and has insufficient revenue and capital commitments to fund the development of its planned product and to pay operating expenses.

The Company has realized a cumulative net loss of $22,605,316 for the period from inception (January 1, 2001) to June 30, 2016, and a net loss of $446,326 and $538,347 for the six months ended June 30, 2016 and 2015, respectively.

The ability of the Company to continue as a going concern depends on the successful completion of the Company's capital raising efforts to fund the development of its planned products. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Given the reduced reliance on federal funding discussed in Note 2, the Company is committed to exploring possible acquisitions, partnerships, or other strategic transactions involving direct or indirect funding for the Company. Accordingly, the Company formed a committee comprised of Mark Willner, Chairman of the Company's Business Advisory Board, Doug Freitag and Victor Keen to lead in this effort.

On May 31, 2016 the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Coretec Industries, LLC, a North Dakota limited liability company ("Coretec"), and four Coretec members (the "Members"), which Members hold all outstanding membership interests in Coretec (see Note 8).

Additionally, under the terms of the Golden State 4.75% Convertible Debenture due on December 31, 2016, Golden State is obligated to submit conversion notices in an amount such that Golden State receives 1% of the outstanding shares of the Company every calendar quarter for a period of one year. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. The warrants are exercisable at $381.50 per share. The number of warrants exercisable is subject to certain beneficial ownership limitations contained in the 4.75% Convertible Debenture ("the Beneficial Ownership Limitations"). The Beneficial Ownership Limitations prevent Golden State from converting on the 4.75% Convertible Debenture or exercising warrants if such conversion or exercise would cause Golden State's holdings to exceed 9.99% of the Company's issued and outstanding common stock. Subject to the Beneficial Ownership Limitations and provided that Golden State is able to sell the shares under Rule 144, Golden State is required to convert $85.71 of the 4.75% Convertible Debenture and exercise 857 warrants per month. Based upon the current stock price, the issued and outstanding shares as of June 30, 2016 and ignoring the impact of the Beneficial Ownership Limitations, the Company may receive up to $327,000 per month in funding for the duration of the debenture from Golden State as a result of warrant exercises. However, due to the Beneficial Ownership Limitations, the Company received $14,716 in advances from Golden State during the six months ended June 30, 2016. Such advances are recorded within warrant exercise advances on the balance sheets when received.

The Company is in discussions with Golden State Equity Investors to modify the normal means by which we access funds. This would provide the Company with greater flexibility and control over the issuance of shares and not further limit our access to operating and growth capital.

Joint Development Agreement with Schott Defense

As part of our federal funding strategy we intend to effectively compete by forming interdisciplinary teams with potential strategic partners (large and small), academic and commercial laboratories, and systems integrators providing integrated data visualization solutions. The first of these partnerships was reached in March 2014 when the Company signed a JDA with Schott, a federally focused subsidiary of Schott North America. Schott is a world-class multi-billion dollar company with significant experience and success in partnering with federal agencies for development projects. In addition, Schott is one of the world's leaders in developing specialty glass for many applications, including display technology. This partnership, coupled with the expertise of Doug Freitag, should facilitate the Company's federal funding strategy and our ability to create the unique materials required to advance the CSpace technology. In December of 2015 Schott AG closed the development office, Schott Defense, in Washington, D.C. It is unclear how this may impact the JDA going forward.

Additionally, the Company is continuing to pursue financing through private offering of debt or common stock.

Note 2 – OCAST Grant

In July 2013, the Company was awarded a two year grant from OCAST. This matching grant commenced September 1, 2013. The Company received $5,122 in funding during the six-month period ended June 30, 2015 resulting in a total of $119,766 being received since the commencement of the grant. The funds were being used to support the development of the Company's first Product Platform, which will be the basis for a family of products based on the Company's CSpace® volumetric 3D display technology.

The grant was cancelled in March 2015 upon the resignation of Dr. Hakki Refai, the principal investigator under the grant.

Note 3 – Debentures and Notes Payable

	June 30, 2016	December 31, 2015
Senior Convertible Debentures		
9% Promissory note due November 2016	$ 25,341	$ -
14% Term loan due June 2018	75,000	-
10% Convertible debenture to directors converted March 2016	-	30,000
10% Convertible debenture converted March 2016	-	29,007
4.75% Convertible debenture due December 2016	64,125	64,395
10% Convertible bridge note to director converted March 2016	-	60,000
Total Debentures Payable	139,125	183,402
Less current maturities	64,125	183,402
Long-term debt	$ 75,000	$ -

9% Promissory note due November 2016

On April 26, 2016 the Company signed a 9% Promissory Note with Golden State Equity Investors, Inc. ("Golden State") in the amount of $40,000. Interest is due monthly in the amount of $300. Golden State advanced the $40,000 on the note and on June 16, 2016 applied $14,659 to fund the exercise of warrants under the terms of the 4.75% Convertible debenture (described below) held by Golden State, leaving $25,341 outstanding on the 9% Promissory note.

14% Term loan due June 2018

On April, 18, 2016 the Company entered into a Loan Agreement (the “Agreement”) whereby Carlton James North Dakota Limited ("CJNDL”) agreed to provide the Company a loan facility of up to $100,000. Under the terms of the Agreement the Company shall pay interest on the outstanding unpaid balance at the rate of 1.167% per month. The interest is due quarterly and the principal is due June 29, 2018. CJNDL has advanced $75,000 on the loan. CJNDL is a party to the Shares Exchange Agreement discussed in Note 8.

10% Convertible Debentures to Directors converted March 30, 2016

On June 24, 2013, the Company issued to Victor Keen and Martin Keating, Directors of the Company, (“Directors”) 10% convertible debentures in a principal amount of $15,000 each, due June 26, 2014 and subsequently extended to June 30, 2016. The Directors may elect to convert all or any portion of the outstanding principal amount of the debentures at an exercise price of $0.01 per share. Provided that the debentures are paid in full on or before the maturity date, no interest shall accrue on the unpaid balance of the principal amount. In the event that the debentures are not paid in full on or before the maturity date, interest shall accrue on the unpaid outstanding balance of the principal amount of the debentures from June 26, 2013, until paid, at the fixed rate of ten percent (10%) per annum. Accordingly, interest was being accrued under the terms of the debenture. On March 24, 2016, the Company issued to Mr. Keen and Mr. Keating 1,193,582 and 19,266 shares of its newly designated Series B Preferred, respectively, in accordance with Securities Purchase Agreements dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under these convertible debenture were deemed satisfied, exchanged and converted.

10% Convertible Debenture due Newton, O'Connor, Turner & Ketchum, converted March 30, 2016

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum (“NOTK”) a 10% convertible debenture in a principal amount of $29,007, initially due September 30, 2013 and extended to June 30, 2016. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of $0.02534 per share. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2012. The debenture was issued in settlement of the indebtedness. On March 24, 2016, the Company issued to NOTK 50,149 shares of its newly designated Series B Preferred in accordance with a Securities Purchase Agreement dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under the 10% convertible debenture were deemed satisfied, exchanged and converted.

4.75% Convertible Debenture due December 31, 2016

On November 3, 2006, the Company issued to Golden State a 4.75% convertible debenture in a principal amount of $100,000, due December 31, 2014, subsequently extended to December 31, 2016 and warrants to buy 28,571 shares of the common stock at an exercise price of $381.50 per share. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. During the six months ended June 30, 2016, Golden State converted $270 of the $100,000 debenture into 92,809,800 shares of common stock and exercised warrants to purchase 77 shares of common stock at $381.50 per share based on the formula in the convertible debenture. Additionally Golden State advanced $14,716 against future exercises of warrants of which $14,771 was applied to the exercise of warrants leaving $-0- of unapplied advances at June 30, 2016.

The conversion price for the 4.75% $100,000 convertible debenture is the lesser of (i) $4.00 or (ii) 80% of the average of the five lowest volume weighted average prices (“VWAP”) during the twenty (20) trading days prior to the conversion. If Golden State elects to convert a portion of the debenture and, on the day that the election is made, the volume weighted average pre-split price is below $0.70, the Company shall have the right to prepay that portion of the debenture that Golden State elected to convert, plus any accrued and unpaid interest, at 135% of such amount.

10% Convertible Bridge Note converted March 30, 2016

On September 11, 2012, the Company issued and sold to Victor F. Keen, a Director and an accredited investor a Convertible Bridge Note (the "Keen Bridge Note") in the principal amount of $60,000. The sale of the Keen Bridge Note in the principal of $60,000 included a $10,000 OID. The Keen Bridge Note matured 90 days from the date of issuance and, other than the OID, the Keen Bridge Note did not carry interest. However, in the event the Keen Bridge Note is not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity, the holders may elect to convert any or all of any portion of outstanding principal. On March 8, 2016, Mr. Keen agreed to extend the maturity of the Note from December 31, 2015 to June 30, 2016 and to waive, if any, existing or prior defaults under the Keen Bridge Note or the Keen SPA. On March 24, 2016, the Company issued to Mr. Keen 1,193,582 shares of its newly designated Series B Preferred in accordance with Securities Purchase Agreements dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under this convertible debenture were deemed satisfied, exchanged and converted.

Note 4 – Common Stock and Paid-In Capital

Warrants Issued

As of June 30, 2016, NOTK has warrants outstanding to purchase 125,098 shares of common stock at a price of $3.15 per share that expire on September 30, 2016 and warrants to purchase 96,024 shares of common stock at a price of $3.15 per share that expire on September 1, 2016. Golden State has warrants outstanding to purchase 18,318 shares of common stock at a price of $381.50 per share which expire December 31, 2016. Global Capital has warrants outstanding to purchase 300,000 shares of common stock at a price of $0.0032 per shares which expire on March 31, 2019. Additionally, from the Series A preferred stock issuance, there are 6,000,000 warrants outstanding to purchase common shares at $0.0055 per share which expire December 31, 2017 and 13,250,000 warrants outstanding that were issued to Victor Keen, the CEO and Director of the Company, which expire on January 17, 2018.

Common stock and options issued for services and liabilities

During the six months ended June 30, 2016, shares of common stock totaling 13,445,946 were issued to consultants for previous services provided to the Company for which the accounts payable liability was reduced by $17,000. Additionally, shares of common stock totaling 4,545,455 were issued to consultants for current services for which an expense was recorded in the amount of $750.

The terms of the Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Warrants are as follows:

*Series A Convertible Preferred Sto*ck

A total of 500,000 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock") have been authorized for issuance under the Certificate of Designation of Preferences, Rights and Limitation of Series A Convertible Preferred Stock of 3DIcon Corporation (the "Certificate of Designation"), which Certificate of Designation was filed with the Secretary of State of the State of Oklahoma on December 11, 2013. The shares of Series A Preferred Stock have a par value of $0.0002 per share and a stated value of $1.00 per share (the "Stated Value"), and shall receive a dividend of 6% of their Stated Value per annum payable or upon conversion or redemption of Series A Preferred at the option of the Corporation. We have not paid any cash or stock dividends to the holders of our Series A Preferred. As of June 30, 2016 dividends in arrears totaled approximately $60,000. Under the Certificate of Designation, the holders of the Series A Preferred Stock have the following rights, preferences and privileges:

The Series A Preferred Stock may, at the option of the Investor, be converted at any time after the first anniversary of the issuance of the Series A Preferred Stock or from time to time thereafter into 50,000,000 shares of Common Stock that Such Investor is entitled to in proportion to the 500,000 shares of Series A Preferred so designated in the Certificate of Designation.

The Series A Preferred Stock will automatically be converted into Common Stock anytime the 5 day average VWAP of the Company's Common Stock prior to such conversion is equal to $0.05 or more. Such mandatory conversion would be converted by the same method described above for discretionary conversions.

Except as otherwise required by law, the holders of shares of Series A Preferred Stock shall not have voting rights or powers.

In the event of any (i) liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or ii) sale, merger, consolidation, reorganization or other transaction that results in a change of control of the Company, each holder of a share of Series A Preferred shall be entitled to receive, subject to prior preferences and other rights of any class or series of stock of the Company senior to the Series A Preferred, but prior and in preference to any distribution of any of the assets or surplus funds of the Company to holders of Common Stock, or any other class or series of stock of the Company junior to the Series A Preferred, an amount equal to the Stated Value plus accrued and unpaid dividends (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the "Preference Amount"). After such payment has been made to the holders of Series A Preferred of the full Preference Amount to which such holders shall be entitled, the remaining net assets of the Company available for distribution, if any, shall be distributed pro rata among the holders of Common Stock. In the event the funds or assets legally available for distribution to the holders of Series A Preferred are insufficient to pay the Preference Amount, then all funds or assets available for distribution to the holders of capital stock shall be paid to the holders of Series A Preferred pro rata based on the full Preference Amount to which they are entitled.

The Company may not declare, pay or set aside any dividends on shares of any class or series of capital stock of the Company (other than dividends on shares of Common Stock payable in shares of Common Stock) unless the holders of the Series A Preferred Stock shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred in an amount equal to the dividend per share that such holders would have received had they converted their shares of Series A Preferred into shares of Common Stock immediately prior to the record date for the declaration of the Common Stock dividend in an amount equal to the average VWAP during the 5 trading days prior to the date such dividend is due.

Series B Convertible Preferred Stock

On March 22, 2016, 3DIcon Corporation, filed with the Secretary of State of the State of Oklahoma a Certificate of Designation (the "Certificate of Designation"), setting for the Preferences, Rights and Limitation of the Company's Series B Convertible Preferred Stock (the "Series B Preferred"). The Two Million (2,000,000) shares of Series B Preferred designated under the Certificate of Designation have a stated value of $1.00 per share (the "Stated Value"). Under the Certificate of Designation, the holders of the Series B Preferred have the following rights, preferences and privileges:

The holders of Series B Preferred are not entitled to receive dividends but have voting rights equal to the number of shares of the Company's Common Stock into which their Series B Preferred can be converted, whether or not the shares are available for issuance.

At the option of the holder, Series B Preferred may be converted in whole or in part, from time to time, into One Thousand Nine Hundred Fourteen (1,914) shares of Common Stock. The Series B Preferred Stock will automatically be converted into Common Stock if (i) at anytime the 5 day average VWAP of the Company's Common Stock prior to such automatic conversion is equal to $0.10 or more; or (ii) the Company enters into a transaction for which the Company enters into a share exchange agreement or agreement and plan of merger, which agreement is executed within ninety (90) days after the date of the Certificate of Designation and pursuant to which the Company thereafter becomes a consolidated company with another entity, and the Company issues equity securities of the Company. Such automatic conversion would be converted by the same method described above for discretionary conversions.

In the event of any i) liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or ii) sale, merger, consolidation, reorganization or other transaction that results in a change of control of the Company, each holder of a share of Series B Preferred shall be entitled to receive, subject to prior preferences and other rights of any class or series of stock of the Company senior to the Series B Preferred, but prior and in preference to any distribution of any of the assets or surplus funds of the Company to holders of Common Stock, or any other class or series of stock of the Company junior to the Series B Preferred, an amount equal to the Stated Value (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the "Preference Amount"). After such payment has been made to the holders of Series B Preferred of the full Preference Amount to which such holders shall be entitled, the remaining net assets of the Company available for distribution, if any, shall be distributed pro rata among the holders of Common Stock. In the event the funds or assets legally available for distribution to the holders of Series B Preferred are insufficient to pay the Preference Amount, then all funds or assets available for distribution to the holders of capital stock shall be paid to the holders of Series B Preferred pro rata based on the full Preference Amount to which they are entitled.

The Company issued an aggregate of 1,592,602 shares of the Company's Series B Preferred during the six months ended June 30 2016 in connection with Securities Purchase Agreements (the "Securities Purchase Agreements") dated December 11, 2015. Pursuant the Securities Purchase Agreements, the Company had agreed to issue, and on March 24, 2016 issued, to certain officers, directors, consultants and service providers (collectively, "Recipients") and the Recipients had agreed to accept, and on March 24, 2016 received, shares of Series B Preferred in consideration for the satisfaction, in lieu of cash payment, of an aggregate of $1,105,403 owed by the Company to the Recipients. Among the Recipients were (i) Victor F. Keen, the Company's Chief Executive Officer, who received 1,193,582 shares of Series B Preferred in satisfaction of $685,355 owed to him under certain notes, in connection with certain advances he provided to the Company and for services he provided to the Company; (ii) Ronald W. Robinson, the Company's Chief Financial Officer, who received 85,771 shares of Series B Preferred in satisfaction of $90,291 owed to him for services he provided to the Company; (iii) Martin Keating, a Director of the Company, who received 19,266 shares of Series B Preferred in satisfaction of $20,281 owed to him under certain notes and for services he provided to the Company; and (iv) Newton, O'Connor, Turner & Ketchum, PC, a law firm of which John O'Connor, a Director of the Company, is a partner, that received 50,149 shares of Series B Preferred in satisfaction of $52,791 owed to it for services provided to the Company. Additionally, on May 10, 2016, shares of Series B Preferred totaling 16,862 were issued to consultants for $17,750 of services rendered in 2016.

Warrants

Each Unit under the Securities Purchase Agreement consists of Warrants entitling the Investor to purchase fifty (50) shares of Common Stock for each share of Series A Preferred purchased by such Investor in the Private Placement, at an initial exercise price per share of $0.0055. The exercise price and number of shares of Common Stock issuable under the Warrants are subject to adjustments for stock dividends, splits, combinations and similar events. On or after the first anniversary of the issuance of the Warrants and prior to close of business on fourth anniversary of the issuance of the Warrants, the Warrants may be exercised at any time upon the election of the holder, provided however, that an Investor may at any given time convert only up to that number of shares of Common Stock so that, upon conversion, the aggregate beneficial ownership of the Company's Common Stock (calculated pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of such Investor and all persons affiliated with such Investor, is not more than 4.99% of the Company's Common Stock then outstanding (subject to adjustment up to 9.99% at the Investor's discretion upon 61 days' prior notice).

The following summary reflects warrant and option activity for the six-month period ended June 30, 2016:

	Attached Warrants	Golden State Warrants	Options
Outstanding December 31, 2015	19,771,122	18,395	23,030,274
Granted/purchased	-	-	-
Exercised	-	77	-
Cancelled	-	-	-
Outstanding June 30, 2016	19,771,122	18,318	23,030,274

Stock options are valued at the date of award, which does not precede the approval date, and compensation cost is recognized in the period the options are granted. Stock options generally become exercisable on the date of grant and expire based on the terms of each grant.

The estimated fair value of options for common stock granted was determined using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Note 5 – Incentive Stock Plan

In March 2014, the Company established the 3DIcon Corporation 2014 Equity Incentive Plan (the "2014 EIP"). The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the 2014 EIP shall not exceed fifty million (50,000,000) shares. The shares are included in a registration statement filed March 2014. Shares were not issued from the 2014 EIP during the six months ended June 30, 2016. As of June 30, 2016, there were 750,103 shares available for issuance under the 2014 EIP.

In March 2015, the Company established the 3DIcon Corporation 2015 Equity Incentive Plan (the "2015 EIP"). The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the 2015 EIP shall not exceed eighty-five million (85,000,000) shares. The shares are included in a registration statement filed March, 2015. Shares totaling 12,991,401 and 56,622,453 were issued from the 2015 EIP during the six months periods ended June 30, 2016 and 2015, respectively for legal and consulting services rendered. There are 142,244 shares available for issuance under the 2015 EIP as of June 30, 2016**.**

Note 6 – Office Lease

The Company has an amended Office Lease that will expire on July 31, 2018. The minimum future lease payments to be paid under the term of the three-year non-cancellable amended lease are payable as follows:

2016	$	11,000
2017		24,000
2018		14,000
total	$	49,000

Note 7 – Related Party Transactions

3DIcon has engaged the law firm of Newton, O'Connor, Turner & Ketchum as its outside corporate counsel since 2005. John O'Connor, a director of 3DIcon, is the Chairman of Newton, O'Connor, Turner & Ketchum. During the six months ending June 30, 2016 and 2015, the Company incurred legal fees to Newton, O'Connor, Turner & Ketchum in the amount of $160, and $1,261, respectively. Additionally, Newton, O'Connor, Turner & Ketchum held a convertible debenture (see Note 4 to the financial statements) totaling $29,007 which was included in debentures payable at December 31, 2015. The convertible debenture was retired in accordance with the SPA described in Note 4 to the financial statements.

Mr. Victor F. Keen, Chief Executive Officer of the Company, has entered into several advancement transactions, whereby Mr. Keen provided funds to the Company. Specifically, Mr. Keen advanced the Company $145,000 in October 2015 and $103,000 in July, August, and September 2015. In addition, Mr. Keen had previously advanced the Company $34,000 in November 2014. The total amount of these advancements by Mr. Keen to the Company, as of December 31, 2015, was $282,000 and was included in accounts payable. The Company was also indebted to Mr. Keen for his accrued salary from January 1, 2014 through December 31, 2015 totaling $300,000 and was included in accrued salaries. Additionally, Mr. Keen held two convertible debentures (see Note 4 to the financial statements) totaling $75,000 which were included in debentures payable. The advances, convertible debentures and accrued salary were retired in accordance with the SPA described in Note 5 to the financial statements.

During the six months ended June 30, 2016, Mr. Keen advanced $100,000 to the Company which is included in accounts payable. The Company is also indebted to Mr. Keen for his accrued salary from January 1, 2016 through June 30, 2016 totaling $75,500 and is included in accrued salaries.

Note 8 – Share Exchange Agreement

On May 31, 2016 the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Coretec Industries, LLC, a North Dakota limited liability company ("Coretec"), and four Coretec members (the "Members"), which Members hold all outstanding membership interests in Coretec. Pursuant to the Share Exchange Agreement, the closing of which remains subject to the satisfaction of various closing conditions, the Members agreed to sell all their membership interests in Coretec to the Company in exchange for the Company's issuance of an aggregate 4,411,710 shares of the Company's Series B Convertible Preferred Stock to the Members (the transaction, the "Exchange"). Upon consummation of the Exchange, Coretec will be a wholly-owned subsidiary of the Company and the Members are expected to beneficially own approximately 65% of the Company's common stock on a fully-diluted basis.

After the closing of the Share Exchange Agreement, considering any preferred stock on an "as converted" basis, approximately 65% of the Company's issued and outstanding common stock will be owned by the Coretec Members. The remaining 35% will be held by the Company's current stockholders. After the closing of the Share Exchange Agreement, two of the current Company's Directors will resign and three new Directors associated with Coretec will be nominated and elected, giving control of the board of directories to Coretec Members.

Consummation of the Exchange is subject to customary conditions, including without limitation, (i) the delivery to the Company by each of the Members or their designees, if any, a representation letter attesting to their status as an "accredited investor;" (ii) the delivery to the Company by each of the Members or their designees, if any, a letter agreement agreeing to automatically convert the shares of Series B Preferred issued to them pursuant to the Share Exchange Agreement upon the occurrence of certain events; (iii) the delivery to the Company by each of the Members or their designees, if any, a lock up agreement in the form attached to the Share Exchange Agreement; (iv) Coretec's delivery to the Company of license agreement between Coretec and North Dakota State University allowing Coretec to license certain intellectual property concerning cyclohexasilane or other silicon-based materials; (v) the delivery to the Company of the required audited and unaudited consolidated financial statements; and (vi) delivery by the Company and Coretec all required consents to consummate all transactions contemplated by the Share Exchange Agreement. Of the conditions described above, conditions (iv), (v) and (vi) have been met.

The Company has engaged a law firm to prepare the necessary documents for the Share Exchange Agreement, including resolutions of the entities authorizing the closing, preparation and filing of form 14F, and filing of the Form 8K. The total fees agreed to for the entire engagement total $100,000. The law firm has completed approximately 50% of the engagement and the company has advanced $50,000 toward the total. The Company is obligated to fund the remaining $50,000 as the agreed upon tasks are completed.

The closing of the Shares Exchange Agreement is expected to occur near the end of September 2016.

The Share Exchange Agreement contains certain termination rights for the Company, Coretec and the Members.

Note 9 – Subsequent Events

Accrued salary to Victor Keen, CEO

Subsequent to June 30, 2016, the Company issued Mr. Victor Keen 152,386 shares of Series B Convertible Stock in consideration of the indebtedness to Mr. Keen for his accrued salary from January 1, 2016 through July 31, 2016 totaling $87,500 of which $75,000 was included in accrued salariesat June 30, 2016.

Stock issued for prior services

Subsequent to June 30, 2016, shares of Series B Convertible Stock totaling 35,623 were issued for 2016 consulting services for which the Company reduced accounts payable by $37,500

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

The information in this report contains forward-looking statements. All statements other than statements of historical fact made in this report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as “believes,” “estimates,” “could,” “possibly,” “probably,” anticipates,” “projects,” “expects,” “may,” “will,” or “should” or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Our actual results may differ significantly from management’s expectations.

The following discussion and analysis should be read in conjunction with our financial statements, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

Plan of Operation

Background:

3DIcon Corporation was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. Our articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. The initial focus of First Keating Corporation was to market and distribute books written by its founder, Martin Keating. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. The effective date of this transition was January 1, 2001. We accounted for this transition as a reorganization and accordingly, restated its capital accounts as of January 1, 2001. At the inception on January 1, 2001, our primary activity was the raising of capital in order to pursue its goal of becoming a significant participant in the formation and commercialization of interactive, optical holography for the communications and entertainment industries.

In April 2004, we engaged the University of Oklahoma (the “University” or “OU”) to conduct a pilot study to determine the opportunity and feasibility for the creation of volumetric three dimensional display systems.

On July 15, 2005, we entered into a Sponsored Research Agreement (“SRA”) with the University, which expired on January 14, 2007. Under this agreement, the University conducted a research project entitled "Investigation of 3-Dimensional Display Technologies".

On February 23, 2007, we entered into an SRA with the University, which expired on March 31, 2010. Under this agreement, the University conducted a research project entitled "3-Dimensional Display Development".

In the fourth quarter of 2007 we announced the release of our first product, "Pixel Precision". On February 12, 2009, version 2.0 of Pixel Precision was released to expand capabilities and provide new compatibility with Texas Instrument's newly released DLP® Discovery 4000 kits. This is a companion software application to the DMD Discovery line of products manufactured by Texas Instruments®. Further development of this product was ended in 2015.

In July 2013, the Company was awarded a two year grant from OCAST. This was the second $300,000 grant received from OCAST. The first grant was completed in August 2012. This matching grant was for a total of $300,000 and commenced September 1, 2013. The Company received $5,122 in funding during the year ended December 31, 2015. The funds were being used to support the development of the Company’s first Product Platform, which will be the basis for a family of products based on the Company’s CSpace® volumetric 3D display technology.

The grant was cancelled in March 2015 upon the resignation of Dr. Hakki Refai, the principal investigator under the grant.

Overview of Business

3DIcon is a small public company that is further developing a patented volumetric 3D display technology that was developed by and with the University under an SRA. The development to date has resulted in multiple new technologies, two working laboratory prototypes (Lab Proto 1 and Lab Proto 2), and eight provisional patents; five of the eight provisional patents have been combined and converted to five utility patents. Under the SRA, the Company has obtained the exclusive worldwide marketing rights to these 3D display technologies.

On May 26, 2009, the United States Patent and Trademark Office ("USPTO") approved the patent called "Volumetric Liquid Crystal Display" for rendering a three-dimensional image and converted it to US patent No. 7,537,345. On December 28, 2010, USPTO approved the patent called “Light Surface Display for Rendering a Three-Dimensional Image,” and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called “3D Volumetric Display” and issued the US Patent No. 8,247,755. These patents describe the foundation of what we are calling our CSpace® technology (“CSpace”).

Volumetric

The Company plans to commercialize the CSpace volumetric 3D technology through a combination of government funded research and development contracts, joint development agreements with industry partners and technology licensing agreements with companies like Raytheon, Boeing, Lockheed Martin, Siemens, and General Electric for high value applications in military planning, cyber data analysis, battlespace visualization, oil and gas exploration and medical imaging. Although we do not have any definitive agreements in place that provide for such funding, we believe that the Federal Government would be interested in entering into funded arrangements based on past and existing discussions our management have had with Federal Government Program Managers. Likewise, we believe that Industry would be interested in entering into joint development agreements that could ultimately lead to licensing agreements. For example, Raytheon, Boeing and Schott Defense have provided letters of support for government grants that we have applied for, indicating their interest in working with us on the specific project if the grant were to be awarded. We have no formal agreements or commitments from Boeing or Raytheon beyond these initial discussions. We have had similar interactions with a number of companies, such as Lockheed, Honeywell, General Electric, Florida Institute of Human and Machine Cognition (IHMC), Cleveland Clinic, ShuffleMaster, etc. regarding our CSpace technology.

The above commercialization plan depends on our ability to convince potential customers (Government and Industry) that products based on our technology will meet their requirements and that the technical risk in developing products based on our technology will be acceptable to these potential customers. We are targeting high value applications that typically require products to be customized to the customer's application. Since we understand the capabilities and limitations of CSpace better than potential customers, it is not unusual for this type of customer to ask the technology developer (in this case 3DIcon) to do most or part of the product development for or with the customer in exchange for funding by the customer. In 2016, we plan to continue to solicit the Federal Government and Industry to enter into customer-funded development contracts to develop our technology for or with those customers. Our goal is to generate sufficient funding from such arrangements that would meet or exceed the incremental costs of developing product prototypes for or with customers. If we are successful in completing the initial product prototypes on a timely basis, it is possible that the Company could generate licensing revenues from our CSpace technology beginning in the fourth quarter of 2017. The Company believes that it has an experienced display industry and management team with a proven track record of successfully commercializing multiple display technologies to move our CSpace technology strategy forward.

In March of 2012, the Company implemented a new evolutionary, step-by-step commercialization strategy for the CSpace volumetric display technology. Under this strategy we are developing multiple staged prototypes with successively higher performance (brightness, resolution, and image size). Lab Proto 2 is a working prototype with significant improvements over Lab Proto 1 and was completed in October 2012. Our technical team increased the image size of Lab Proto 2 by a factor of eight (8x) and the brightness of the image by a factor of five (5x). Taken together with the 50 times higher brightness already achieved, Lab Proto 2 is 250 times (250x) brighter than Lab Proto 1. Because of the larger image size and the much higher brightness, we achieved much higher effective resolution as well. Lab Proto 3, while not complete, is already 80 times brighter than Lab Proto 2 and more than 2,000 times brighter than Lab Proto 1. Most of the engineering work (optics, electronics and software) is complete, and the focus is now on the image space materials.

The goals for Lab Proto 3 are to develop a lower cost and more scalable image chamber material (specialty glass), to enhance imagine brightness by ten (10x) by utilizing a new scanning system, and to use that new material to construct an even larger image chamber than was demonstrated for Lab Proto 2. Part of our Joint Development Agreement ("JDA") with Schott Defense ("Schott") and our efforts to secure federal funding are aimed at accelerating the process of securing a scalable material for CSpace's image space.

Delays have been incurred in the efforts to seek the best possible solution to the material required for the image space. Our federal funding strategy and JDA with Schott are specifically targeted at securing this material, though they have failed to provide the necessary capital to date.

We believe that Lab Proto 3 will enable the Company to credibly engage with potential customers and secure customer funded development contracts to develop even larger and higher resolution product prototypes. If we are successful in securing customer funded development contracts, we anticipate the development of various product prototypes, the first of which we have been calling the Trade Show Prototype. It is likely that in exchange for funding of the TradeShow Prototype, our initial customer will require an exclusive license to the technology in a particular field of use (e.g. medical imaging). The Company believes that any such exclusive license will be based on a set period of time during product and/or market development and based on performance thereafter. Failure by the customer to meet agreed upon performance criteria would most likely result in the license becoming non-exclusive. Any such exclusive license agreement would preclude the Company from working with other customers in that field of use during the period of the exclusive license. The Company does not believe that this strategy for funding the Tradeshow Prototype will significantly impact the revenue potential of the technology given the number of potential applications (fields of use). If successfully developed, the Trade Show Prototype, which is illustrated as an artist concept in Figure 3 below, will be fully packaged and portable so that it can be used for trade shows and on-site customer demonstrations. We believe that the Trade Show Prototype will enable the Company to market and secure licensing agreements with large government contractors and large medical or industrial products companies.

Federal Funding Strategy

As funding has increased for the 3D field, the Company has implemented a federal funding strategy to augment its other capital raising efforts. In December 2013, the Company secured the services of Doug Freitag, an expert in identifying and obtaining government grants of the type we are seeking. As a result of feedback from various Federal Government Program Managers, the strategy now places increased emphasis on a growing need for new technologies to visualize cyber data, military planning, medical imaging data, data collected when screening for contraband and validation of 3D engineering designs prior to manufacturing by 3D printing. The strategy also places greater emphasis on Small Business Innovation Research Grants where funding continues to grow, competition is limited to other small businesses, 3DIcon can more easily be the project leader, and the cycle for awards from the date of submission can be much faster. Larger contracts will still be considered but include other partners and may require one of more partners to lead the projects if awarded. A pre-proposal titled "Glasses-Free 3D Volumetric Display for to Enhance Mission Analysis" was submitted to the Defense Intelligence Agency on November 26, 2014. A proposal titled "3D Volumetric Display of Neurological Data Provided by MRI Imaging" was submitted to the National institute of Health on December 5, 2014 and is under review. A proposal titled "Transforming Cyber Data into Human-Centered 3D Visualizations" was submitted to the Air Force on February 25, 2015. A pre-proposal titled "Glasses-Free 3D Volumetric Visualization of Critical Data to Enhance Decision Making" was submitted to the DOD Combating Terrorism Technical Support Office on March 20, 2015. These submissions have failed to produce funding necessary to accelerate the development process, though the Company will continue to pursue federal funding on a selective basis.

Joint Development Agreement with Schott Defense

As part of our federal funding strategy we intend to effectively compete by forming interdisciplinary teams with potential strategic partners (large and small), academic and commercial laboratories, and systems integrators providing integrated data visualization solutions. The first of these partnerships was reached in March 2014 when the Company signed a JDA with Schott, a federally focused subsidiary of Schott North America. Schott is a world-class multi-billion dollar company with significant experience and success in partnering with federal agencies for development projects. In addition, Schott is one of the world's leaders in developing specialty glass for many applications, including display technology. This partnership, coupled with the expertise of Doug Freitag, should facilitate the Company's federal funding strategy and our ability to create the unique materials required to advance the CSpace technology. In December of 2015 Schott AG closed the development office, Schott Defense, in Washington, D.C. It is unclear how this may impact the JDA going forward.

Commercialization Strategy & Target Applications

The Company plans to commercialize the CSpace volumetric 3D technology through customer funded research and development contracts and technology licensing agreements with companies like Boeing, Lockheed Martin, Siemens, and General Electric for high value applications like air traffic control, design visualization, and medical imaging. The Company plans to develop products for contract engineering and with joint development customers. At this time the Company does not have any commercialized products and does not plan to develop its own products based on the CSpace technology due to the high value / low volume nature of the best-fit initial applications for this technology. These applications include but are not limited to the following:

- Healthcare (diagnostics, surgical planning, training, telemedicine, biosurveillance);
- Cyber Security Data Visualization;
- Military (operational planning, training, modeling and simulation, battlespace awareness, damage assessment, autonomous piloting);
- Physical Security (passenger, luggage & cargo screening);
- Mining, Oil & Gas Exploration; or
- Meteorological and Oceanographic data visualization.

In order to simplify internal development efforts on CSpace, software to control the initial laboratory prototype was created and later productized as "Pixel Precision" in 2007.

Competition

Based on our market research and competitive analysis to date, we have concluded that the CSpace volumetric technology is unique and advantaged versus other 3D technologies in that it can deliver both 1) a true 360 degree viewing experience for multiple simultaneous users, and 2) high image quality, high reliability and large image size. Rear projection 3D displays such as those from Zecotek, Setred, and EuroLCDs (formerly LC Tech LightSpace) do not provide a 360 degree viewing experience and are typically limited to one or two users. While rotating displays (also called swept volume) such as Perspecta from Optics For Hire (formerly Actuality, now licensed), Xigen (research only), Ray Modeler from Sony (research only), Felix 3D (research only), and the USC light field display (research only) do provide a true 360 degree viewing experience, they cannot deliver a large image, high image quality and reliability because the entire display is rotating at high speed. Early proof of concept work done on infrared active phosphor displays by 3D Display Laboratories proved to not be scalable due to limited phosphor persistence and vector scanning limitations. While holographic and light field displays show promise, they do not deliver a true 360 degree viewing experience and cost effective multiple user systems do not appear feasible due to current and expected pixel density, data bandwidth and compute power limitations.

History of 3D Technology Research and Development at the University of Oklahoma

Beginning in 2007 the University, under an SRA with 3DIcon, undertook the development of the following three high potential 3D display technologies. The results of each project are summarized below.

- I - Swept Volume Displays - We have successfully achieved the initial demonstration and proof of technology for this approach.
- II - Static Volumetric Displays - This technology was ranked by the University as the best for further development.
- III - Stacked Volume Displays - We also have investigated the technologies for developing innovative Stacked Volumetric Displays.

The Swept Volume Display is designed to be a 3D display system showing a volumetric image generated from an electronic medium. A proof-of-concept demonstration was achieved by the researchers around September 2007. The Swept Volume Display R&D entered into the subsequent second stage of improvement and development in 2008. Additional work on this particular approach has been deferred indefinitely because of the success and initial superiority of the CSpace technology.

Our implementation of a Static Volume Display (CSpace®) employs one or more Digital Micro-Mirror Devices (DMDs) and infra-red lasers to produce 3D images in advanced transparent nanotechnology materials, thereby enabling the creation, transmission and display of high resolution 3D images within a volume space, surrounded by glass or transparent screen. The initial investigation for the Static Volume system commenced in 2007. In September 2008, we built a laboratory prototype Static Volume Display using the CSpace technology and demonstrated the creation of true 3D images within a specified image space. New developments for eliminating the distortion occurred by the divergence of the constructed 3D image were presented at the SPIE Europe Security & Defense conference in Berlin, Germany in August 2009. Improvements for the optical systems utilized by CSpace with the latest achieved resolution were published in October 2009 in IEEE/OSA Journal of Display Technology titled "Static Volumetric Three-Dimensional Display" and can be found for a moderate fee at http://www.opticsinfobase.org. On February 15, 2010, at the SPIE Medical Imaging conference, we presented the latest software developments that allow reading Digital Imaging and Communication In Medicine ("DICOM") formats whether scanned by ultrasound devices, magnetic resonance imaging ("MRI"), or computed tomography ("CT") scanners. With this new software architecture, Static Volume 3D displays based on the CSpace technology would have the capability of displaying medical images.

On April 14, 2010, at the OSA Digital Holography and Three-Dimensional Imaging conference in Miami, FL, we presented an increase in brightness of the constructed 3D images. On September 23, 2010, at the SPIE Europe Security & Defense conference in Toulouse, France, we presented new implementations to reduce flicker of the 3D Images constructed by CSpace display. In November 2010, we published a new method of rendering 3D Images using a rotational-slicing technique at the Journal of the Society for Information Display and can be found for a moderate fee at http://onlinelibrary.wiley.com/doi/10.1889/JSID18.11.873/abstract. In December 2010, we published the utilization of new materials for CSpace image space at the Journal of the Society for Information Display and can be found for a moderate fee at http://onlinelibrary.wiley.com/doi/10.1889/JSID18.12.1065/abstract. In April 2011, New Developments That Allow CSpace To Perfectly Fit Applications Such As Air Traffic Control was published in the IEEE/OSA Journal of Display Technology and can be found for a moderate fee at http://www.opticsinfobase.org/jdt/abstract.cfm?uri=jdt-7-4-186. On April 25, 2011, we presented a new paper called “Multi-layer overlay display,” at the SPIE Defense & Security Conference in Orlando, FL. On May 17, 2013, we presented a new paper called ”CSpace High-Resolution Volumetric 3D Display,” at the SPIE Defense & Security in Baltimore, Maryland. On September 26, 2014 we were interviewed for an article on medical imaging by Medical Device Daily and can be found at http://www.medicaldevicedaily.com/servlet/com.accumedia.web.Dispatcher?next=mdd_currentIssue&issueId=23719&prodID=4&month=09&year=2014. On December 18, 2014, we co-authored a new publication called “Scalable Upconversion Medium for Static Volumetric Display” in the Journal of Display Technology and can be found for a moderate fee at http://ieeexplore.ieee.org/xpl/articleDetails.jsp?reload=true&arnumber=6987226. On March 1, 2015 we published an overview on the applications for 3D Volumetric Displays in NASA Tech Briefs and can be found at http://www.techbriefs.com/component/content/article/27-ntb/features/application-briefs/21710. On February 27, 2015 we were interviewed for a Q/A article on 3D imaging by Medical Design Technology that can be found at http://www.mdtmag.com/blogs/2015/02/true-3d-imagesglasses-free. On March 24, 2015 we made a presentation called “Glasses-Free 3D Volumetric Display for Enhanced Decision Making” at the 2015 National Defense Industry Association Science & Engineering Technology Division Conference.

Regarding our continued efforts to improve the performance of the CSpace technology, we completed our second-generation prototype (Lab Proto 2) in October 2012. Our goals for Lab Proto 2 were to first improve image brightness, and then to improve resolution (increase the number of voxels or 3D pixels), and lastly to increase the size of the image. The image generated by Lab Proto 2 is approximately 250 times (250x) brighter than our first generation prototype and can now be viewed in normal room lighting. As a result of the increased brightness, resolution has also been improved. The estimated resolution of the second-generation prototype is approximately five times (5x) greater than the first generation prototype. The image size of Lab Proto 2 is approximately 8 times (8x) larger than our first generation prototype. We continue to develop a third-generation prototype (Lab Proto 3) with a larger image space, which we believe will enable the Company to credibly engage with potential customers and secure customer funded development contracts to develop even larger and higher resolution product prototypes, eventually leading to a trade show prototype that will be portable and package for display at trade shows or on-site customer demonstrations.

University of Oklahoma - Sponsored Research Agreement History

On December 1, 2010, the Company entered into an agreement (the "Agreement") with the University of Oklahoma. The Agreement amended the existing agreements between the Company and the University such that all intellectual property, including all inventions and or discoveries, patentable or un-patentable, developed before July 28, 2008 by the University under the SRA is owned by the University. All intellectual property, including all inventions and/or discoveries, patentable or un-patentable, developed jointly by the Company and the University at any time is jointly owned by the Company and the University. Finally, all intellectual property developed by the Company after July 28, 2008, including all inventions and or discoveries, patentable or un-patentable, is owned by the Company.

Intellectual Property History, Status & Rights

On May 26, 2009, the United States Patent and Trademark Office ("USPTO") approved the pending patent called "Volumetric Liquid Crystal Display" for rendering a three-dimensional image and converted it to US patent No. 7,537,345. On July 16, 2013, USPTO approved the pending patent called "Computer System with Digital Micromirror Device," and issued US patent No. 8,487,865.

CSpace Patents are as follow: On December 28, 2010, USPTO approved the pending patent called "Light Surface Display for Rendering a Three-Dimensional Image," and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called "3D Volumetric Display" and issued the US Patent No. 8,247,755. On December 13, 2011, USPTO approved a continuation patent called "3D Light Surface Display," and issued the US Patent No. 8,075,139. On July 31, 2013, 3DIcon filed provisional patent called "Ultra High-Resolution Volumetric Three-Dimensional Display," (US patent application serial No. 61859145).

Through a SRA with the University, we have obtained the exclusive worldwide marketing rights to certain 3D display technologies under development by the University. The development to date has resulted in the University filing eight provisional patents; five of the eight provisional patents have been combined and converted to five utility US patents, one pending European patent and one pending Japanese patent.

Key Patents Exclusively Licensed to 3DIcon from OU:

Patents Granted
- "3D Volumetric Display" - 8,247,755, August 21, 2012
- "3DLight Surface Display" - 8,075,139, December 13, 2011
- "Light Surface Display for Rendering a Three-Dimensional Image" - 7,858,913, December 28, 2010
- "Volumetric Liquid Crystal Display" - 7,537,345, May 26, 2009
- "Computer System with Digital Micromirror Device" - 8,487,865, July 16, 2013

International Patents Granted-Japan
- "Light Surface Display for Rendering a Three-Dimensional Image" - Japanese Patent Number 5,594,718, August 15, 2014

International Patents Pending
- "Light Surface Display for Rendering a Three-Dimensional Image" - European Application Number EP07755984, Filed April 25, 2007
- "Ultra High Resolution Three-Dimensional Display" - July 26, 2013
- "Holoform Projection Display" - March 12, 2013

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2016 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2015

Revenue

We did not have revenue for the three-months periods ended June 30, 2016 and 2015.

Research and Development Expenses

The research and development expenses were $2,305 for the three months ended June 30, 2016, as compared to $2,329 for the three months ended June 30, 2015. The decrease was a result of the decrease in activity.

General and Administrative Expenses

Our general and administrative expenses were $210,918 for the three months ended June 30, 2016, as compared to $213,636 for the three months ended June 30, 2015. The decrease is due to a decrease of $7,000 of legal fees incurred in 2015 regarding the amortization of debt costs, a decrease in fees paid to the public relations firm of $35,000, a decrease of $6,000 in CFO fees, and a decrease of $5,700 in salaries and wages. These decreases were off-set by an increase in legal fees and consulting fees of $55,000 regarding the Securities Exchange Agreement.

Interest Expense

Interest expense for the three months ended June 30, 2016 was $2,005 as compared to $17,125 for the three months ended June 30, 2015. The decrease was primarily a result of $8,400 decrease in interest cost from the convertible debentures outstanding during the period and a decrease of $7,000 of OID amortization resulting from the conversion of debentures.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2016 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2015

Revenue

The second two year matching OCAST grant, for a total of $300,000 had a start date of September 1, 2013. We earned $-0- in grant funding from the second OCAST grant during the six months ended June 30, 2016 compared to $5,122 during the six months ended June 30, 2015. The grant was cancelled in March 2015 upon the resignation of Dr. Hakki Refai.

Research and Development Expenses

The research and development expenses were $4,930 for the six months ended June 30, 2016, as compared to $45,238 for the six months ended June 30, 2015. The decrease was a result of the decrease in cost for patent fees of approximately $3,000, a decrease of $36,000 of fees paid to Dr. Hakki Refai, and a decrease in the travel expenses of $1,200.

General and Administrative Expenses

Our general and administrative expenses were $438,327 for the six months ended June 30, 2016, as compared to $472,483 for the six months ended June 30, 2015. The net decrease is due primarily to a $69,000 decrease in fees to our public relations consultants and the CFO, a decrease of $12,000 in salaries, a decrease in legal fees of $8,000 regarding the amortization of deferred cost on debentures previously issued, a decrease of $11,000 in legal fees paid to our legal counsel, and a decrease in Blue Sky fees of $6,500. The decreases were off-set by an increase of $5,500 in accounting fees and $55,000 in legal and consulting fees regarding the Securities Exchange Agreement and an increase in insurance premiums of $4,000.

Interest Expense

Interest expense for the six months ended June 30, 2016 was $3,069 as compared to $25,748 for the six months ended June 30, 2015. The decrease was a result of a decrease in the amount of OID amortized of $17,000 and a decrease of $6,000 in interest costs on our debentures and notes which were retired through the issuance of our Series B Preferred shares.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We recognize our limited cash resources and plan our expenses accordingly. We intend to leverage stock-for-services wherever possible. The operating budget consists of the following expenses:

- Research and development expenses pursuant to the development of an initial demonstrable prototype and a second prototype for static volume technology.
- Acceleration of research and development through increased research personnel as well as other research agencies.
- General and administrative expenses: salaries, insurance, investor related expenses, rent, travel, website, etc.
- Hiring executive officers for technology, operations and finance.
- Professional fees for accounting and audit; legal services for securities and financing; patent research and protection.

Our independent registered public accountants, in their audit report accompanying our financial statements for the year ended December 31, 2015, expressed substantial doubt about our ability to continue as a going concern due to our status as a development stage organization with insufficient revenues to fund development and operating expenses.

We had net cash of $14,083 at June 30, 2016.

We had negative working capital of $541,829 at June 30, 2016.

During the six-months ended June 30, 2016, we used $126,754 of cash for operating activities, a decrease of $55,278 or 30% compared to the six-months ended June 30, 2015. The decrease in the use of cash for operating activities was a result of the increase in accounts payable of $14,365, an increase in prepaid expenses of $4,206, a decrease of $29,000 in stock issued for services, a decrease in amortization of debt cost of $26,000, and a decrease in the net loss of $102,000.

There was no cash used in investing activities during the six-months ended June 30, 2016 or for the six-months ended June 30, 2015.

We expect to fund the ongoing operations through the existing financing in place (see below); through raising additional funds as permitted by the terms of Golden State financing as well as reducing our monthly expenses.

Our ability to fund the operations of the Company is highly dependent on the underlying stock price of the Company.

4.75% Convertible Debenture due December 31, 2016

On November 3, 2006, the Company issued to Golden State a 4.75% convertible debenture in a principal amount of $100,000, due December 2016 as a result of a maturity extension agreement received by the Company in March 2015, and warrants to buy 25,571 shares of the common stock at an exercise price of $381.50 per share. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. During the six months ended June 30, 2016, Golden State converted $270 of the $100,000 debenture into 92,809,800 shares of common stock and exercised warrants to purchase 77 shares of common stock at $381.50 per share based on the formula in the convertible debenture. Additionally Golden State advanced $14,716 against future exercises of warrants of which $14,771 was applied to the exercise of warrants leaving $-0- of unapplied advances at June 30, 2016.

9% Promissory note due November 2016

On April 26, 2016 the Company signed a 9% Promissory Note with Golden State Equity Investors, Inc. ("Golden State") in the amount of $40,000. Interest is due monthly in the amount of $300. Golden State advance the $40,000 on the note and on June 16, 2016 applied $14,659 to fund the exercise of warrants under the terms of the 4.75% Convertible debenture (described above) held by Golden State, leaving $25,341 outstanding on the 9% Promissory note.

14% Term loan due June 2018

On April, 18, 2016 the Company entered into a Loan Agreement (the "Agreement") with Carlton James North Dakota Limited ("CJNCL") whereby CJNDL agreed to provide the Company a loan facility of up to $100,000. Under the terms of the Agreement the

Company shall pay interest on the outstanding unpaid balance at the rate of 1.167% per month. The interest is due quarterly and the principal is due June 29, 2018. CJNDL has advanced $75,000 on the loan. CJNDL is a party to the Share Exchange Agreement disclosed in Note 8 to the financial statements.

Director Debenture

On June 24, 2013, the Company issued to Victor Keen and Martin Keating, Directors of the Company, ("Directors") 10% convertible debentures in a principal amount of $15,000 each, due June 26, 2014 and subsequently extended to June 30, 2016. The Directors may elect to convert all or any portion of the outstanding principal amount of the debentures at an exercise price of $0.01 per share. Provided that the debentures are paid in full on or before the maturity date, no interest shall accrue on the unpaid balance of the principal amount. In the event that the debentures are not paid in full on or before the maturity date, interest shall accrue on the unpaid outstanding balance of the principal amount of the debentures from June 26, 2013, until paid, at the fixed rate of ten percent (10%) per annum. On March 24, 2016, 2016, the Company issued to Mr. Keen and Mr. Keating 1,193,582 and 19,266 shares of its newly designated Series B Preferred, respectively, in accordance with Securities Purchase Agreements dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under these convertible debenture are deemed satisfied, exchanged and converted.

Newton, O'Connor, Turner & Ketchum 10% Convertible Debenture

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum ("NOTK") a 10% convertible debenture in a principal amount of $29,007, initially due September 30, 2013 and subsequently extended to June 30, 2016. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of $0.02534 per share. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2012. The debenture was issued in settlement of the indebtedness. On March 24, 2016, the Company issued to NOTK 50,149 shares of its newly designated Series B Preferred in accordance with a Securities Purchase Agreement dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under the 10% convertible debenture are deemed satisfied, exchanged and converted.

10% Convertible Bridge Note to Director

On September 11, 2012, the Company issued and sold to Victor F. Keen, a Director and an accredited investor a Convertible Bridge Note (the "Keen Bridge Note") in the principal amount of $60,000. The sale of the Keen Bridge Notes in the principal of $60,000 included a $10,000 OID. Accordingly, the Company received $50,000 gross proceeds. The Keen Bridge Note matured 90 days from the date of issuance and, other than the OID, the Keen Bridge Note does not carry interest. However, in the event the Keen Bridge Note is not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity of the Keen Bridge Note, the holders of the Keen Bridge Note may elect to convert all or any portion of the outstanding principal amount of the Keen Bridge Note into (i) securities sold pursuant to an effective registration statement at the applicable offering price; or (ii) shares of common stock at a conversion price equal to the lesser of 100% of the Volume Weighted Average Price (VWAP), as reported for the 5 trading days prior to (a) the date of issuance of the Keen Bridge Note, (b) the maturity date of the Keen Bridge Note, or (c) the first closing date of the securities sold pursuant an effective registration statement.

On March 8, 2016, the Keen Bridge Note was extended to June 30, 2016.

On March 24, 2016, 2016, the Company issued to Mr. Keen 1,193,582 shares of its newly designated Series B Preferred in accordance with Securities Purchase Agreements dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts owed under these convertible debenture are deemed satisfied, exchanged and converted.

Series A Convertible Preferred Stock

January 23, 2014, the Company sold to Victor Keen, the Company's Chief Executive Officer and a member of the Company's Board of Directors, 190,000 Units for a purchase price of $190,000, as part of the Private Placement (as defined therein) disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2013. Pursuant to such Private Placement, the Company received aggregate proceeds equal to $385,000.

Advancements by Mr. Victor Keen

Mr. Victor F. Keen, Chief Executive Officer of the Company, has entered into several advancement transactions, whereby Mr. Keen provided funds to the Company. Specifically, Mr. Keen advanced the Company $145,000 in October 2015 and $103,000 in July, August, and September 2015. In addition, Mr. Keen has previously advanced the Company $34,000 in November 2014. The total amount of these advancements by Mr. Keen to the Company, as of the date of this filing, is $282,000 and is included in accounts payable. The Company is also indebted to Mr. Keen for his accrued salary from January 1, 2014 through December 31, 2015 totaling $300,000 and is included in accrued salaries. Additionally, Mr. Keen holds two convertible debentures totaling $75,000 which are included in debentures payable and discussed above. On March 24, 2016, the Company issued to Mr. Keen 1,193,582 shares of its newly designated Series B Preferred in accordance with a Securities Purchase Agreement dated December 11, 2015, pursuant to which, as a result of the issuance of the Series B Preferred, all amounts advanced to the Company are deemed satisfied, exchanged and converted.

Series B Convertible Preferred Stock

On March 24, 2016, the Company issued an aggregate of 1,589,010 shares of the Company's Series B Convertible Preferred Stock (the "Series B Preferred") in connection with Securities Purchase Agreements (the "Securities Purchase Agreements") dated December 11, 2015. Pursuant the Securities Purchase Agreements, the Company had agreed to issue, and on March 24, 2016 issued, to certain officers, directors, consultants and service providers (collectively, "Recipients") and the Recipients had agreed to accept, and on March 24, 2016 received, shares of Series B Preferred in consideration for the satisfaction, in lieu of cash payment, of an aggregate of $1,105,403 owed by the Company to the Recipients. Series B Preferred may be converted in whole or in part, from time to time, into One Thousand Nine Hundred Fourteen (1,914) shares of Common Stock. Among the Recipients were (i) Victor F. Keen, the Company's Chief Executive Officer, who received 1,193,582 shares of Series B Preferred in satisfaction of $685,355 owed to him under certain notes, in connection with certain advances he provided to the Company and for services he provided to the Company; (ii) Ronald W. Robinson, the Company's Chief Financial Officer, who received 85,771 shares of Series B Preferred in satisfaction of $90,291 owed to him for services he provided to the Company; (iii) Martin Keating, a Director of the Company, who received 19,266 shares of Series B Preferred in satisfaction of $20,2812 owed to him under certain notes and for services he provided to the Company; and (iv) Newton, O'Connor, Turner & Ketchum, PC, a law firm of which John O'Connor, a Director of the Company, is a partner, that received 50,149 shares of Series B Preferred in satisfaction of $52,791 owed to it for services provided to the Company. Additionally, on May 10, 2016 shares of Series B Preferred totaling 16,862 were issued to consultants for $17,750 of services rendered in 2016.

Off Balance Sheet Arrangements

The Company does not engage in any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Significant Accounting Policies

Research and Development Costs

The Company expenses all research and development costs as incurred. Until we have developed a commercial product, all costs incurred in connection with the SRA with the University, as well as all other research and development costs incurred, will be expensed as incurred. After a commercial product has been developed, we will report costs incurred in producing products for sale as assets, but we will continue to expense costs incurred for further product research and development activities.

Stock-Based Compensation

Since its inception 3DIcon has used its common stock or warrants to purchase its common stock as a means of compensating our employees and consultants. Financial Accounting Standards Board ("FASB") guidance on accounting for share based payments requires us to estimate the value of securities used for compensation and to charge such amounts to expense over the periods benefited.

The estimated fair value at date of grant of options for our common stock is estimated using the Black-Scholes option pricing model, as follows:

The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Subsequent Events

Accrued salary to Victor Keen, CEO

Subsequent to June 30, 2016, the Company issued Mr. Victor Keen 152,386 shares of Series B Convertible Stock in consideration of the indebtedness to Mr. Keen for his accrued salary from January 1, 2016 through July 31, 2016 totaling $87,500 of which $75,000 was included in accrued salaries at June 30, 2016.

Stock issued for prior services

Subsequent to June 30, 2016, shares of Series B Convertible Stock totaling 35,623 were issued for 2016 consulting services for which the Company reduced accounts payable by $37,500.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting. During the most recent quarter ended June 30, 2016, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

Item 1A. Risk Factors.

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the six months ended June 30, 2016, shares of common stock totaling 13,445,946 were issued to consultants for previous services provided to the Company for which the accounts payable liability was reduced by $17,000. Additionally, shares of common stock totaling 4,545,455 were issued to consultants for current services for which an expense was recorded in the amount of $750.

During the six-month period ended June 30, 2016, the Company issued an aggregate of 1,592,602 shares of the Company's Series B Convertible Preferred Stock (the "Series B Preferred") in connection with Securities Purchase Agreements (the "Securities Purchase Agreements") dated December 11, 2015. Pursuant the Securities Purchase Agreements, the Company had agreed to issue, and on March 24, 2016 issued, to certain officers, directors, consultants and service providers (collectively, "Recipients") and the Recipients had agreed to accept, and on March 24, 2016 received, shares of Series B Preferred in consideration for the satisfaction, in lieu of cash payment, of an aggregate of $1,105,402.72 owed by the Company to the Recipients. Series B Preferred may be converted in whole or in part, from time to time, into One Thousand Nine Hundred Fourteen (1,914) shares of Common Stock. Among the Recipients were (i) Victor F. Keen, the Company's Chief Executive Officer, who received 1,193,582 shares of Series B Preferred in satisfaction of $685,355 owed to him under certain notes, in connection with certain advances he provided to the Company and for services he provided to the Company; (ii) Ronald W. Robinson, the Company's Chief Financial Officer, who received 85,771 shares of Series B Preferred in satisfaction of $90,291 owed to him for services he provided to the Company; (iii) Martin Keating, a Director of the Company, who received 19,266 shares of Series B Preferred in satisfaction of $20,281 owed to him under certain notes and for services he provided to the Company; and (iv) Newton, O'Connor, Turner & Ketchum, PC, a law firm of which John O'Connor, a Director of the Company, is a partner, that received 50,149 shares of Series B Preferred in satisfaction of $52,791 owed to it for services provided to the Company. Additionally, on May 10, 2016 shares of Series B Preferred totaling 16,862 were issued to consultants for $17,750 of services rendered in 2016.

In connection with the securities issuances reported in this Item, the Company relied upon the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). No advertising or general solicitation was employed in offering any securities.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit
31.1	Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Accounting Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

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.

3DICON CORPORATION

Date: August 15, 2016

/s/ Victor F. Keen

Name: Victor F. Keen
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Ronald W. Robinson

Name: Ronald W. Robinson
Title: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Victor F. Keen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 3DIcon Corporation.

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

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

4. The registrant's other certifying officer 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 controls 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 quarterly 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;

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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. I have disclosed, based on my 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 function):

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

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

Dated: August 15, 2016

By: /s/ Victor F. Keen
Victor F. Keen
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Ronald W. Robinson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 3DIcon Corporation.

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

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

4. The registrant's other certifying officer 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 controls 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 quarterly 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;

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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. I have disclosed, based on my 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 function):

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

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

Dated: August 15, 2016

By: /s/ Ronald W. Robinson
Ronald W. Robinson
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of 3DIcon Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Victor F. Keen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

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

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: August 15, 2016

By: /s/ Victor F. Keen
Victor F. Keen
Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of 3DIcon Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald W. Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

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

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: August 15, 2016

By: /s/ Ronald W. Robinson
Ronald W. Robinson
Chief Financial Officer