FORM 10-QSB/A

AMENDMENT #1

SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report under Section 13 or 15(d) of
the Securities Exchange Act of 1934

For Quarter Ended June 30, 2005

Commission file number: 000-29621

XSUNX, INC.

(Exact name of registrant as specified in its charter)

Colorado	84-1384159
(State of incorporation)	(I.R.S. Employer Identification No.)

65 Enterprise, Aliso Viejo, CA 92656
(Address of principal executive offices) (Zip Code)

Registrant's telephone number: (949) 330-8060

Securities registered pursuant to Section 12(b) of the Act:

Title of each class: None

Name of each exchange on which registered: N/A

Securities registered pursuant to Section 12(g) of the Act:

Title of each class: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days. Yes [X] No [ ]

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

As of August 10, 2005 the number of shares outstanding of the registrant's only class of common stock was 123,854,733

Transitional Small Business Disclosure Format (check one): Yes [_] No [X]

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

XSUNX

(A DEVELOPMENT STAGE COMPANY)
FINANCIAL STATEMENTS

NINE-MONTHS ENDED JUNE 30, 2005
(UNAUDITED)

JASPERS + HALL, PC
CERTIFIED PUBLIC ACCOUNTANTS

9175 E. Kenyon Avenue, Suite 100
Denver, CO 80237
303-796-0099

REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

Board of Directors
XSUNX, Inc.
Denver, CO

We have reviewed the accompanying balance sheet of XSUNX, Inc. (An Exploration Stage Company) as of June 30, 2005 and the related statements of operations for the three and nine months ended June 30, 2005 and the period February 27, 1997 (inception) to June 30, 2005 and cash flows and stockholders' equity for the nine-months ended June 30, 2005 and for February 25, 1997 (inception) to June 30, 2005. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards of the Public Company Accounting Oversight Board (United States). The review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of person responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

The financial statements for the year ended September 30, 2004 were audited by other accountants, whose report dated December 3, 2004, expressed an unqualified opinion on those statements. They have not performed any auditing procedures since that date In our opinion, the information set forth in the accompanying balance sheets as of June 30, 2005 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, conditions exist which raise substantial doubt about the Company's ability to continue as a going concern unless it is able to generate sufficient cash flows to meet its obligations and sustain its operations. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Jaspers + Hall, PC
Jaspers + Hall, PC
Denver, CO
July 27, 2005

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XSUNX, INC.
(Formerly Sun River Mining, Inc.)
(A Development Stage Company)
Balance Sheets
(Unaudited)

	June 30, 2005
ASSETS:	
Current assets:	
Cash	$ 3,620
Prepaid Expenses	43,500
Total current assets	47,120
Fixed assets:	
Office Equipment (Net)	2,270
R&D Equipment	173,000
Total fixed assets	175,270
Other assets:	
Patents	20,000

Deposit - Lease	-
Total other assets	20,000
TOTAL ASSETS	$ 242,390
LIABILITIES AND STOCKHOLDERS' EQUITY:	
Current Liabilities:	
Accounts Payable	$ 345,809
Accrued Expenses	7,484
Notes Payable	-
Total current liabilities	353,293
Stockholders' Equity:	
Preferred Stock, par value $0.01 per share; 50,000,000 shares authorized; no shares issued and outstanding	-
Common Stock, no par value; 500,000,000 shares authorized; 121,196,239 shares issued and outstanding at June 30, 2005 and 114,036102 outstanding at September 30, 2004	3,669,791
Common stock warrants	1,200,000
Deficit accumulated during the exploratory stage	(4,980,694)
Total stockholders' equity (deficit)	(110,903)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 242,390

See Accountants' Review Report

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XSUNX, INC.
(Formerly Sun River Mining, Inc.)
(A Development Stage Company)
Statement of Operations
(Unaudited)

	Three-Months Ended June 30, 2005	Three-Months Ended June 30, 2004	Nine-Months Ended June 30, 2005	Nine-Months Ended June 30, 2004
Revenue	$ -	$ -	$ -	$ -

Expenses:				
Abandoned Equipment	-	-	-	-
Advertising	1,344	-	3,754	-
Bank Charges	71	193	372	255
Consulting	10,000	9,700	10,000	9,700
Contract R&D	144,310	61,645	357,646	74,495
Depreciation	-	-	-	-
Directors' Fees	-	29	-	29
Due Diligence	-	-	-	-
Equipment Rental	-	-	-	-
Impairment loss	-	-	-	-
Legal & Accounting	31,150	6,462	49,783	21,807
Licenses & Fees	-	-	25	-
Meals & Entertainment	551	30	551	142
Office Expenses	587	4,488	3,135	7,247
Other Operating Expenses	2,098	-	2,098	-
Salaries	41,032	33,108	120,144	98,108
Postage & Shipping	377	122	849	424
Printing	1,219	57	1,721	191
Public Relations	42,645	350	81,871	1,190
Rent	3,290	2,250	7,040	7,423
Subscriptions	104	-	104	-
Taxes	-	-	-	-
Telephone	1,342	1,271	3,675	2,814
Transfer Agent Expense	319	843	3,413	2,643
Travel	1,904	1,665	6,584	1,887
Warrant Option Expense	-	-	-	-
Total Operating Expenses	282,343	122,213	652,765	228,355
Other Income (Expense)				
Interest Expense	-	-		
Returned Merchandise	(98)	-	(516)	-
Interest Income	-	-		
Forgiveness of Debt	-	-		
Net (Loss)	$ (282,245)	$ (122,213)	$ (652,249)	$ (228,355
Per Share Information:				
Weighted average number of common shares outstanding	121,196,239	111,479,898		
Net Loss per Common Share	*	*		

See Accountants' Review Report

XSUNX, INC.

(Formerly Sun River Mining, Inc.)

(A Development Stage Company)
Statement of Cash Flows
(Unaudited)

	Nine-Months Ended June 30, 2005	2004
Cash Flows from Operating Activities:		
Net Loss	$(652,249)	$(228
Adjustments to reconcile net loss to cash used in operating activities:		
Issuance of Common Stock for Services	34,000	
(Increase) Decrease in Deposits	2,500	(22
(Increase) in Prepaid Expenses	(23,500)	
Increase in Accrued Expenses & Taxes	1,576	98
Increase in Accounts Payable	256,779	39
Net Cash Flows Used for Operating Activities	(380,894)	(112
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(173,000)	
Purchase of Intangible Assets	(10,000)	
Net Cash Flows Used for Investing Activities	(183,000)	
Cash Flows from Financing Activities:		
Payment of Note Payable	(1,225)	
Proceeds from Notes Payable	-	4
Issuance of Common Stock for Warrants	-	
Issuance of Common Stock	531,395	174
Net Cash Flows Provided by Financing Activities	530,170	179
Net Increase (Decrease) in Cash	(33,724)	66
Cash and cash equivalents - Beginning of period	37,344	2
Cash and cash equivalents - End of period	$ 3,620	$ 69
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for:		
Interest	$ -	
Income Taxes	$ -	
NON-CASH TRANSACTIONS		
Common stock issued in exchange for services	$ 34,000	

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XSUNX, INC.
(Formerly Sun River Mining, Inc.)
(A Development Stage Company)
Statement of Stockholders' Equity (Deficit)
June 30, 2005
(Unaudited)

	Common Stock # of Shares	Amount	Common Stock Warrants
Balance - September 30, 1999	753,148	$1,894,419	$ -
Issuance of stock for cash 9/00	15,000	27,000	-
Net Loss for year	-	-	-
Balance - September 30, 2000	768,148	1,921,419	-
Extinquishment of debt	-	337,887	-
Net Loss for year	-	-	-
Balance - September 30, 2001	768,148	2,259,306	-
Net Loss for year	-	-	-
Balance - September 30, 2002	768,148	2,259,306	-
Issuance of stock for Assets 7/03	70,000,000	3	-
Issuance of stock for Cash 8/03	9,000,000	225,450	-
Issuance of stock for Debt 9/03	115,000	121,828	-
Issuance of stock for Accruals 9/03	115,000	89,939	-
Issuance of stock for Services 9/03	31,300,000	125,200	-
Net Loss for year	-	-	-
Balance - September 30, 2003	111,298,148	2,821,726	-
Issuance of stock for cash	181,750	21,071	-
Issuance of stock for cash	217,450	22,598	-
Issuance of stock for cash	254,956	34,669	-
Issuance of stock for cash	694,649	96,306	-
Issuance of stock for cash	157,649	21,421	-
Issuance of stock for cash	57,000	5,133	-
Issuance of stock for cash	1,174,500	81,472	-
Issuance of common stock warrants	-	-	1,200,000
Net Loss for period	-	-	-
Balance - September 30, 2004	114,036,102	3,104,396	1,200,000
Issuance of stock for cash	5,907,537	471,068	-
Issuance of stock for cash	300,600	20,067	-
Issuance of stock for services	300,000	24,000	-
Issuance of stock for cash	527,000	40,260	-
Issuance of stock for services	125,000	10,000	-
Net Loss for Period	-	-	-
Balance - June 30, 2005	121,196,239	$3,669,791	$1,200,000

All shares have been adjusted for the 1 for 20 reverse split in Fiscal Year 2003

See Accountants' Review Report
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XSUNX, INC.
(FORMERLY SUN RIVER MINING, INC.)
Notes to Financial Statements
June 30, 2005
(Unaudited)

Note 1 - Presentation of Interim Information:

In the opinion of the management of XSUNX, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of June 30, 2005 and the results of operations for the three and nine-months ended June 30, 2005 and 2004 and for the period February 25, 1997 (inception) to June 30, 2005, and cash flows for the nine-months ended June 30, 2005 and 2004 and the for the period February 25, 1997 (inception) to June 30, 2005. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended September 30, 2004.

Note 2 - Going Concern:

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company is in the exploration state and has not earned any revenue from operations. The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or locate a merger candidate and ultimately, achieve profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

Note 3 - Commitment:

On September 17, 2004, the Company entered into a definitive asset license and cooperative venture agreement with MVSystems, Inc. for the development and commercialization of cooperative uses of core technologies as supplemental enhancements to the commercial application of their respective technologies and business initiatives.

Note 4 - Stock Option Plan:

Effective June 30, 2004, the Company adopted the 2004 Xsunx, Inc. Option Plan (the "Plan") to provide incentives for obtaining and retaining the services of eligible Employees, Consultants and Directors who are anticipated to contribute to the Company's long range success and insure to the benefit of all stockholders of the Company. The Plan authorizes the issuance of up to 30,000,000 shares of the Company's common stock pursuant to the grant and exercise of up to 30,000,000 stock options. The Plan was approved by unanimous written consent of the Board of Directors of Xsunx, Inc. The adoption of the Plan is subject to ratification by a majority of the Company's stockholders, which approval must be obtained within 12 months from the date the Plan was adopted by the Board. No shares of stock have been issued in Fiscal Year 2005. The Plan was cancelled by the Board due to non-approval in August 2005.

Note 5 - Material Definitive Agreement:

On July 14, 2005, the Company issued a secured convertible debenture to Cornell Capital Partners, LLP for aggregate proceeds of $850,000. In connection with this transaction, the Company also issued 2,609,263 shares of common stock and five-year warrants to purchase 4,250,000 shares and 2,125,000 shares at $0.15 and $0.20, respectively. All securities were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended.

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Item 2. MANAGEMENT'S DISCUSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY AND FORWARD LOOKING STATEMENTS

In addition to statements of historical fact, this Form 10-QSB contains forward-looking statements. The presentation of future aspects of XsunX, Inc. ("XsunX", the "Company" or "issuer") found in these statements is subject to a number of risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," or "could" or the negative variations thereof or comparable terminology are intended to identify forward-looking statements.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause XsunX's actual results to be materially different from any future results expressed or implied by XsunX in those statements. Important facts that could prevent XsunX from achieving any stated goals include, but are not limited to, the following:

Some of these risks might include, but are not limited to, the following:

(a) volatility or decline of the Company's stock price;

(b) potential fluctuation in quarterly results;

(c) failure of the Company to earn revenues or profits;

(d) inadequate capital to continue or expand its business, inability to raise additional capital or financing to implement its business plans;

(e) failure to commercialize its technology or to make sales;

(f) rapid and significant changes in markets;

(g) litigation with or legal claims and allegations by outside parties;

(h) insufficient revenues to cover operating costs.

There is no assurance that the Company will be profitable, the Company may not be able to successfully develop, manage or market its products and services, the Company may not be able to attract or retain qualified executives and technology personnel, the Company's products and services may become obsolete, government regulation may hinder the Company's business, additional dilution in outstanding stock ownership may be incurred due to the issuance of more shares, warrants and stock options, or the exercise of warrants and stock options, and other risks inherent in the Company's businesses.

The Company relies substantially on outsourced and contracted strategic relationships for service associated with the development of its technology and products. A loss of strategic relationships used in the development of our products and technology could impede our ability to complete our product and result in a material adverse effect causing the business to suffer. We have established a plan of operations under which we rely on a strategic relationship with MVSystems, Inc. to provide general facilities, personnel, and expertise in the research and development of the technology and manufacturing process underlying our Power Glass (TM) product. A loss of this relationship for any reason could cause us to experience difficulties in completing the development of our product and implementing our business strategy. There can be no assurance that we could establish other relationships of adequate expertise in a timely manner or at all.

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The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-QSB and Annual Reports on Form 10-KSB filed by the Company and any Current Reports on Form 8-K filed by the Company.

CURRENT OVERVIEW

XsunX, Inc. is developing Power Glass(TM) - an innovative solar technology that allows glass windows to produce electricity from the power of the sun. This process for producing electricity is known as Photovoltaics. Photovoltaic ("PV") is the science of capturing and converting solar energy into electricity.

Using patented solar cell design and manufacturing processes, the Company is focused on the development of very thin semi-transparent coatings on thin-film flexible plastics that create large area monolithic solar cell structures that you can see through. This semi-transparency makes Power Glass(TM) glazing desirable for placing over glass, plastics, and other see-through structures.

The Company's strategy is to complete the development and commercialization of its Power Glass(TM) process and enter into licensing agreements with channel partners who will manufacture and distribute products made with the XsunX solar electric glass technology. In this manner, it is anticipated that glass manufactures will incorporate the Power Glass(TM) technology into their manufacturing process as an "original equipment manufacturer" (OEM) and sell the finished product to their consumers.

For the period ended June 30, 2005, the Company had and continues to focus on the development and refinement of commercially appealing solar cell designs, proprietary manufacturing processes and facilities design that could be provided to our future licensees as turn-key solutions for the mass production of Power Glass(TM) films. A large part of the Company's investment capital is used for product development. However, this may begin to shift towards marketing, sales, and business development in this new fiscal year ending September 30, 2005.

The Company continues to develop and optimize the XsunX Power Glass(TM) process for future commercial applications. Areas of current process development include:

(a) Process development on thin-film sheet and rolled polymers and plastics
(b) Characterize efficiency and transparency vs. thickness - curves for applications
(c) Engineer the integration of reel-to-reel and laser scribing process into manufacturing devices

In conjunction with on going R&D efforts the Company is working with various manufactures to assist in the development of specific applications, processes and manufacturing requirements.

The Company intends to continue to make investments in the commercial development of its patents and evolving technologies through the course of the next year. To finance these development efforts we are currently engaged in on going capital formation efforts to fund the Company's projected deficits for development costs in the current year. The Company intends to continue to fulfill its working capital requirements through the sale of Common Stock. A majority of the investment proceeds will be allocated for the commercial development of its Power Glass(TM) product line.

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Management believes the summary data presented herein is a fair presentation of the Company's results of operations for the periods presented. Due to the Company's change in primary business focus in October 2003 and new business opportunities these historical results may not necessarily be indicative of results to be expected for any future period. As such, future results of the Company may differ significantly from previous periods.

Results of Operations for the Three-Month Period Ended June 30, 2005 Compared to the Same Period in 2004

The Company generated no revenues in the period ended June 30, 2005 as well as for the same period in 2004.

The Company incurred operating expenses totaling $282,343 for the three months ended June 30, 2005 compared to $122,213 for the same period in 2004. Primary sources for the increase to operating expense of $160,130 include: an increase of $82,665 in Research and Development activities, an increase of $42,295 in Public Relations activity, and an increase of $35,170 in General and

Administrative expenses related to an increase in legal, accounting and business development expenses. The $282,343 operating expenses includes non-cash charges of $22,950 for the issuance of unregistered stock for business development and advisory services in lieu of cash payment for services.

The net loss for the three months ended June 30, 2005 was ($282,245) as compared to a net loss of ($122,213) for the same period 2004. The increase of $160,032 includes (i) an increase in research and development expenditures of $82,665 which is anticipated to continue to increase for the foreseeable future as the Company furthers efforts to complete the commercial development of a licensable process for the manufacture of semi-transparent solar electric glazing technologies and (ii) an increase of $77,367 in General and Administrative expenses attributed to the Company's business development and investor awareness efforts.

These expenses are anticipated to continue to increase as the Company continues the development of its business plan as a developer and provider of solar electric technologies.

Results of Operations for the Nine Month Period Ended June 30, 2005 Compared to Same Period ended June 30, 2004

The Company had no revenues in the nine-month period ended June 30, 2005 as well as for the same period in 2004.

The Company incurred operating expenses totaling $652,765 in the nine-month period ended June 30, 2005 compared to $228,355 in the same period ended June 30, 2004. The major components of the expenses in the nine-month period were Contract R&D of $357,646, salaries of $120,144, legal and accounting fees of $49,783, public relations expenses of $81,871, and general and administrative expenses of 43,312. These expenses were all incurred in preparing to commercialize a licensable process for the manufacture of semi-transparent solar electric glazing technologies.

The Company incurred net loses of ($652,249) and ($228,355) in the nine-month period ended June 30, 2005 and 2004 respectively. The associated net loss per share was nominal in the nine-months period ended June 30, 2005 and 2004. The Company expects the trend of losses to continue at an accelerated rate in future quarters until the Company is able to begin sales of significance of which there is no assurance.

Liquidity and Capital Resources

The Company had cash at June 30, 2005 of $3,620 and prepaid expenses in the amount of $43,500 equaling total current assets of $47,120 as compared to cash of $37,344 in cash and prepaid expenses in the amount of $20,000 equaling total current assets of $57,344 as of September 30, 2004. The Company had a net working capital (deficit) of ($306,173) as compared to a working capital (deficit) of ($38,819) at September 30, 2004. There were no cash flows provided from operations during the nine-month period ended June 30, 2004 and increases to general, administrative, research and development expenses in these periods resulted in an overall increase to working capital deficits.

Cash flow from financing activities used in operating activities during the nine-month period ended, June 30, 2005, was ($380,894) as compared to using

($112,416) for the same period 2004. The increase of cash used in operations of $268,478 included (i) an increase in research and development expenses of $82,665 (ii) non-cash charges of $34,000 for un-registered stock issued for investor relations and advisory services in lieu of cash payments (iii) and an increase of $151,813 in general and administrative expenses in the commercial development of the Company's new business objectives. The value of the stock issued for services was determined by using the value of the last sale closing price or a monthly average closing price as quoted on the OTCBB on the date of issuance.

For the nine-months ended June 30, 2005, the Company's capital needs have been met from the proceeds of a series of private placements of Common Stock made by the Company. The Company completed private placements of its common stock pursuant to Regulation S totaling $531,394.97 in the nine-months ended June 30, 2005 of which $40,260 was completed in the quarter ended June 30, 2005 as compared to $179,212 for the nine-months ended June 30, 2004. The proceeds from the above sales of unregistered securities were used to fund the research and developments efforts and day-to-day operations of the Company and to pay the accrued liabilities associated with these operations. See "Part II - Item 2. Change in Securities" for a review of the sale or issuance of securities in the three months ended June 30, 2005.

Cash and cash deposits at June 30, 2005 were $47,500, a decrease of $125,494 from March 31, 2005. We had , at June 30, 2005, a working capital (deficit) of ($306,173).We anticipate that there will not be sufficient cash generated from operations in the current year necessary to fund our current and anticipated cash requirements. The Company is currently engaged in efforts to obtain additional financing from equity and debt placements.

NEED FOR ADDITIONAL FINANCING

The Company anticipates that there will be no cash generated from operations in the current year necessary to fund its anticipated cash requirements. The Company has incurred operating deficits since its reorganization in October 2003, which are expected to continue until its new business model is fully developed. Accordingly, the Company is dependent on raising additional capital necessary to meet the Company's cash needs for Research, Development, General and Administrative expenses including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934.

The Company has been able to raise capital in a series of equity and debt offerings in the past and is actively pursuing additional financing in the form of loans or equity placements to cover on going cash needs. There can be no assurances that the Company will be able to obtain such additional financing, on terms acceptable to it and at the times required, or at all. Lack of capital may be a sufficient impediment to prevent it from accomplishing the goal of commercializing a licensable process for the manufacture of semi-transparent solar electric glazing technologies.

Irrespective of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

GOING CONCERN

The Company is in the development stage and as of the period ending June 30, 2005, did not have any products for sale, and had not generated any revenue from sales or other operating activities. To date the Company's principal source of liquidity has been the private placement of equity securities and the issuance of notes payable. As such, the Company's ability to secure additional financing on a timely basis is critical to its ability to stay in business and to pursue planned operational activities.

Based on the foregoing and the Company's history of losses, the Company's financial statements for the nine-month period ended June 30, 2005 include a going concern opinion from its outside auditors, which stated there "is substantial doubt" about our ability to continue operating as a "going concern."

Item 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chairman have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report and, based on this evaluation, have concluded that the disclosure controls and procedures are effective.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None.

Item 2. Changes in securities -

In a private placement of the Company's common stock pursuant to Regulation S of the Act on or about April 1, 2005, the Company accepted an offer for the sale of 327,000 shares at a price of $.0764 per share, which raised gross proceeds of $24,980. This offer and sale was completed on April 1, 2005.

On or about May 5, 2005 the Company issued 125,000 shares of common stock pursuant to Rule 144 of the Act to 1 consultant as compensation for three months of services to be rendered to the company. The shares were valued at the market price of the Company's common stock at the time of issuance which was $0.08 per share for a total compensated value of $10,000.00.

In a private placement of the Company's common stock pursuant to Regulation S of the Act on or about May 12, 2005, the Company accepted an offer for the sale of 200,000 shares at a price of $.0764 per share, which raised gross proceeds of $15,280. This offer and sale was completed on May 12, 2005.

On or about July 21, 2005 the Company issued 49,231 shares of common stock pursuant to Rule 144 of the Act to 1 consultant as compensation for three months of services that had been rendered to the company. The shares were valued at the average market price of the Company's common stock over the previous three month period of services which was $0.1219 per share for a total compensated value of $6,000.00.

In July 2005, the Company issued secured convertible debentures for aggregate proceeds of $850,000. In connection with this transaction, the Company also issued 2,609,263 shares of common stock and five-year warrants to purchase 4,250,000 shares and 2,125,000 shares at $0.15 and $0.20, respectively. All securities were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults upon senior securities - None.

Item 4. Submission of matters to a vote of security holders - None.

Item 5. Other information - None

Item 6. Exhibits and reports on Form 8-K -

A. Exhibits:

31 Sarbanes-Oxley Certification
32 Sarbanes-Oxley Certification

B. Reports on Form 8-K: None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 17, 2005

XSUNX, INC.

By: /s/ Tom M. Djokovich

Tom M. Djokovich, Chief Executive Officer, President, and acting Chief Financial Officer