

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended October 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number 333-68008

NUVILEX, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

62-1772151

(I.R.S. Employer Identification No.)

7702 E. Doubletree Ranch Road, Suite 300, Scottsdale, AZ 85258

(Address of principal executive offices)

(480) 348-8050

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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) 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

(Do not check if a 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

January 21, 2011, the registrant had 348,387,581 outstanding shares of Common Stock.

Forward-Looking Statements

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “1933 Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact are “forward-looking statements” for purposes of this Quarterly Report on Form 10-Q, including any projections of earnings, revenue or other financial items, any statements regarding the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, any statements regarding expected benefits from any transactions and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “estimates,” “potential” or “continue,” or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct and actual results could differ materially from those projected or assumed in the forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risk and uncertainties, including, but not limited to, the risk factors set forth in “Part II, Item 1A – Risk Factors” below and for the reasons described elsewhere in this Quarterly Report on Form 10-Q. All forward looking statements and reasons why results may differ included in this report are made as of the date hereof and we do not intend to update any forward-looking statements except as required by law or applicable regulations. Except where the context otherwise requires, in this Quarterly Report on Form 10-Q, the “Company,” “Nuvilex,” “we,” “us” and “our” refer to Nuvilex, Inc., a Nevada corporation, and, where appropriate, its subsidiaries.

PART 1 – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited financial statements included herein have been prepared by Nuvilex, Inc. (the “Company”). In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for interim periods. It is suggested that these financial statements and notes to the financial statements be read in conjunction with the financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended April 30, 2010.

**NUVILEX, INC.
F/K/A EFOODSAFETY.COM, INC.**

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**NUVILEX, INC.
F/K/A EFOODSAFETY.COM, INC.
CONSOLIDATED BALANCE SHEETS**

	October 31, 2010	
	Unaudited	April 30, 2010
<u>ASSETS</u>		
Cash	\$ -	\$ 716
- Accounts receivable - net	13,025	10,435
Inventory	-	2,528
Total Current Assets	13,025	13,679
Property, plant and equipment - net	84,550	107,538
Assets held for sale	1,081,000	1,081,000
Total Assets	\$ 1,178,575	\$ 1,202,217

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Cash overdraft	\$ 629	\$ -
Accounts payable	739,882	674,817
Accrued interest	178,645	95,603
Due to shareholder	13,000	-
Due to an officer	100	-
Current portion of long-term debt	2,377,543	2,282,942
Total Current Liabilities	3,309,799	3,053,362
Long-term Liabilities		
Long-term debt, net of current portion	-	100,000
Total Liabilities	3,309,799	3,153,362
Commitments and Contingencies		
Preferred stock, authorized 10,000,000 shares, \$0.0001 par value, 5,000 and 5,000 shares issued and outstanding respectively	500,000	500,000
Stockholders' Deficit		
Common Stock, authorized 500,000,000 shares, \$0.0001 par value, 348,387,581 and 348,387,581 shares issued and outstanding respectively	34,839	34,839
Additional paid in capital	34,064,993	34,064,993
Accumulated deficit	(36,731,056)	(36,550,977)
Total Stockholders' Deficit	(2,131,224)	(1,951,145)
Total Liabilities and Stockholders' Deficit	\$ 1,178,575	\$ 1,202,217

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

NUVILEX, INC.
F/K/A EFOODSAFETY.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	October 31,		October 31,	
	(As restated)		(As restated)	
	2010	2009	2010	2009
Revenues	\$ 15,869	\$ 70,171	\$ 42,829	\$ 138,118
Cost of revenues	2,854	51,970	9,781	93,761
Gross profit	13,015	18,201	33,048	44,357
Expenses:				
Sales and marketing	-	93,615	7,000	241,260
Research and development	-	197,382	5,359	441,428
General and administrative	32,193	211,341	119,202	553,095
Total operating expenses	32,193	502,338	131,561	1,235,783
Net income (loss) from operations	(19,178)	(484,137)	(98,513)	(1,191,426)
Other income (expense)				
Loss on settlement of loan receivable	-	-	-	(55,000)
Interest expense	(26,642)	(48,464)	(81,566)	(117,491)
Other income (expense)	-	18,258	-	23,683
Total other income (expense)	(26,642)	(30,206)	(81,566)	(148,808)
Net income (loss)	\$ (45,820)	\$ (514,343)	\$ (180,079)	\$ (1,340,234)
Loss per share				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding				
Basic and diluted	348,387,581	281,093,257	348,387,581	265,719,424

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

NUVILEX, INC.
F/K/A EFOODSAFETY.COM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Six Months Ended

October 31,

(As Restated)

	2010	2009
Cash flows from operating activities:		
Net loss	\$ (180,079)	\$ (1,340,234)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock issued for services	-	57,810
Depreciation and amortization	22,988	65,113
Amortization of debt discount	-	68,054
Loss on impairment of long-lived assets	-	529
Loss on settlement of loan receivable	-	55,000
Gain on sale of securities	-	(2,692)
Net amortization of discount/premium	(5,398)	(5,398)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,590)	94,006
(Increase) decrease in inventory	2,528	31,715
(Increase) decrease in prepaid expenses	-	2,346
(Decrease) in tenant deposits	-	(3,987)
Increase (decrease) in accounts payable	65,064	243,471
Increase (decrease) in accrued expenses	83,042	(90,332)
Net cash used in operating activities	(14,445)	(824,599)
Cash flows from investing activities:		
Purchase of fixed assets	-	(46,305)
Proceeds from or (purchase) of marketable securities	-	24,967
Collection of loan receivable	-	50,000
Net cash provided by investing activities	-	28,662
Cash flows from financing activities:		
Proceeds from the sale of common stock	-	227,748
Increase in cash overdraft	629	-
Proceeds from borrowings	-	63,786
Proceeds from borrowings, related party	13,100	-
Repayment of debt	-	(90,096)
Net cash provided by financing activities	13,729	201,438
Net decrease in cash and cash equivalents	(716)	(594,499)
Cash and cash equivalents at beginning of period	716	603,727
Cash and cash equivalents at end of period	\$ -	\$ 9,228
Supplementary non-cash disclosures:		
Cash paid for interest	\$ -	\$ 5,425
Franchise and income taxes	\$ -	\$ -
Common Stock issued for stock not yet issued	\$ -	\$ 250,000

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

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NUVILEX, INC.
F/K/A EFOODSAFETY.COM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – BACKGROUND, ACQUISITION AND LIQUIDITY

This summary of accounting policies for Nuvilex, Inc. and its subsidiaries is presented to assist in understanding the Company's consolidated financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

Background

The Company was founded as DJH International, Inc., a Nevada corporation, on October 28, 1996, and changed its name to eFoodSafety.com, Inc. following its October 16, 2000 acquisition of Global Procurement Systems, Inc. The Company acquired Ozone Safe Food, Inc. for Common Stock on October 29, 2003. The Company's early mission was to provide methods and products to ensure the safety of marketed fruits and vegetables worldwide. On February 4, 2004, the Company registered shares with the Securities and Exchange Commission and its Common Stock began publicly trading on the OTC Bulletin Board under the trading symbol EFSF. The Company did not issue shares of Common Stock pursuant to an initial public offering. With less than projected demand for its produce sterilization methods and software tracking products, the Company changed its strategy and acquired Knock-Out Technologies, Ltd. and MedElite, Inc. in May 2004 and August 2005, respectively. Knock-Out Technologies, Ltd. is a developer of products using organic, non-toxic food based

substances. MedElite, Inc. is the exclusive U.S. distributor of TalsynTM-CI Scar Cream (“Talsyn”), a topical scar reducing cream. The Company’s new strategy was to bring to market scientifically derived products designed to improve the health and well-being of those who use them. The Company sold its Ozone Safe Food, Inc. operations in August 2005. In November 2006, the Company formed Cinnergen, Inc., a wholly-owned subsidiary, to manufacture and market a non-prescription liquid nutritional supplement designed to promote healthy glucose metabolism, and purEffect, Inc., another wholly-owned subsidiary, to manufacture and market purEffectTM, a four-step non-prescription acne treatment. On March 10, 2006, the Company licensed the marketing rights for purEffectTM to Charlston Kentrist 41 Direct, Inc. (“CK41”). In July 2007, the Company formed I-Boost, Inc., a wholly-owned subsidiary, to manufacture and market a food bar designed to improve the effectiveness of the human immune system. In March 2008, the Company formed Cinnechol, Inc., a wholly-owned subsidiary, to manufacture and market a non-prescription nutritional supplement designed to promote cardiovascular health. In February 2009, the Company sold its remaining rights in the purEffectTM product to CK41 for an equity position in CK41 and future royalty compensation. In March 2009, the Company acquired Freedom2 Holdings, Inc., the manufacturer and marketer of Infinitink®, a permanent tattoo ink designed to be removed more easily using conventional laser removal methods. On March 18, 2009, the Company changed its name to Nuvilex, Inc.

Acquisition Purchase Price

On March 2, 2009, The Company entered into a share exchange agreement with Freedom-2 Holdings, Inc. whereby the Company issued 48,205,000 shares of its common stock to acquire 100% of the outstanding shares of F2Holdings at \$0.047 per share for a total purchase price of \$2,265,634. Freedom-2 Holdings, Inc. and its wholly-owned subsidiary, Freedom-2, Inc. were formed on January 30, 2007. At the time of Freedom-2Holdings’ formation, all of its outstanding common stock was owned by Freedom-2, LLC, a Delaware limited liability company. On January 31, 2007, all of the aforementioned entities entered into an agreement and plan of merger under which Freedom-2, LLC was merged with and into Freedom-2 Holdings, Inc. and, as of that date, Freedom-2, LLC ceased to exist and Freedom-2 Holdings, Inc. continued as the surviving corporation. The Company’s share exchange agreement transaction with Freedom-2 Holdings, Inc. has been accounted for as a purchase. Under the purchase method of accounting, the assets and liabilities of acquiree are recorded as of the completion of the merger, at their respective fair values, and then consolidated with the values of the acquirer.

As presented in the Company's April 30, 2009 restated financial statements, the assets and liabilities of Freedom-2 Holdings, Inc. and its wholly-owned subsidiary Freedom-2, Inc. were transferred at fair value.

Generally accepted accounting principles require that under the purchase method of accounting assets and liabilities assumed in a business combination be recorded at their respective fair values. An independent appraisal of assets and liabilities was not undertaken at the time of the share exchange and thus assets and liabilities assumed were not recorded at fair value. In 2010 an independent third party appraisal was obtained resulting in the restatement of the April 30, 2009 financial statements. The result of the Company restatement of its share exchange is as follows.

	Original Accounting using Acquiree's Net Book Value	Restated Accounting using GAAP Fair Value
Common Stock issued for acquisition	\$ 2,265,634	\$ 2,265,634
Assets and liabilities:		
Cash	7,592	7,592
Accounts Receivable	3,301	3,301
Inventory	46,664	46,664
Prepaid costs	195,482	195,481
Building	2,388,296	2,278,779
Fixed assets	256,141	210,790
Intangible Assets	-	176,000
Accounts Payable	(365,413)	(365,413)
Mortgage Payable	(1,955,854)	(2,068,534)
Notes Payable	(420,000)	(361,592)
Security Deposit	(3,987)	(3,987)
	<u>152,222</u>	<u>119,081</u>
Goodwill	<u>\$ 2,113,412</u>	<u>\$ 2,146,553</u>

As of part of the Company's reexamination of its fiscal 2009 financial statements, a fair market assessment of the Company's goodwill asset for the year ended April 30, 2010 found that the goodwill and intangible asset did not provide any current or future value to the Company. Current market conditions have materially impacted the Company's ability to make market or sell its Infnitink® product line, the principle product acquired in the Company's acquisition of Freedom-2 Holdings, Inc. The Company believes that the goodwill, building and the intangible assets acquired in this transaction are impaired. Accordingly, the Company has recorded a \$2,309,842 charge to impairment loss recognized for acquired and intangible assets in its April 30, 2010 Statement of Operations.

NOTE 2 - Going Concern and Management's Plans

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America ("GAAP") applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. In addition, as of October 31, 2010, the Company has an accumulated deficit of \$36,731,056, has incurred a net loss for the six months ended October 31, 2010 of \$180,079 and has a working capital deficit of \$3,296,774. The Company's current business plan requires additional funding beyond its anticipated cash flows from operations. These and other factors raise substantial doubt about the Company's ability to continue as a going concern.

With an overall goal of long-term growth, the Company has been working to stabilize its financial condition. The Company's financial stability efforts include three primary components:

1. The reduction of the Company's cash burn rate to breakeven or better,
2. The sale or lease of its Cherry Hill, New Jersey property,

3. The establishment of a workout plan with the Company's lenders and creditors that will resolve, over time, the amounts owed without actions or litigation that would disrupt the Company's ability to operate, and
4. The pursuit of a product sales and growth strategy that will augment the Company's cash position and that will ultimately lead to profitability.

Management believes that its multi-part strategy will strengthen the Company's position and both the short and long term viability of the Company.

NOTE 3 – Significant Accounting Policies

Unaudited Financial Statements

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), for interim financial information and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended October 31, 2010 are not necessarily indicative of the results that may be expected for the year ending April 30, 2011. The balance sheet at April 30, 2010, has been derived from the audited financial statements at that date but does not include all of the information and disclosures required by GAAP for complete financial statements. For further information, refer to the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended April 30, 2010.

Principles of Consolidation

The consolidated financial statements include the accounts of Nuvilex, Inc. and its subsidiaries, Knock-Out Technologies, Ltd., MedElite, Inc Cinnergen, Inc , I-Boost, Inc., Cinnechol Inc., Freedom-2 Holdings, Inc, Freedom-2, Inc. and Exceptional Equipment and Ink Supply Company, Inc. With respect to the latter three subsidiaries the financials include the profit and loss activity from the date of purchase March 2, 2009 to October 31, 2010 as the acquisition was accounted for under the purchase method of accounting.

All significant intercompany balances and transactions have been eliminated.

Restatement of Prior Year Financial Statements

In conjunction with the Company's change of registered certified public accountants, a re-examination of the Company's financial statements for the year ending April 30, 2009 and the application of generally accepted accounting principles for the application of the purchase method of accounting it was necessary for the Company to restate its April 30, 2009 balance sheet and results of operations for the year then ended. The restatement of the Company's April 30, 2009 balance sheet and results of operations for the year then ended also triggered a restatement of the Company's October 31, 2009 results of operations for the quarter then ended. An analysis of the restated October 31, 2009 results of operations for the three and six months ending are included in Note 11 – Restated Financial Statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Inventories

Inventories are stated at the lower of cost or market. Cost is computed on a weighted-average basis, which approximates the first-in, first-out method, and market is based upon estimated replacement costs. Costs included in inventory primarily include finished product and packaging.

Use of Estimates

The preparation of financial statements in conformity with GAAP required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. Expenditures that increase the useful lives or capacities of the plant and equipment are capitalized. Expenditures for repairs and maintenance are charged to income as incurred. Depreciation is provided using the straight-line method over the estimated useful lives as follows:

Computer equipment/software	3 years
Furniture and fixtures	7 years
Machinery and equipment	7 years
Building improvements	15 years
Building	40 years

Goodwill and other indefinite-lived intangibles

The Company records the excess of purchase price over the fair value of the identifiable net assets acquired as goodwill and other indefinite-lived intangibles. The FASB standard on goodwill and other intangible assets, prescribes a two-step process for impairment testing of goodwill and indefinite-lived intangibles, which is performed annually, as well as when an event triggering impairment may have occurred. The first step tests for impairment, while the second step, if necessary, measures the impairment. The Company has elected to perform its annual analysis at the end of its reporting year.

Valuation of long-lived assets

The Company accounts for the valuation of long-lived assets under the FASB standard for accounting for the impairment or disposal of Long-Lived Assets. The FASB standard requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less cost to sell.

Basic and Diluted Earnings (Loss) per Share

Basic and diluted earnings per share is calculated using the weighted-average number of common shares outstanding during the period without consideration of the dilutive effect of stock warrants, convertible notes and convertible preferred shares.

Fair value of financial instruments

For certain of the Company's non-derivative financial instruments, including cash and cash equivalents, receivables, accounts payable, and other accrued liabilities, the carrying amount approximates fair value due to the short-term maturities of these instruments. The estimated fair value of long-term debt is based primarily on borrowing rates currently available to the Company for similar debt issues. The fair value approximates the carrying value of long-term debt.

ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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The following presents the gross value of assets and liabilities that were measured and recognized at fair value.

- Level 1: none
- Level 2: none
- Level 3: none

Effective October 1, 2008, the Company adopted Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value. Neither of these statements had an impact on the Company's financial position, results of operations or cash flows. The carrying value of cash and cash equivalents, accounts

payable and accrued expenses, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments.

As of October 31, 2010 the Company has recorded several of its assets and liabilities at fair value. The building held for sale was written down in the last quarter of fiscal 2010 to its fair value based upon a sale agreement. Although the agreement was not finalized it established the current market value for the property (refer to Note 7). In March of 2009 through the acquisition of another company the Company acquired certain debt. As part of the acquisition these liabilities were evaluated by a third party and valued at fair value at which they were recorded. As a result of this the Company is amortizing the associated discount and premium for two of the liabilities (refer to Note 8).

Recent accounting pronouncements

In March 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-11 (ASU 2010-11), "Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives." The amendments in this Update are effective for each reporting entity at the beginning of its first fiscal quarter beginning after June 15, 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after issuance of this Update. The Company does not expect the provisions of ASU 2010-11 to have a material effect on the financial position, results of operations or cash flows of the Company.

In February 2010, the FASB Accounting Standards Update 2010-10 (ASU 2010-10), "Consolidation (Topic 810): Amendments for Certain Investment Funds." The amendments in this Update are effective as of the beginning of a reporting entity's first annual period that begins after November 15, 2009 and for interim periods within that first reporting period. Early application is not permitted. The Company's adoption of provisions of ASU 2010-10 did not have a material effect on the financial position, results of operations or cash flows.

In February 2010, the FASB issued ASU No. 2010-09 "Subsequent Events (ASC Topic 855) "Amendments to Certain Recognition and Disclosure Requirements" ("ASU No. 2010-09"). ASU No. 2010-09 requires an entity that is an SEC filer to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial position and results of operations.

In January 2010, the FASB issued an amendment to ASC 820, Fair Value Measurements and Disclosure, to require reporting entities to separately disclose the amounts and business rationale for significant transfers in and out of Level 1 and Level 2 fair value measurements and separately present information regarding purchase, sale, issuance, and settlement of Level 3 fair value measures on a gross basis. This standard, for which the Company is currently assessing the impact, is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of disclosures regarding the purchase, sale, issuance, and settlement of Level 3 fair value measures which are effective for fiscal years beginning after December 15, 2010.

In January 2010, the FASB issued an amendment to ASC 505, Equity, where entities that declare dividends to shareholders that may be paid in cash or shares at the election of the shareholders are considered to be a share issuance that is reflected prospectively in EPS, and is not accounted for as a stock dividend. This standard is effective for interim and annual periods ending on or after December 15, 2009 and is to be applied on a retrospective basis. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

In October 2009, the FASB issued an amendment to the accounting standards related to certain revenue arrangements that include software elements. This standard clarifies the existing accounting guidance such that tangible products that contain both software and non-software components that function together to deliver the product's essential functionality, shall be excluded from the scope of the software revenue recognition accounting standards. Accordingly, sales of these products may fall within the scope of other revenue recognition standards or may now be within the scope of this standard and may require an allocation of the arrangement consideration for each element of the arrangement. This standard will become effective on January 1, 2011.

In October 2009, FASB issued an amendment to the accounting standards related to the accounting for revenue in arrangements with multiple deliverables including how the arrangement consideration is allocated among delivered and undelivered items of the arrangement. Among the amendments, this standard eliminated the use of the residual method for allocating arrangement considerations and requires an entity to allocate the overall consideration to each deliverable based on an estimated selling price of each individual deliverable in the arrangement in the absence of having vendor-specific objective evidence or other third party evidence of fair value of the undelivered items. This standard also provides further guidance on how to determine a separate unit of accounting in a multiple-deliverable revenue arrangement and expands the disclosure requirements about the judgments made in applying the estimated selling price method and how those judgments affect the timing or amount of revenue recognition. This standard, for which the Company is currently assessing the impact, will become effective on January 1, 2011.

In August 2009, FASB issued an amendment to the accounting standards related to the measurement of liabilities that are recognized or disclosed at fair value on a recurring basis. This standard clarifies how a company should measure the fair value of liabilities and that restrictions preventing the transfer of a liability should not be considered as a factor in the measurement of liabilities within the scope of this standard. This standard is effective for the Company on October 1, 2009. The adoption of this amendment did not have a material effect on the Company's financial statements.

On September 30, 2009, the Company adopted changes issued by the Financial Accounting Standards Board (FASB) to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards Codification (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Company's financial statements.

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Revenue Recognition

Sales of products and related costs of products sold are recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the price is fixed or determinable and (iv) collectability is reasonably assured. These terms are typically met upon the prepayment and shipment of CinnechoTM, the prepayment or invoicing and shipment CinnergenTM, the prepayment or invoicing and shipment of inks and tattoo equipment, the invoicing and shipment of TalsynTM scar cream to the customer.

Allowance for Doubtful Accounts

The Company provides an allowance for estimated uncollectible accounts receivable balances based on historical experience and the aging of the related accounts receivable.

Income Taxes

Deferred taxes are calculated using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

In June 2006, the FASB interpreted its standard for accounting for uncertainty in income taxes, an interpretation of accounting for income taxes. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with the minimum recognition threshold and measurement attributable to a tax position taken on a tax return is required to be met before being recognized in the financial statements. The FASB's interpretation had no material impact on the Company's financial statements for the year ended April 30, 2010. As of April 30, 2010 and October 31, 2010, the Company had a net operating loss carry forward for income tax reporting purposes of approximately \$37,500,000 and \$37,524,935, respectively that may be offset against future taxable income through 2025. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carry forwards will expire unused. Accordingly, the potential tax benefits of the loss carry forwards are offset by a valuation allowance of the same amount.

Research and Development Costs

Expenditures for research and development are expensed as incurred. Such costs are required to be expensed until the point that technological feasibility is established. For the six months ended October 31, 2010 and 2009, the Company incurred research and development costs of \$5,359 and \$441,428, respectively.

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements. The Company maintains the majority of its cash balances with one financial institution in the form of demand deposits.

NOTE 4 – ACCOUNTS RECEIVABLE

The Company recognizes receivables predominately on sales of its Cinnergen™ and private label ink products. For the six months ended October 31, 2010, the Company has not established an allowance for doubtful accounts as the Company currently deems all of its receivables as collectable.

NOTE 5 - INVENTORY

At October 31, 2010 and April 30, 2010, inventory consisted of \$0 and \$2,528, respectively of finished goods inventory for Cinnergen™ products. Inventories are stated at the lower of cost or market. Cost is computed on a weighted-average basis, which approximates the first-in, first-out method; market is based upon estimated replacement costs.

NOTE 6 - FIXED ASSETS

Fixed assets consisted of the following:

	October 31, 2010	April 30, 2010
Building	\$ -	\$ -
Computers	59,838	59,838
Furniture and fixtures	31,071	31,071
Lab equipment	149,316	149,316
	<u>240,225</u>	<u>240,225</u>
Less: accumulated depreciation	(155,675)	(132,687)
	<u>\$ 84,550</u>	<u>\$ 107,538</u>

Depreciation expense for the six months ended October 31, 2010 and 2009 was \$22,988 and \$59,247, respectively.

NOTE 7 - ASSETS HELD FOR SALE

In accordance with the authoritative guidance of the Financing Accounting Standards Board, assets held for sale are reported at the lower of the carrying amount or fair value less cost to sell and the recognition of depreciation expense is discontinued. On February 16, 2010, the Company entered into a \$1,150,000 Sale Agreement for its Cherry Hill facility. Although the Sale Agreement was never finalized, the Sale Agreement establishes a fair market value less than the book value for the Company's building and building improvements. Generally accepted accounting principles require the Company to adjust the value of its fixed asset to fair market value. The Company has adjusted and reclassified the value of its building and building improvements to fixed assets held for sale in the amount of \$1,081,00 (\$1,150,000 less \$69,000 in estimated real estate commission) as of April 30, 2010 and October 31, 2010.

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NOTE 8 – DEBT

	October 31, 2010			April 30, 2010		
	Principle	Accrued interest & penalty	Total	Principle	Accrued interest & penalty	Total
Note payable to a Bank for a mortgage secured by the building, interest at 7.75 % payable in monthly installments of \$19,202, with a balloon payment due 2/1/2013.	\$ 1,592,315	\$ 148,677	\$ 1,740,992	\$ 1,592,315	\$ 75,455	\$ 1,667,770
Increase for fair value at acquisition	112,681	-	112,681	112,681	-	112,681
Amortization of premium	(47,949)	-	(47,949)	(33,564)	-	(33,564)
Note payable for a mortgage	<u>1,657,047</u>	<u>148,677</u>	<u>1,805,724</u>	<u>1,671,432</u>	<u>75,455</u>	<u>1,746,887</u>
Note Payable to a Law Firm, secured by a second mortgage on the building with interest at 2.5% payable in monthly installments of \$5,787.	178,951	6,767	185,718	178,951	5,248	184,199
Note Payable to an individual secured by a third mortgage on the property due 12/31/2009 with interest at 10% payable on the first day of April, July and October until the maturity date with the balance payable on the maturity date.	150,000	20,000	170,000	150,000	12,500	162,500
License fee agreement with Brown						

University, amended February 12, 2009, for intellectual property rights. Equal payments of \$100,000 are due on June 1, 2009, 2010, 2011 and 2012. The license fee payments do not include interest.	400,000	-	400,000	400,000	-	400,000
Decrease for fair value at acquisition	(58,408)	-	(58,408)	(58,408)	-	(58,408)
Amortization of premium	29,953	-	29,953	20,967	-	20,967
Note fee payable	371,545	-	371,545	362,559	-	362,559
Bridge loan payable initiated 12/01/2008 accruing interest at 8% and payable upon maturity on 6/30/2010.	20,000	3,200	23,200	20,000	2,400	22,400
Total	2,377,543	178,644	2,556,187	2,382,942	95,603	2,478,545
Less: current portion	2,377,543	178,644	2,556,187	2,282,942	95,603	2,378,545
Long-term portion	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000

In July 2009, the mortgage agreement with Cornerstone bank was modified whereby the principle of \$43,572 paid to date on the note was re-advanced to the borrower returning the principle balance to \$1,600,000. Payments under the modified agreement commenced on September 1, 2009. The pending sale of the Company's building accelerates the potential payment of the Cornerstone bank mortgage to the current year. Accordingly, although the maturity date of the mortgage extends to February 1, 2013, the Company recognizes the entire outstanding mortgage value as a current liability. At the date of acquisition the mortgage and license fee payable were recorded at fair value on the Company's balance sheet. The above schedule adjusts the book value of those liabilities to their fair value, net of applicable amortization of the discount and premium as of October 31, 2010 and April 30, 2010.

May 2010 to present, the Company in cooperation with its major secured and unsecured creditors have formed an ad hoc committee of creditor to collaborate toward a resolution of its outstanding debt and trade payable obligations. The ad hoc committee is overseeing the sale of the Company's real estate holdings and the liquidation of idle furniture and fixtures, manufacturing and research and development assets. Additionally, the Company and the ad hoc committee are evaluating the sale of certain product lines and collection of past due royalties from Charlston Kentrist 41 Direct, Inc. (CK-41) the proceeds of which would be used to extinguish debt and trade payable obligations. The ad hoc committee is chaired by Cornerstone Bank, the Company mortgage lender and largest creditor.

NOTE 9 - PREFERRED STOCK

In December 2007, the Company issued 5,000 shares of Series E Preferred Stock to a single shareholder for cash of \$500,000.

In April 2008, the Company issued an additional 5,000 shares of Series E Preferred Stock to the same shareholder for cash of \$500,000.

From August 1, 2009 through October 31, 2009, the shareholder converted 5,000 shares of Series E Preferred Stock to 25,000,000 shares of Common Stock.

Series E Preferred Stock has, among others, the following features:

- Series E Preferred Shares will not bear any dividends.
- Each share of Series E Preferred Stock is entitled to receive its share of assets distributable upon the liquidation, dissolution or winding up of the affairs of the Company. The holders of the Series E Preferred Shares shall be entitled to receive in cash out of the assets of the Company before any amount shall be paid to the holders of any capital stock of the Company of any class junior in rank to the Series E Preferred Shares.
- Each share of Series E Preferred Stock is convertible, at the holder's option, into shares of Common Stock, at the average Closing Bid Price of the Company's common stock for five (5) trading days prior to the Conversion Date.
- At every meeting of stockholders, every holder of Series E Preferred Stock is entitled to 50,000 votes for each share of Series E Preferred Stock in his name, with the same and identical voting rights as a holder of a share of Common Stock.

The average Closing Bid Price at October 31, 2010 was \$0.02. Based on the Series E Preferred Stock provisions, if converted on October 31, 2010, the outstanding Series E Preferred Shares would have converted into 25,000,000 shares of the Company's common stock. The full value for the convertible Preferred Stock was recorded outside of stockholders' equity in the accompanying consolidated balance sheet.

NOTE 10 - RELATED PARTY TRANSACTION

On February 11, 2009, the Company and Charlston Kentrist 41 Direct, Inc. (CK-41) restructured its Marketing Agreement (the "restructured agreement") surrounding purEffect™, a four-step acne treatment system. Under the terms of the restructured agreement, the Company will transfer all of its rights to purEffect™ to CK-41 for four million two hundred-fifty thousand (4,250,000) shares of CK-41 common stock at the price of \$0.01 per share. CK-41 will also grant the Company a three year warrant to purchase an additional four million two hundred-fifty thousand (4,250,000) shares of common stock at \$6.00 per share. Additionally, the Company will receive a two percent (2%) royalty on worldwide purEffect™ adjusted gross sales. The restructured agreement sets minimum royalty payments of one hundred-fifty thousand (\$150,000) dollars payable March 1, 2010 and two hundred-fifty thousand (\$250,000) dollars payable on March 1, 2011. As of April 30, 2010, CK-41 is delinquent in its payment of the \$150,000 minimum royalty due as of March 1, 2010. Accordingly, the Company with no assurance that this royalty payment will be made is recognizing purEffect™ royalties on a cash received basis. The Company will hold one seat on the board of directors of CK-41.

On September 4, 2009, the Company and Legacy Biotechnologies, Inc. (Legacy) entered into a Joint Venture Agreement (the "joint venture") to develop market and sell Reme-Flu™, a homeopathic flu remedy. Under the terms of the joint venture, Knock-Out Technologies, Ltd., a wholly owned subsidiary of Nuvilex, Inc., granted a license to Legacy to certain intellectual property and know-how. Nuvilex, Inc. is entitled to thirty percent (30%) of net revenues received from the sale of Reme-Flu™ and related products. Net revenues is defined as gross sales less returned goods, cash discounts, credit card processing fees, bad debts, product advertising and marketing expenses, shipping and sales taxes.

On November 4, 2009, the Company and Legacy Biotechnologies, Inc. (Legacy) entered into a Joint Venture Agreement (the "joint venture") to collaborate on the research and development of its cancer therapy technology. Under the terms of the joint venture, Knock-Out Technologies, Ltd., a wholly owned subsidiary of Nuvilex, Inc., granted access to Legacy to certain intellectual property, know-how and research data in support of the Company's cancer therapy development program. Legacy is to provide financial and technical assistance to advance the Company's cancer therapy development program to proof of concept and potentially to a US Food and Drug Administration (FDA) New Drug Application (NDA). Under the terms of the joint venture agreement, Legacy will be entitled to 100% of net revenues or royalties received from sales of products containing Nuvilex's cancer therapy technology up to its aggregate investment in the cancer therapy development program. Thereafter, Legacy will be entitled to 60% of net revenues or royalties received from sales of products containing Nuvilex's cancer therapy technology and Nuvilex will be entitled to 40% of net revenues or royalties received from sales of products containing Nuvilex's cancer therapy technology.

The Company has a consulting agreement with Mr. Robert Bowker, President, Knock-Out Technologies, Ltd., a wholly owned subsidiary of Nuvilex, Inc. For the fiscal years ending April 30, 2010 and 2009, the Company incurred consulting fees of \$82,120 and \$90,000 respectively. As of October 31, 2010 the Company owes Mr. Bowker \$4,280, which is recorded in the Company's accounts payable.

During the quarter ended October 31, 2010 a shareholder and an officer of the Company loaned the Company \$13,000 and \$100, respectively.

NOTE 11 – RESTATED FINANCIAL STATEMENTS

In conjunction with the Company's change of registered certified public accountants, a re-examination of the Company's financial statements for the year ending April 30, 2009 and the application of generally accepted accounting principles for the application of the purchase method of accounting, it was necessary to restate the Company's April 30, 2009 balance sheet and results of operations for the year then ended. This restatement in turn triggered a restatement of the Company's October 31, 2009 balance sheet and results of operations for the quarter then ended. An analysis of the restated October 31, 2009 results of operations for the three and six months then ended is as follows.

1. The change to recording certain property acquired from Freedom-2 Holdings, Inc to fair value generated a reversal of \$3,181 in Q1 depreciation expense. The depreciation reversal is reflected in a decrease in general and administrative expenses.
2. The addition of \$176,000 of intangible assets acquired from Freedom-2 Holdings, Inc. required the recording of \$2,933 of amortization expense for the quarter.
3. Amortization of \$34,027 of the debt discount is charged to interest expense..
4. A net decrease to interest expense for the amortization of the premium and discount related to the recording of the mortgage and license fee payable at their respective fair values.
5. A reclass of \$20,116 from general and administrative expense to accumulated deficit. The \$20,116 was from the issuance of a common stock dividend. The amount was originally incorrectly booked to general and administrative expense.

	For the Three Months Ended October 31, 2009		
	As Reported	Current Qtr AJE	As Restated
Revenues	\$ 70,171	\$ -	\$ 70,171
Cost of revenues	51,970	-	51,970
Gross profit	18,201	-	18,201
Expenses:			
Sales and marketing	93,615	-	93,615
Research and development	197,382	-	197,382
General and administrative	211,589	(248)	211,341
Total operating expenses	502,586	(248)	502,338
Net loss from operations	(484,385)	248	(484,137)
Other income (expense)			
Interest expense	(16,736)	(31,728)	(48,464)
Other income	18,258	-	18,258
Total other income (expense)	1,522	(31,728)	(30,206)
Net loss	\$ (482,863)	\$ (31,480)	\$ (514,343)
Loss per share			
Basic and diluted	\$ (0.00)		\$ (0.00)
Weighted average shares outstanding			
Basic and diluted	279,653,257		281,093,257

	For the Six Months Ended October 31, 2009			
	As Reported	Prior Qtr AJE	Current Qtr AJE	As Restated
Revenues	\$ 138,118	\$ -	\$ -	\$ 138,118
Cost of revenues	93,761	-	-	93,761
Gross profit	44,357	-	-	44,357
Expenses:				
Sales and marketing	241,260	-	-	241,260
Research and development	441,428	-	-	441,428
Impairment loss recognized for fixed assets	-	-	-	-
General and administrative	573,707	(20,364)	(248)	1 553,095
Total operating expenses	1,256,395	(20,364)	(248)	1,235,783
Net loss from operations	(1,212,038)	20,364	248	(1,191,426)
Other income (expense)				
Gain on sale of marketable securities	(55,000)	-	-	(55,000)
Interest expense	(54,435)	(31,328)	(31,728)	2356 (117,491)
Other income (expense), net	23,683	-	-	23,683
Total other income (expense)	(85,752)	(31,328)	(31,728)	(148,808)
Net loss	\$ (1,297,790)	\$ (10,964)	\$ (31,480)	\$ (1,340,234)
Loss per share				
Basic and diluted	\$ (0.00)			\$ (0.01)
Weighted average shares outstanding				
Basic and diluted	264,279,424			265,719,424

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2010 AND 2009

The following discussion may contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed here. Factors that could cause or contribute to such differences include, but are not limited to, any factors discussed in this section as well as factors described in "Part II, Item 1A – Risk Factors."

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2010 AND 2009

SALES

Revenues from operations for the three months ended October 31, 2010 and 2009 were \$15,869 and \$70,171, respectively. The decrease in quarterly revenue is primarily attributable to a decline in Cinnergen™ retail wholesale orders.

RESEARCH AND DEVELOPMENT

During the three months ended October 31, 2010, the Company incurred research and development expenses of \$0 compared with \$197,382 during the three months ended October 31, 2009. The Company's research and development costs decreased with available resources. In the prior year research and development expenses were concentrated toward the advancement of the Company's supplement products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

A summary of the Company's selling, general and administrative costs is as follows:

During the three months ended October 31, 2010, the Company incurred sales and marketing expenses of \$0 compared to sales and marketing expenses of \$93,615 during the three months ended October 31, 2009. Current period sales and marketing expenses decreased as a result of the decrease in available financial resources.

General and administrative expenses decreased to \$32,193 from \$211,341 for the three months ended October 31, 2010 as compared to the prior year. The decrease is primarily attributable to decreases in personnel and related facilities operating costs.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED OCTOBER 31, 2010 AND 2009

SALES

Revenues from operations for the six months ended October 31, 2010 and 2009 were \$42,829 and \$138,118, respectively. The decrease in revenue is primarily attributable to a decline in Cinnergen™ retail wholesale orders.

RESEARCH AND DEVELOPMENT

During the six months ended October 31, 2010, the Company incurred research and development expenses of \$5,359 compared with \$441,428 during the six months ended October 31, 2009. The Company's research and development costs decreased with available resources. Research and development expenses in the prior year were concentrated toward the advancement of the Company's

supplement products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

A summary of the Company's selling, general and administrative costs is as follows:

During the six months ended October 31, 2010, the Company incurred sales and marketing expenses of \$7,000 compared to sales and marketing expenses of \$241,260 during the six months ended October 31, 2009. Current period sales and marketing expenses decreased as a result of the decrease in available financial resources.

General and administrative expenses decreased to \$119,202 from \$553,095 for the six months ended October 31, 2010 as compared to the prior year. The decrease is primarily attributable to decreases in personnel and related facilities operating costs.

LIQUIDITY AND CAPITAL RESOURCES

As of October 31, 2010, the Company had a working capital deficit of \$3,296,774.

By adjusting the Company's operations, including a decrease in ongoing salary, benefits, facilities, research and development expenses, and through bridge financing to be provided by existing shareholders, management believes it has sufficient capital resources to meet projected cash flow deficits. Any failure by the Company to generate sufficient liquidity from operations or in raising sufficient capital resources on terms acceptable to it would have a materially adverse effect on the Company's business, results of operations, liquidity and financial condition.

The Company's independent certified public accountants have stated in their reports, which are included as part of the Company's audited financial statements for the fiscal years ended April 30, 2010 and 2009, respectively, that the Company has suffered recurring losses from operations, which raises substantial doubt about the Company's ability to continue as a going concern.

We have no off-balance sheet arrangements, special purpose entities, financing partnerships or guarantees.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to be effective in providing reasonable assurance that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission ("SEC"), and that such information is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of its principal executive officer and principal financial officer, of the Company's disclosure controls and procedures. Based on their evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures need improvement and were not adequately effective as of October 31, 2010 to cause the information required to be disclosed in reports that the Company files or submits under the Exchange Act to be recorded, processed, summarized and reported within the time periods prescribed by the SEC, and that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate, to ensure timely decisions regarding required disclosure. Management is in the process of identifying deficiencies with respect to the Company's disclosure controls and procedures and implementing corrective measures.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting identified in connection with the requisite evaluation that occurred during the last 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 1A. RISK FACTORS

In evaluating the business of the Company and making investment decisions, you should carefully consider the risks described below, which may affect future results, together with all of the other information included or incorporated by reference in this Form 10-Q, the Company's Annual Report on Form 10-K for the twelve months ended April, 30, 2010 and the other filings of the Company made from time to time with the Securities and Exchange Commission. The risks and uncertainties described below are those that the Company currently believes may materially affect its business, results of operations, financial condition, cash flow, future prospects, ability to pay liabilities and trading price of the Company's shares of common stock. The below description includes any material changes to and supersedes the description of risk factors associated with the business previously disclosed in "Part II, Item 1A – Risk Factors" of the Company's Annual Report on form 10K for the twelve months ended April 30, 2010. Additional risks and uncertainties that Nuvilex is unaware of or that it currently deems immaterial also may become important factors that affect its business, result of operations, financial condition, cash flow, future prospects, ability to pay liabilities and

trading price of the Company's shares of common stock. Nuvilex's common shares involve a high degree of risk and should be purchased only by investors who can afford a loss of their entire investment. Prospective investors should carefully consider the following risk factors concerning the Company's business before making an investment.

Doubt Regarding Ability to Continue as a Going Concern

Nuvilex's financial statements have been presented on the basis that it is and will remain a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had minimal revenues and incurred net operating losses for the period October 1999 (inception) to October 31, 2010. As the Company's independent auditors have concluded, these factors create an uncertainty about Nuvilex's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent, among other factors, on its success in marketing its products, containing costs, establishing a credit facility, and/or raising additional equity capital. The financial statements of Nuvilex do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Early Revenue Stage Company: Generation of Revenues

Nuvilex is an early revenue stage company and an investor cannot reasonably determine if the Company will ever be profitable. Nuvilex is likely to continue to experience financial difficulties during its early revenue stage and beyond. The Company may be unable to operate profitably, even if it generates additional revenues. Nuvilex may not obtain the necessary working capital to continue developing and marketing its products. Furthermore, Nuvilex's products may not receive sufficient interest to generate revenues or achieve profitability.

Need for Future Capital: Long-Term Viability of Company

Nuvilex will need additional capital to continue its operations.

There can be no assurance that the Company will generate revenues from operations or obtain sufficient capital on acceptable terms, if at all. Failure to obtain such capital or generate such operating revenues would have an adverse impact on the Company's financial position, operations and ability to continue as a going concern. Nuvilex's operating and capital requirements during the next fiscal year and thereafter will vary based on a number of factors, including the level of sales and marketing activities for its services and products. There can be no assurance that additional private or public financing, including debt or equity financing, will be available as needed or if available, on terms favorable to the Company. Any additional equity financing may be dilutive to stockholders and such additional equity securities may have rights, preferences, or privileges that are senior to those of Nuvilex's existing common stock.

Furthermore, debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on the flexibility of the Company to operate. Nuvilex's failure to successfully obtain additional funding may jeopardize its ability to continue the business and its operations.

If the Company raises additional funds by issuing equity securities, existing stockholders may experience a dilution in their ownership. In addition, as a condition to giving additional funds to the Company, future investors may demand, and be granted, rights superior to those of existing shareholders.

Unpredictability of Future Revenues: Potential Fluctuations in Operating Results

The Company is currently unable to accurately forecast its revenues. Typically, current and future expense levels are based largely on marketing and development plans and estimates of future revenues. Sales and operating results will generally depend on the volume and timing of orders and on the Company's ability to fulfill such orders, both of which are difficult to forecast at this stage. Nuvilex may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in revenues in relation to planned expenditures could have an immediate adverse effect on the Company's business, prospects, financial condition and results of operations. Further, as a strategic response to changes in the competitive environment, Nuvilex may from time to time make certain pricing, service or marketing decisions that could have a materially adverse effect on its business, prospects, financial condition and results of operations.

Nuvilex may experience significant fluctuations in future operating results due to a variety of factors, many of which are outside the Company's control. Factors that may affect operating results include: (i) the ability to obtain and retain customers, attract new customers at a steady rate and maintain customer satisfaction with products, (ii) the announcement or introduction of new services by Nuvilex or its competitors, (iii) price competition, (iv) the level of use and consumer acceptance of its products, (v) the amount and timing of operating costs and capital expenditures relating to expansion of the business, operations and infrastructure, (vi) governmental regulations, and (vii) general economic conditions.

Flaws and Defects in Products

Products offered by Nuvilex may contain undetected flaws or defects when first introduced or as new versions are released. Any inaccuracy or defects may result in adverse product reviews and a loss or delay in market acceptance. There can be no assurance that flaws or defects will not be found in Nuvilex products. Flaws and defects, if found, could have a materially adverse effect upon the business operations and financial condition of the Company. Marketing of any of the Company's potential products may expose the Company to liability claims resulting from the use of the Company's products. These claims might be made by consumers, health care providers, sellers of the Company's products or others. A claim, particularly resulting from a clinical trial, or a product recall could harm the Company's business, results of operations, financial condition, cash flow and future prospects.

Stock Price Volatility

The market price of the Company's stock has fluctuated significantly in the past and may continue to fluctuate in the future. The Company believes that such fluctuations will continue as a result of many factors, including financing plans, future announcements concerning the Company, the Company's competitors or principal customers regarding financial results or expectations, industry supply or demand dynamics, new product introductions, governmental regulations, the commencement or results of litigation or changes in earnings estimates by analysts. In addition, in recent years the stock market has experienced significant price and volume fluctuations often for reasons outside the control of the particular companies. These fluctuations as well as general economic, political and market conditions may have an adverse affect on the market price of the Company's common stock.

Worldwide Economic Conditions

The Company's financial performance is significantly affected by worldwide economic conditions and the related impact on levels of consumer spending, which has recently deteriorated significantly in many countries and regions, including the U.S., and may remain depressed for the foreseeable future. Demand for the Company's products is adversely affected by negative macroeconomic factors affecting consumer spending. The severe tightening of consumer credit, low level of consumer liquidity, and extreme volatility in credit and equity markets have weakened consumer confidence and decreased consumer spending. These and other economic factors have reduced demand for the Company's products and harmed the Company's business, financial condition and results of operations, and to the extent such economic conditions continue, they could cause further harm to the Company's business, financial condition and results of operations.

Dependence on Sales through Retailers and Distributors

The Company's business depends significantly upon sales through retailers and distributors, and if the Company's retailers and distributors are not successful, the Company could experience reduced sales, substantial product returns or increased price protection, any of which would negatively impact the Company's business, financial condition and results of operations. A significant portion of the Company's sales are made through retailers, either directly or through distributors. If the Company's retailers and distributors are not successful due to weak consumer retail demand caused by the current worldwide economic downturn, decline in consumer confidence, or other factors, the Company could continue to experience reduced sales as well as substantial product returns or price protection claims, which would harm the Company's business, financial condition and results of operations.

Limited Senior Management Personnel: Management of Potential Growth; New Management Team

Under Nuvilex's business plan, it intends to rapidly and significantly expand its operations to address potential growth in its customer base and market opportunities. This expansion is expected to place a significant strain on the Company's management, operations and financial resources.

To manage the expected growth of its operations and personnel, the Company may be required to implement new, transaction processing, operating and financial systems, procedures and controls, and to expand, train and manage a growing employee base. Nuvilex may also deem it prudent to expand its finance, administrative and operations staff.

There can be no assurance that Nuvilex's planned personnel, systems, procedures and controls will be adequate to support its future operations, that management will be able to hire, train, retain, motivate and manage personnel or that management will be able to successfully identify, manage and exploit existing and potential market opportunities. If Nuvilex is unable to manage growth effectively, the Company's business, prospects, financial condition, results and operations could be materially adversely affected.

Competition

The market in which Nuvilex competes is highly competitive, and the Company has no assurance that it will be able to compete effectively, especially against established industry competitors with significantly greater financial resources. The Company expects to face competition from a few competitors with significantly greater financial resources, well-established brand names and large, existing customer bases. Nuvilex expects the level of competition to intensify in the future.

Dependence on Management

Nuvilex's performance will be substantially dependent on the continued services and on the performance of the current senior management and other key personnel of the Company. Nuvilex's performance will also depend on the Company's ability to retain and motivate its other officers and key employees. The loss of Nuvilex's chief executive officer or other key employees could have a materially adverse effect on the Company's business, prospects, financial condition and results of operations. Nuvilex's future success will depend on its ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial, merchandising, marketing and customer service personnel. Competition for such personnel is intense and there can be no assurance that Nuvilex will be able to successfully attract, assimilate and retain sufficiently qualified personnel. The failure to retain and attract the necessary technical and managerial personnel could have a materially adverse effect on the Company's business, prospects, financial condition and results of operations.

Development of Brand Awareness

For certain market segments that Nuvilex plans to pursue, the development of its brand awareness is essential for it to reduce its marketing expenditures over time and realize greater benefits from marketing expenditures. If the Company's brand-marketing efforts are unsuccessful, growth prospects, financial condition and results of operations would be materially adversely affected. Nuvilex's brand awareness efforts have required, and will continue to require, incurrence of significant expenses.

Intellectual Property Protection: Uncertainty of Protection of Proprietary Rights

Nuvilex currently relies on a combination of patents, trademarks, trade secret protection, non-disclosure agreements and licensing arrangements to establish and protect its proprietary rights. Despite efforts to safeguard and maintain Nuvilex's proprietary rights, there can be no assurance that the Company will be successful in doing so or that its competitors will not independently develop products that are substantially equivalent or superior to Nuvilex's products.

Nuvilex also relies on trade secrets and proprietary know-how, which the Company seeks to protect by confidentiality and non-disclosure agreements with its employees, consultants, and third parties. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that certain of Nuvilex's trade secrets and proprietary know-how will not otherwise become known or be discovered by competitors.

Litigation may become necessary to enforce Nuvilex's intellectual property rights, to protect trade secrets, to determine the validity or scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. Such litigation, whether successful or unsuccessful, could result in substantial costs and diversions of management resources, either of which could have a materially adverse effect on Nuvilex's business, prospects, financial condition, or operating results.

Availability and Coverage of Insurance

For certain risks, the Company does not maintain insurance coverage because of cost and/or availability. Because the Company retains some portion of its insurable risks, and in some cases self-insures completely, unforeseen or catastrophic losses in excess of insured limits could have a materially adverse effect on the Company's financial condition and operating results.

Federal, State, Local and Foreign Laws and Regulations

The Company's past research, product development and manufacturing activities have involved the controlled use of hazardous materials, and the Company may incur significant costs as a result of the need to comply with numerous laws and regulations. The Company is subject to laws and regulations enforced by the FDA, the DEA, the CDHS, foreign health authorities and other regulatory statutes including the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act, the Food, Drug and Cosmetic Act, the Resource Conservation and Recovery Act, and other current and potential federal, state, local and foreign laws and regulations governing the use, manufacture, storage, handling and disposal of the Company's products, materials used to develop the Company's products, and resulting waste products.

Penny Stock Regulation

The Company's securities may be subject to "penny stock rules" that impose additional sales requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the "penny stock rules" require the delivery, prior to the transaction, of a disclosure schedule prescribed by the Securities and Exchange Commission relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information on the limited market in penny stocks. Consequently, the "penny stock rules" may restrict the ability of broker-dealers to sell the Company's securities. The foregoing required penny stock restrictions will not apply to the Company's common stock if such securities maintain a market price of \$5.00 or greater. The market price of the Company's common stock may not reach or remain at such a level.

Nuvilex anticipates that it will expend significant financial and management resources in its efforts to comply with the internal control attestation provisions of Section 404 of the Sarbanes-Oxley Act of 2002 for the fiscal year ending April 30, 2011.

Section 404 of the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated there under, require Nuvilex to have management attest to the adequacy of its internal controls in the Company's annual report on Form 10-K for the year ending April 30, 2011. The Company's internal controls did not meet such requirements on April 30, 2010 or October 31, 2010 and the Company will be required to make substantial changes to its internal controls in order for management to be able to make the required attestations by the end of the fiscal year ending April 30, 2011. Larger public companies that are currently required to comply with Section 404 have incurred significant monetary and other expenses from diversion of management time and attention, the acquisition of new computer software, the employment of additional personnel and training and third party internal controls consultants. In light of Nuvilex's current capital position, the Company anticipates that it will be time-consuming, costly and difficult for it to develop and implement the internal controls necessary for management to make the required attestations. Nuvilex intends to hire additional financial reporting and internal controls personnel, acquire software and retain a third party consultant during year ended 2011

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS. None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. None.

ITEM 5. OTHER INFORMATION. None.

ITEM 6. EXHIBITS.

Except as so indicated in Exhibits 32.1 and 32.2, the following exhibits are filed as part of, or incorporated by reference, this Quarterly Report on Form 10-Q.

Exhibit No.	Description	Location
2.1	Asset Purchase Agreement, dated August 24, 2005, between the Company and Mark Taggatz.	Incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on August 30, 2005.
2.2	Share Purchase Agreement, dated August 31, 2005, between the Company and Dr. Richard Goldfarb.	Incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on September 7, 2005.
2.3	Addendum to Share Purchase Agreement, dated August 31, 2005, between the Company and Dr. Richard Goldfarb.	Incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on September 7, 2005.
2.4	Share Exchange Agreement, dated January 12, 2009, between the Company and Freedom2 Holdings, Inc.	Incorporated by reference from the Company's Current Report on Form 10-K filed with the SEC on August 13, 2009.
3.1	Articles of Incorporation of DJH International, Inc. dated October 25, 1996.	Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No. 333-68008) filed with the SEC on August 20, 2001.
3.2	Certificate of Amendment of Articles of Incorporation of DJH International, Inc. dated October 20, 2000.	Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No. 333-68008) filed with the SEC on August 20, 2001.
3.3	Certificate of Amendment of Articles of Incorporation dated November 14, 2003.	Incorporated by reference from the Company's Registration Statement on Form.
3.4	Certificate of Amendment of Articles of Incorporation dated June 30, 2008.	Incorporated by reference from the Company's Registration Statement on Form
3.5	Certificate of Amendment of Articles of Incorporation dated January 22, 2009.	Incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on March 26, 2009.
3.6	Corporate Bylaws.	Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No. 333-68008) filed with the SEC on August 20, 2001.
3.7	Certificate of Designations, Preferences and Rights of Series E Convertible Preferred Stock dated December 20, 2007.	Incorporated by reference from the Company's Current Report on Form 10-K filed with the SEC on August 13, 2009.
3.8	Certificate of Designations, Preferences and Rights of Series E Convertible Preferred Stock, dated April 29, 2008.	Incorporated by reference from the Company's Current Report on Form 10-K filed with the SEC on August 13, 2009.
4.1	Reference is made to Exhibits 3.1, 3.2 and 3.3.	
4.2	Form of Common Stock Certificate.	Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No. 333-68008) filed with the SEC on August 20, 2001.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under Sarbanes-Oxley Act of 1934, as amended.	Filed herewith.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to	Filed herewith.

*Exhibits 32.1 are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act, except as otherwise stated in such filing.

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.

NUVILEX, INC.

By: /s/ Patricia Gruden
Patricia Gruden, Interim Director, Interim President, Interim Chief
Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer On behalf of the
Registrant)

Date: January 24, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

January 24, 2011	By: <u>/s/ Patricia Gruden</u> Patricia Gruden, Interim Chairman of the Board of Directors, Interim Principal Executive Officer and Interim Chief Financial Officer
January 24, 2011	By: <u>/s/ Robert Bowker</u> Robert Bowker, Director
January 24, 2011	By: <u>/s/ Richard Goldfarb</u> Richard Goldfarb, M.D., FACS, Director
January 24, 2011	By: <u>/s/ Timothy Matula</u> Timothy Matula, Director

SECTION 302 CERTIFICATION

I, Patricia Gruden, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nuvilex, Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business owner's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small issuer's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: January 24, 2011

By: /s/ Patricia Gruden
Patricia Gruden, Interim Chief Executive Officer
(Interim Principal Executive Officer and Interim
Principal Financial Officer)

EXHIBIT 32.1

SECTION 906 CERTIFICATION

In connection with the Quarterly Report of Nuvilex, Inc. on Form 10-Q for the period ending October 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patricia Gruden, Interim Chief Executive Officer and Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 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 result of operations of the Company.

By: /s/ Patricia Gruden
Patricia Gruden, Interim Chief Executive Officer and
Interim Financial Officer
(Interim Principal Executive Officer and Interim
Principal Financial Officer)
Date: January 24, 2011
