

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 July 31, 2012

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.)

**12510 Prosperity Drive, Suite #310, Silver Spring, MD 20904**

(Address of principal executive offices)

**(240) 696-6859**

(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

As of September 10, 2012, the registrant had 423,950,851 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. Thus, investors should refer to and carefully review information in future documents Nuvilex, Inc. files with the Securities and Exchange Commission. 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 recommended these financial statements and notes to the financial statements should be read in conjunction with financial statements included in the Company’s Annual Form 10-K Report for the fiscal year ended April 30, 2012.

**NUVILEX, INC.**

**C O N T E N T S**

Consolidated Balance Sheets as of July 31, 2012 (Unaudited) and April 30, 2012	6
Consolidated Statements of Operations for the Three Months Ended July 31, 2012 and 2011 (Unaudited)	7
Consolidated Statement of Stockholders' Equity (Deficit) as of July 31, 2012 (Unaudited)	8
Consolidated Statements of Cash Flows for the Three Months Ended July 31, 2012 and 2011 (Unaudited)	9
Notes to Consolidated Financial Statements (Unaudited)	10

**NUVILEX, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<u>July 31,</u> <u>2012</u>		<u>April 30,</u> <u>2012</u>
	<b>(unaudited)</b>		
<b><u>ASSETS</u></b>			
Cash	\$ 24,342		\$ 15,723
Accounts receivable - net	-		2,581
Inventory	9,620		6,846
Prepaid on acquisition	1,069,980		874,230
Prepaid and other assets	101,716		159,350
Total Current Assets	1,205,658		1,058,730
Property, plant and equipment - net	-		-
Settlement Obligation Asset	1,028,778		1,028,778
Total Assets	\$ 2,234,436		\$ 2,087,508
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>			
<b><u>(DEFICIT)</u></b>			
Current Liabilities			
Accounts payable	\$ 424,181		\$ 730,068
Accrued expenses	41,103		407,463
Accrued interest, related party	20,702		11,461
Due to related parties	382,958		360,108
Due to an officer	202,769		185,862
Settlement Obligation Liabilities	2,225,313		-
Loans payable	730,000		2,092,396
Total Current Liabilities	4,027,026		3,787,358
Long-term Liabilities			
Long-term debt, related party	-		-
Total Liabilities	4,027,026		3,787,358
Commitments and Contingencies			
Preferred stock, authorized 10,000,000 shares, \$0.0001 par value, 8,500 and 8,500 shares issued and outstanding, respectively	580,000		580,000
Stockholders' Equity (Deficit)			
Common Stock, authorized 1,490,000,000 shares, \$0.0001 par value, 423,420,851 and 416,293,195 shares issued and outstanding, respectively	42,345		41,631
Additional paid in capital	37,943,587		37,526,524
Accumulated deficit	(40,358,522)		(39,848,005)
Total Stockholders' Equity (Deficit)	(2,372,590)		(2,279,850)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 2,234,436		\$ 2,087,508

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

**NUVILEX, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	For the Three Months Ended July 31,	
	2012	2011
Revenues:		
Product sales	\$ 6,626	\$ 19,762
Total revenue	6,626	19,762
Cost of revenues	-	15,675
Gross profit	6,626	4,087
Expenses:		
Sales and marketing	81,982	125,130
Compensation expense	181,181	305,564
Legal & professional fees	52,243	59,954
General and administrative	230,006	166,039
Total operating expenses	545,412	656,687
Net loss from operations	(538,786)	(652,600)
Other income (expense):		
Gain on forgiveness of debt	71,742	-
Other income	2,590	-
Interest expense	(46,063)	(33,420)
Total other income (expense)	28,269	(33,420)
Net loss	\$ (510,517)	\$ (686,020)
Basic loss per share	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	419,566,403	367,294,646

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

**NUVILEX, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**

	Common Stock		Additional Paid	Common Stock Not Yet Issued	Accumulated	Total
	Shares	Amount	In Capital		Deficit	
Balance April 30, 2011	357,137,581	\$ 35,714	\$ 34,415,655	\$ 768,031	\$ (37,948,693)	\$ (2,729,293)
Shares issued for cash	500,000	50	20,950	-	-	21,000
Shares issued for compensation	23,575,000	2,358	1,196,272	(37,750)	-	1,160,880
Shares issued for services	8,550,000	855	408,545	-	-	409,400
Shares issued on stock payable	14,605,614	1,461	728,820	(730,281)	-	-
Shares issued for repayment of cash advances	9,250,000	925	599,075	-	-	600,000
Shares issued for incentive for cash advances	1,650,000	165	101,585	-	-	101,750
Shares issued for settlement of debt	1,025,000	103	55,622	-	-	55,725
Net loss for the year ended April 30, 2012	-	-	-	-	(1,899,312)	(1,899,312)
Balance, April 30, 2012	416,293,195	41,631	37,526,524	-	(39,848,005)	(2,279,850)
Shares issued for compensation (unaudited)	2,885,000	290	171,891	-	-	172,181
Shares issued for services (unaudited)	2,400,000	240	146,760	-	-	147,000
Shares issued for settlement of debt (unaudited)	1,842,656	184	98,412	-	-	98,596
Net loss for the period ended July 31, 2012 (unaudited)	-	-	-	-	(510,517)	(510,517)
Balance, July 31, 2012 (unaudited)	423,420,851	\$ 42,345	\$ 37,943,587	\$ -	\$ (40,358,522)	\$ (2,372,590)

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





**NUVILEX, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>For the Three Months Ended</b>	
	<b>July 31,</b>	
	<b>2012</b>	<b>2011</b>
Cash flows from operating activities:		
Net loss	\$ (510,517)	\$ (686,020)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	319,181	536,213
Gain on forgiveness of debt	71,742	-
Depreciation and amortization	-	8,523
Net amortization of discount/premium	(5,695)	(2,699)
Change in assets and liabilities:		
(Increase) / decrease in accounts receivable	2,581	(6,291)
(Increase) / decrease in inventory	(2,774)	11,089
(Increase) / decrease in prepaid expenses	88,821	(3,355)
Increase (decrease) in accounts payable	(124,935)	(13,207)
Increase in accrued interest, related party	9,241	-
Increase in accrued expenses	66,967	36,120
Net cash used in operating activities	(85,388)	(119,627)
Cash flows from investing activities:		
Payments towards acquisition	(195,750)	(320,000)
Net cash used by investing activities	(195,750)	(320,000)
Cash flows from financing activities:		
Proceeds from the sale of common stock	-	473,000
Proceeds from notes payable	250,000	-
Proceeds from borrowings, related party	39,757	1,500
Repayment of debt, related party	-	(9,000)
Net cash provided by financing activities	289,757	465,500
Net increase in cash	8,619	25,873
Cash at beginning of period	15,723	57,201
Cash at end of period	\$ 24,342	\$ 83,074
Supplementary non-cash disclosures:		
Cash paid for interest	\$ -	\$ -
Franchise and income taxes	\$ -	\$ -
Common stock issued for debt	\$ 98,596	\$ -

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

**NUVILEX, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JULY, 2012**  
**(UNAUDITED)**

**NOTE 1 – BACKGROUND, ACQUISITION AND LIQUIDITY**

This summary of accounting policies for Nuvilex, Inc. and 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.

**History of the Company**

The Company was founded as DJH International, Inc., a Nevada corporation, on October 28, 1996, changing its name to eFoodSafety.com, Inc. following the 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 provided methods and products to ensure 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, of which Knock-Out Technologies, Ltd. was a developer of products using organic, non-toxic, food based substances and MedElite, Inc. was the exclusive U.S. distributor of Talsyn™-CI Scar Cream ("Talsyn"), a topical scar- reducing cream. The Company's strategy was to bring to market scientifically derived products. 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 purEffect™, a four-step non-prescription acne treatment. On March 10, 2006, the Company licensed the marketing rights for purEffect™ to Charleston Kentrist 41 Direct, Inc. ("CK41"). In July 2007, I-Boost, Inc., a wholly-owned subsidiary was formed to market products to support the immune system. In March 2008, Cinnechol, Inc. became a wholly-owned subsidiary to promote cardiovascular health. In February 2009, the Company sold the rights to the purEffect™ product to CK41 for an equity position in CK41 and future royalty compensation. In March 2009, Freedom2 Holdings, Inc. was acquired to manufacture and market products including Infinitink®, a permanent tattoo ink designed to be removed more easily using conventional laser light. The Company changed its name to Nuvilex, Inc. on March 18, 2009 as part of the process.

**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 revenue sufficient to cover its operating costs and allow it to continue as a going concern. In addition, as of July 31, 2012, the Company had an accumulated deficit of \$40,358,522, had incurred a net loss for the period ended July 31, 2012 of \$510,517 and had negative working capital of \$2,821,368. Funding has been provided by the Company's CEO, Dr. Robert Ryan as well as old and new investors committed to make it possible to maintain, expand, and ensure the advancement of Nuvilex and help the Company see its vision through to providing a pancreatic cancer treatment in the future. Lastly, although the Company's current business plan includes funding requirements beyond the anticipated cash flows from operations, we continue to acquire such funds as the Company moves forward toward its pancreatic cancer treatment and the numerous other opportunities being advanced at this point. Therefore, doubt exists as to the Company's ability to continue as a going concern. All of us at Nuvilex are nonetheless actively undertaking the necessary steps and are committed to working with the myriad of personnel and interested investors to ensure our success.

**Strategy**

The Company has been in existence for more than a decade. During this time products were brought into the Company with the intention to work toward seeing them become household names and products. Several have become well used, but the challenge with all products is to make them well recognized, useful, important, and valuable enough that everyday consumers use them consistently. As a result, the overall Company structure of Nuvilex has changed in many ways over the years. On a daily basis, the Company receives different inquiries for our products, indicating they still retain value. From those humble beginnings we are now pushing to move this Company forward into a modern one with clarity and vision.

Thus, since June 2011, we have been working with the Chief Executives of Austrianova Singapore Private Limited (“Austrianova Singapore” or ASPL), previously assets of SG Austria Private Limited or “SG Austria,” across a wide swath of areas. Much of the effort has been on establishing plans for our future. Therefore, and in conjunction with maintenance of the company, funding has been provided to ASPL and its personnel in order to ensure ASPL’s functionality and maintain its ability to accomplish numerous goals over the year. This first vision has been noted as one of the most valuable advances for this company, enabling the creation of a biotechnology/life technology company. Unlike most companies of this type and entirely due to the Company’s extensive array of products already in-house, Nuvilex exists as a Biotech Company with a broad company base, much like that of larger biotechnology or pharmaceutical companies after years of advances and purchasing of products from the outside. Thus, with an overall goal of long-term growth, the Company is poised to be thrust into a very different position, particularly as a result of the stabilizing of its financial condition that has been occurring over the past year.

Management believes its vision to become an important industry-leading Biotechnology company, with a multi-part strategy like those of larger pharmaceutical companies will strengthen the Company’s position in both the short and long term. Notwithstanding and as the financial experts accurately point out, Nuvilex may seek to raise capital to fund growth opportunities and provide for its working capital needs as the vision of the company is executed. The Company’s efforts to achieve financial stability and enable carrying out the strategy of the company include several primary components:

1. Continued elimination of prior operation-associated debt from the Parent Company and all subsidiaries;
2. Advance and develop the biotechnology through ongoing research;
3. Acquisition of new contracts utilizing the biotechnology;
4. Expand and Market products and their uses

### **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. While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The unaudited interim financial statements should be read in conjunction with the Company’s annual report on Form 10-K, which contains the audited financial statements and notes thereto, together with Management’s Discussion and Analysis, for the fiscal year ended April 30, 2012. The interim results for the three months ended July 31, 2012 are not necessarily indicative of the results for the full fiscal year.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of Nuvilex, Inc. and its subsidiaries, Knock-Out Technologies, Ltd., MedElite, Inc., Cinnergen, Inc., 1-Boost, Inc., Cinnechol Inc., Nuvilex GmbH, Berlin, Freedom-2 Creditor Partners, Freedom-2 Holdings, Inc, Freedom-2, Inc., 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 July 31, 2012 as the acquisition was accounted for under the purchase method of accounting.

All significant intercompany balances and transactions have been eliminated in consolidation.

#### **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. There were no cash equivalents as of July 31, 2012 or April 30, 2012.

## **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; market is based upon estimated replacement costs.

## **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires 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.

The following presents the gross value of assets and liabilities that were measured and recognized at fair value as of July 31, 2012 and April 30, 2012.

- 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, 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 July 31, 2012 and April 30, 2012 the Company has recorded several of its assets and liabilities at fair value. The building or "Settlement Obligation Asset" (Note 11) was written down in the last quarter of fiscal 2010 to its fair value based upon a pending sale agreement. Although the agreement was not finalized it established the current market value for the property. In Jan-March 2009, through the acquisition of another company the Company acquired certain debt. As part of the acquisition, these were evaluated by a third party and valued at fair value at the time they were recorded. As a result of this the Company is amortizing the associated discount and premium for two of the liabilities.

#### **Recent accounting pronouncements**

In September 2011 the Accounting Standards Update No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for impairment. This ASU's objective is to simplify the process of performing impairment testing for Goodwill. With this update a company is allowed to assess qualitative factors, first, to determine if it is more likely than not (greater than 50%) that the FV is less than the carrying amount. This would be done, prior to performing the two-step goodwill impairment testing, as prescribed by Topic 350. Prior to this ASU, all entities were required to test, annually, their good will for impairment by Step 1 - comparing the FV to the carrying amount, and if impaired, then step 2 - calculate and recognize the impairment. Therefore, the fair value measurement is not required, until the "more likely than not" reasonableness test is concluded. Effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011.

In May 2011, FASB issued Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. This ASU clarifies the board's intent of current guidance, modifies and changes certain guidance and principles, and adds additional disclosure requirements concerning the 3 levels of fair value measurements. Specific amendments are applied to FASB ASC 820-10-35, Subsequent Measurement and FASB ASC 820-10-50, Disclosures. This ASU is effective for interim and annual periods beginning after December 15, 2011.

In June 2011, FASB issued Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): *Presentation of Comprehensive Income*. - ASU 2011-05. Current US GAAP allows companies to present the components of comprehensive income as a part of the statement of changes in stockholders' equity. This ASU eliminates that option. In this update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU is effective interim and annual periods beginning after December 15, 2011. This ASU should be applied retrospectively. There are no specific transition disclosures.

---

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 or invoicing and shipment of products.

## **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 carry forwards 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 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 quarter ended July 31, 2012 or the year ended April 30, 2012. 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 the carry forwards may expire unused, although acquisition of sufficient operating capital to complete the acquisition of all of the assets of SG Austria may change this. 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.

## **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.

## **Reclassifications**

Certain items in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current period's presentation. These reclassifications have no effect on the previously reported income (loss).

## **NOTE 4 – ACCOUNTS RECEIVABLE**

The Company recognizes receivables predominately on sales of its Cinnergen product. At July 31, 2012 the company recorded an allowance for doubtful accounts of \$6,497.

---

## **NOTE 5 – ASSET PURCHASE**

On June 21, 2012, the Registrant, Nuvilex, Inc. ("Nuvilex"), a Nevada corporation, purchased 100% of the shares of Austrianova Singapore Pte. Ltd. (ASPL) in exchange for 100,000,000 shares of restricted Nuvilex common stock. A copy of the final Asset Purchase Agreement, dated May 26, 2011, is attached as Exhibit 2.1 on the Company's Form 10-K for the fiscal year ended April 30, 2012.

Under the terms of the Asset Purchase Agreement, the Nuvilex and ASPL shares are held in escrow until the completion of Nuvilex's financing obligations. The Asset Purchase Agreement, as amended, provides that Nuvilex will fund future ASPL operations in the amount of \$2.5 million with a target date to complete the funding by December 31, 2012. Nuvilex will continue current funding of \$60,000 monthly in operating capital until the overall funding is completed.

The shares for both ASPL and Nuvilex are being held in escrow and are therefore not reflected in the financial statements. This is due to the potential unwinding of the agreement in the event Nuvilex is unable to satisfy the Asset Purchase Agreement requirements including monthly maintenance payments or the \$2.5 million minimum financing requirement.

#### NOTE 6 - INVENTORY

On July 31, 2012 and April 30, 2012, inventory consisted of \$9,620 and \$6,846, 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 7 - FIXED ASSETS

Fixed assets consisted of the following:

	July 31, 2012	April 30, 2012
Computers	\$ 23,664	\$ 23,664
Furniture and fixtures	-	-
Lab equipment	-	-
Less: accumulated depreciation	(23,664)	(23,664)
	\$ -	\$ -

Depreciation expense for the three months ended July 31, 2012 and fiscal year end April 30, 2012 was \$0 and \$24,659, respectively.

#### NOTE 8 - DEBT

As of July 31, 2012 the company owed various individuals a total of \$310,000. All notes accrue interest at 10% per annum and are due within one year.

As of July 31, 2012 the company owed \$20,000 plus accrued interest to an individual. The note accrues interest at 8% per annum and is past due.

As of July 31, 2012, the Company had an obligation to pay \$400,000 in licensing fees for a licensing agreement that since then has been terminated. The debt is presently under negotiation for settlement.

During the year ended April 30, 2012, the Company settled various debts with a combination of cash payments and the issuance of common stock. In total over \$500,000 debt was settled. As a result of those settlements the Company recorded a gain of \$370,619.

During the quarter ended July 31, 2012, the Company settled various accounts payable with the issuance of common stock. In total over \$132,000 of debt was settled. As a result of those settlements the Company recorded a gain of \$71,742.



## **NOTE 9 - COMMON STOCK TRANSACTIONS**

During the year ended April 30, 2012, 23,575,000 shares of common stock were issued to officers of the Company for compensation. Shares were valued using the closing stock price on the day of issuance for a total expense of \$1,160,880.

During the year ended April 30, 2012, 8,550,000 shares of common stock were issued for various services. Shares were valued using the closing stock price on the day of issuance for a total expense of \$409,400.

During the year ended April 30, 2012, 9,250,000 shares of common stock were issued in exchange for \$600,000 in cash advances to the Company. In addition, another 1,650,000 shares were issued as incentive for providing the cash advances to the Company. These additional shares were value at \$101,750 and charged to interest expense

During the year ended April 30, 2012, 1,025,000 shares of common stock were issued to settle various debts. The shares were valued using the closing stock price on the day of issuance for a total expense of \$55,725.

During the quarter ended July 31, 2012, 2,400,000 shares of common stock were issued for various services. Shares were valued using the closing stock price on the day of issuance for a total expense of \$147,000.

During the quarter ended July 31, 2012, 1,842,656 shares of common stock were issued to settle various debts. The shares were valued using the closing stock price on the day of issuance for a total expense of \$98,596.

During the quarter ended July 31, 2012, 2,885,000 shares of common stock were issued to officers of the Company for compensation. Shares were valued using the closing stock price on the day of issuance for a total expense of \$172,181.

During the quarter ended July 31, 2012, the Company issued 100,000,000 shares of restricted common stock to Austrianova Singapore Pte. Ltd. (ASPL). Under the terms of the Asset Purchase Agreement, the shares are held in escrow until the completion of Nuvilex's financing obligations (refer to Note 5). The shares for both ASPL and Nuvilex are being held in escrow and are therefore not reflected in the financial statements. This is due to the potential unwinding of the agreement in shares in the event Nuvilex is unable to satisfy the Asset Purchase Agreement requirements including monthly maintenance payments or the \$2.5 million minimum financing requirement.

All shares were issued without registration under the Securities Act of 1933, as amended, in reliance upon the exemption afforded by Section 4(2) of that Act. No underwriters were involved.

## **NOTE 10 - PREFERRED 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; therefore, the holder of the preferred stock can effectively increase the Company issued Common Stock shares without a vote of the Common Stock shareholders thus enabling any potential shortfall of authorized common shares outstanding from being covered should the Preferred Stockholders wish to convert.

On March 1, 2011, the Company issued 3,500 shares of preferred stock to a shareholder for an \$80,000 loan that was made to the company. Based on prior year issuance of preferred stock, the original valuation was \$50.00/share and since the valuation of the preferred stock for this loan was set to \$80,000 per 3,500 shares or \$22.86/share, the Company has recorded a loss on conversion of debt of \$95,000 for year ending April 30, 2011.

The average Closing Bid Price at April 30, 2011 was \$0.03. Based on the Series E Preferred Stock provisions, if converted on April 30, 2011, the outstanding 3,500 Series E Preferred Shares would have converted into 2,666,667 shares of the Company's common stock.

Under the terms of the Series E Stock Certificate, the holders have specific rights to be paid in cash out of the assets of the Company prior to any junior class shares. As a result of the obligations for Series E preferred shares, the Company has determined these redemption features have the potential to be outside the control of the Company, and accordingly, the Company has classified the Series E shares outside of shareholder's equity in accordance with ASC 480 regarding instruments with debt and equity features.

Thus, the full value for the convertible Preferred Stock was recorded outside of stockholders' equity in the accompanying consolidated balance sheet.

#### **NOTE 11 – LEGAL PROCEEDINGS**

In July 2011 a claim was filed by Cornerstone Bank ("Cornerstone") against Freedom-2, Inc., a wholly owned subsidiary of the Company, for amounts due under a promissory note (the "Note"), in the original principal amount of \$1.6 million (collectively the "Indebtedness"). The bank also sought to foreclose its mortgage on the property securing the Note, which is located in Cherry Hill, New Jersey (the "Property"). Given the passage of time and the Company having made no payments toward the Indebtedness for several years, as of May 2012, the amount due was approximately \$2.0 million.

On May 7, 2012, the Company and Cornerstone entered into a comprehensive settlement agreement that resolves all matters related to Cornerstone's claims (the "Settlement"). Since that time, the Company and Cornerstone have proceeded to carry out the terms of the Settlement Agreement as follows: (i) the parties stipulated to judgment in the amount of the Indebtedness, with a stay of execution for 2 years pending the Company satisfying the Indebtedness in any of several ways, including direct payments of cash and discounts of up to 30% for early payments, or a combination thereof; (ii) the Company has conveyed the Property to Cornerstone, which will sell the Property and apply the net proceeds to reduce the Indebtedness (in the event the Property is not sold and the Indebtedness satisfied as otherwise described herein, the Property will be reconveyed to the Company); and (iii) the Company has transferred 14,605,614 shares of the Company's common stock as security for payment of the Indebtedness (the "Stock Collateral"), which can be liquidated by Cornerstone from time to time in accordance with an SEC Rule 10b5-1 plan, with the proceeds being applied to reduce the Indebtedness. Any excess Stock Collateral will be returned to the Company upon payment of the Indebtedness in full. When the property is sold and any and all remaining payments, if any, are made by Nuvilex directly or through liquidation of the transferred stock collateral sold over time, the proceeds will be used to eliminate the Indebtedness, which, together with the Stock Collateral will remain on the Company's financial statements in the then outstanding amount/value until fully satisfied. The building is listed as a Company asset under "Settlement Obligation Asset" and the indebtedness is listed as a Company liability as "Settlement Obligation Liabilities."

To date, the Company has completed all paperwork and signed the Deed In Lieu to Cornerstone Bank, provided all necessary paperwork for transfer of the property and the stock issuance and is awaiting delivery of final signed paperwork from Cornerstone Bank. Therefore, we have come to completion of this issue. Nonetheless, until the property is sold, payments made by Nuvilex, or the stock sold over time, any or all of which are expected to eliminate the debt, such amounts will continue to be reported in the financial statements under the headings of "Settlement Obligation Asset" and "Settlement Obligation Liabilities." All assets and amounts due under the settlement, including the building, principle, interest and all applicable fees have thus been reported.

#### **NOTE 12 - RELATED PARTY TRANSACTIONS**

During the quarter ended July 31, 2012 and the year ended April 30, 2012 a shareholder loaned the Company a total of \$360,258 and \$337,408, respectively for operating expenses. All loans bear interest at 6% and are due on demand.

As of July 31, 2012 and April 30, 2012, the Company owed a Director and shareholder \$22,700; the loan accrues interest at 8% and is due on demand.

As of July 31, 2012, Dr. Robert Ryan, CEO, loaned the Company \$202,769, at 8% interest, to provide for payment of operating expenses.

During the year ended April 30, 2012 three shareholders advanced \$600,000 to the company. These funds were repaid with the issuance of 9,250,000 shares of common stock and an additional 1,650,000 shares as an incentive for making the advances.

#### **NOTE 13 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of subsequent events in accordance with ASC Topic 855, noting no additional subsequent events other than those noted below.

Subsequent to July 31, 2012, the Company granted 530,000 shares of common stock for services.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2012 AND 2011**

*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 JULY 31, 2012 AND 2011**

#### **SALES**

Revenues from operations for the three months ending July 31, 2012 compared to 2011 decreased 66% from \$19,762 to \$6,626. Although product sales have continued, few funds have been committed to initiate any marketing given that the majority of funds have been directed toward the goal of maintaining and acquiring ASPL and the opportunity to complete the forth coming acquisition.

#### **SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

During the three months ended July 31, 2012, sales and marketing expenses decreased \$43,148 to \$81,982 from \$125,130 in the prior period. This decrease can be attributed to the completion of internet infrastructure in the prior year and a general decrease in sales and marketing expenses related to the company as a whole. The overall general and administrative expenses during the three months ended July 31, 2012 compared to the three months ended July 31, 2011, increased \$63,967 to \$230,006 in the current period. The increase can be largely attributed to an increase in costs incurred for investor relations. Importantly, the total operating expenses decreased during the three months ended July 31, 2012 to \$545,412 compared to \$656,687 from the same period ending July 31, 2011.

For the three months ended July 31, 2012 compensation expense decreased \$124,383 to \$181,181 from \$305,564 for the same period in the prior year. The decrease is a result of fewer shares being issued to officers for compensation.

During the three months ended July 31, 2012, there was a substantial decrease in the net loss of \$175,503 to \$510,517 compared to \$686,020 in the prior period. The decrease was primarily due to the decrease in operating expenses as well as total other income of \$28,269 in the current period versus a total other expense of \$33,420 in the same period in the prior year.

#### **LIQUIDITY AND CAPITAL RESOURCES**

By adjusting the Company's operations and through bridge financing being provided by the CEO and existing interested investors and shareholders, management continues to work to maintain sufficient capital resources to meet projected cash flow needs. Failure by the Company to generate sufficient liquidity from operations or in raising sufficient capital resources on acceptable terms may have a materially adverse effect on the Company's business, results of operations, liquidity and financial condition.

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 4. CONTROLS AND PROCEDURES**

#### **Evaluation of and Report on Internal Control over Financial Reporting**

The management of Nuvilex, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended July 31, 2012, management, with the participation of our Chief Executive Officer/Interim Chief Financial Officer, and Chief Operating Officer, have evaluated the effectiveness of our internal controls over financial reporting, pursuant to Rule 13a-15 under the Exchange Act, as of July 31, 2012 in order to determine the potential for or the existence of material weaknesses, defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Our Chief Executive/ Interim Chief Financial Officer and Chief Operating Officer, have concluded the design and operation of our internal controls and procedures are not effective as of July 31, 2012. As a result, the following aspects of the Company were noted as potential material weaknesses:

1. Although they have communicated to their employees, Management has begun to be in compliance and has not fully developed its accounting policies and procedures as a direct result of its present size and staffing. In addition, no Director of the Board of Directors qualifies as an Audit Committee Financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B which may therefore, constitute a material weakness.

Because of these material weaknesses, Management has concluded the Company did not maintain effective internal control over financial reporting as of July 31, 2012, based on the criteria established in "Internal Control-Integrated Framework" issued by the COSO, criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. The Management is initiating study of COSO in coordination with ASPL in order to establish COSO Control-Integrated Framework within Nuvilex, ASPL, and all of its subsidiaries shortly as we begin to change and expand our present number of personnel and activities.

#### **Changes in Internal Control**

During the three months ended July 31, 2012 there were no substantial changes in our internal control over financial reporting (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, even though effort has been initiated to advance this area in terms of acquiring sufficient internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

In July 2011 a claim was filed by Cornerstone Bank ("Cornerstone") against Freedom-2, Inc., a wholly owned subsidiary of the Company, for amounts due under a promissory note (the "Note"), in the original principal amount of \$1.6 million (collectively the "Indebtedness"). The bank also sought to foreclose its mortgage on the property securing the Note, which is located in Cherry Hill, New Jersey (the "Property"). Given the passage of time and the Company having made no payments toward the Indebtedness for several years, as of May 2012, the amount due was approximately \$2.0 million.

On May 7, 2012, the Company and Cornerstone entered into a comprehensive settlement agreement that resolves all matters related to Cornerstone's claims (the "Settlement"). Since that time, the Company and Cornerstone have proceeded to carry out the terms of the Settlement Agreement as follows: (i) the parties stipulated to judgment in the amount of the Indebtedness, with a stay of execution for 2 years pending the Company satisfying the Indebtedness in any of several ways, including direct payments of cash and discounts of up to 30% for early payments, or a combination thereof; (ii) the Company has conveyed the Property to Cornerstone, which will sell the Property and apply the net proceeds to reduce the Indebtedness (in the event the Property is not sold and the Indebtedness satisfied as otherwise described herein, the Property will be reconveyed to the Company); and (iii) the Company has transferred 14,605,614 shares of the Company's common stock as security for payment of the Indebtedness (the "Stock Collateral"), which can be liquidated by Cornerstone from time to time in accordance with an SEC Rule 10b5-1 plan, with the proceeds being applied to reduce the Indebtedness. Any excess Stock Collateral will be returned to the Company upon payment of the Indebtedness in full. When the property is sold and any and all remaining payments, if any, are made by Nuvilex directly or through liquidation of the transferred stock collateral sold over time, the proceeds will be used to eliminate the Indebtedness, which, together with the Stock Collateral will remain on the Company's financial statements in the then outstanding amount/value until fully satisfied. The building is listed as a Company asset under "Settlement Obligation Asset" and the indetbedness is listed as a Company liability as "Settlement Obligation Liabilities." All assets and amounts due under the settlement, including the building, principal, interest and any and all applicable fees are therefore fully reported herein.

---

**ITEM 1A. RISK FACTORS**

*You should carefully consider these factors that may affect future results, together with all of the other information included in this Form 10-Q, in evaluating the business and the Company. The risks and uncertainties described below are those that the Company currently believes may materially affect its business and results of operations. Additional risks and uncertainties that Nuvilex is unaware of or that it currently deems immaterial also may become important factors that affect its business and result of operations. Nuvilex' 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.*

*In addition, you should carefully consider these risks when you read "forward-looking" statements elsewhere in this Form 10-Q. These are statements that relate to the Company's expectations for future events and time periods. Generally, the words "anticipate," "expect," "intend," and similar expressions identify forward-looking statements. Forward-looking statements involve risks and uncertainties, and future events and circumstances could differ significantly from those anticipated in the forward-looking statements.*

**Doubt Regarding Ability to Continue as a Going Concern**

Nuvilex's financial statements have been presented 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 has minimal revenues and incurred net operating losses as of July 31, 2012. 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 may not be able to determine if the Company will ever be profitable. Nuvilex may 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**

As a result of Nuvilex's limited operating history; the Company is currently unable to accurately forecast its revenues. Current and future expense levels are based largely on the Company's marketing and development plans and estimates of future revenue. Sales and operating results generally depend on volume and timing of orders and on the Company's ability to fulfill such orders, both of which are difficult to forecast. 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 material 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) ability to obtain and retain customers, (ii) attract new customers at a steady rate and maintain customer satisfaction with products, (iii) the announcement or introduction of new services by Nuvilex or its competitors, (iv) price competition, (v) the level of use and consumer acceptance of its products, (vi) the amount and timing of operating costs and capital expenditures relating to expansion of the business, operations and infrastructure, (vii) governmental regulations, and (viii) general economic conditions.

## **Unpredictability of Future Revenues: Potential Fluctuations in Operating Results**

As a result of Nuvilex's limited operating history; the Company is currently unable to accurately forecast its revenues. Current and future expense levels are based largely on the Company's marketing and development plans and estimates of future revenue. Sales and operating results generally depend on volume and timing of orders and on the Company's ability to fulfill such orders, both of which are difficult to forecast. 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 material 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) ability to obtain and retain customers, (ii) attract new customers at a steady rate and maintain customer satisfaction with products, (iii) the announcement or introduction of new services by Nuvilex or its competitors, (iv) price competition, (v) the level of use and consumer acceptance of its products, (vi) the amount and timing of operating costs and capital expenditures relating to expansion of the business, operations and infrastructure, (vii) governmental regulations, and (viii) 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 flaws or defects will not be found in Nuvilex products and if found, could have a materially adverse effect upon 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 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 may have the potential to 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 in the past and may continue to fluctuate in the future. The Company believes such fluctuations will continue as a result of many factors, including US and World markets, financing plans, future announcements concerning the Company, the Company's competitors, 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 depends significantly on 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 may be adversely affected by negative macroeconomic factors affecting consumer spending. Substantial tightening of consumer credit, low 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 operations.

## **Dependence on Sales through Retailers and Distributors**

The Company's business that depends significantly upon sales through retailers and distributors may be affected if the Company's retailers and distributors are not successful. As a result, 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 could harm the Company's business, financial condition and operations.

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

Under Nuvilex's business plan, significant and material matters of business must be conducted and concluded in a timely fashion. The execution of the Company's business plan places a significant strain on the Company's management while providing little or no immediate compensation.

There can be no assurance that Nuvilex's planned personnel, systems, procedures and controls will be adequate to support its future operations, management will be able to hire, train, retain, motivate and manage personnel or that its 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 adversely affected. Nonetheless, management for Nuvilex and ASPL are working together to acquire the training and expertise as well as create the necessary internal controls for financial reporting.

### **Competition**

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

### **Dependence on Management**

Nuvilex's performance will be substantially dependent on continued services and 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. Nuvilex's inability to retain its executive officers or other key employees could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. The Company's future success depends to a great extent 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 can be intense and there is no assurance 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 material 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 adversely affected. Nuvilex's brand awareness efforts have required, and will most likely continue to require additional 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 the Company will be successful in doing so or its competitors will not independently develop products substantially equivalent or superior.

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.

Protecting or defending the Company's IP rights, to protect trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity may require litigation. 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' 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 material adverse effect on the Company's financial condition and operating results.

## **Federal, State, Local and Foreign Laws and Regulations**

For some of research, development and products the Company is working on, there is potential they may be subject to laws and regulations enforced by the FDA, DEA, USDA, EPA, the CDHS, foreign health authorities and other regulatory bodies throughout the world and 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. Furthermore, some of the Company's past research, product development and manufacturing activities have involved the controlled use of hazardous materials and the Company may incur costs as a result of the need to comply with these laws and regulations.

## **Penny Stock Regulation**

The Company's securities sold as part of financing provided to the Company 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, the latter of which are generally people with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly. For transactions covered by these rules, the Company and/or 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 must also 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. Therefore the challenge for the Company is that the market price of the Company's common stock may not reach or remain at such a level.

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

None.

## **ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

## **ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

## **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.

<u>Exhibit No.</u>	<u>Description</u>	<u>Location</u>
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.
2.5	Share Exchange Agreement, dated May 26, 2011 between the Company and SG Austria Private Limited.	Incorporated by reference from the Company's Current Report on Form 10-Q filed with the SEC on September 14, 2011.
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 Section 906 of the Sarbanes-Oxley Act of 2002*.	Filed herewith.
101	Interactive Data Files for Nuvilex, Inc. Form 10-Q for the period ended July 31, 2012	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.

September 19, 2012

By: /s/ Robert F. Ryan  
Robert F. Ryan, M.S., Ph.D.  
President, Chief Executive Officer and Interim Chief Financial Officer  
(Principal Executive Officer On behalf of the Registrant)

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.

September 19, 2012

By: /s/ Patricia Gruden  
Patricia Gruden, Chairman of the Board of Directors

September 19, 2012

By: /s/ Robert Bowker  
Robert Bowker, Director

September 19, 2012

By: /s/ Richard Goldfarb  
Richard Goldfarb, M.D., FACS, Director

September 19, 2012

By: /s/ Timothy Matula  
Timothy Matula, Director

## EXHIBIT 31.1

### SECTION 302 CERTIFICATION

I, Robert F. Ryan, 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: September 19, 2012

By: /s/ Robert F. Ryan  
Robert F. Ryan, M.S., Ph.D.  
President and Chief Executive Officer  
(Principal Executive Officer)

---

## EXHIBIT 31.2

### SECTION 302 CERTIFICATION

I, Robert F. Ryan, 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 owner'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: September 19, 2012

By: /s/ Robert F. Ryan  
Robert F. Ryan  
Interim Chief Financial Officer

(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 July 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert F. Ryan, Chief Executive 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/ Robert F. Ryan  
Robert F. Ryan, M.S., Ph.D.,  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: September 19, 2012

---

## EXHIBIT 32.2

### SECTION 906 CERTIFICATION

In connection with the Quarterly Report of Nuvilex, Inc. on Form 10-Q for the period ending July 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert F. Ryan, 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/ Robert F. Ryan  
Robert F. Ryan  
Interim Chief Financial Officer  
(Interim Principal Financial Officer)

Date: September 19, 2012

---