

Immunovative, Inc.  
Form 10-Q  
August 14, 2012

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

FORM 10-Q

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

For the quarterly period ended June 30, 2012

OR

- o 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 000-53723

IMMUNOVATIVE, INC.  
(f/k/a Novo Energies Corporation)  
(Exact name of registrant as specified in its charter)

Florida  
(State or other jurisdiction of Identification  
No.)

65-1102237  
(I.R.S. Employer or organization)

417, Rue St-Pierre, Suite 804  
Montreal QC H2Y 2M3  
Canada  
(Address of principal executive offices) (Zip Code)

(514) 840-3697  
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:  
None

Securities registered under Section 12(g) of the Exchange Act:  
Common Stock, \$.00001 Par Value

(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during

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the past 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

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

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company

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

On September 30, 2011, the last business day of the registrant's most recently completed second quarter, the aggregate market value of the Common Stock held by non-affiliates of the registrant was \$11,781,807, based upon the closing price on that date of the Common Stock of the registrant on the OTC Bulletin Board system of \$0.175. For purposes of this response, the registrant has assumed that its directors, executive officers and beneficial owners of 5% or more of its Common Stock are deemed affiliates of the registrant.

As of August 12, 2012 the registrant had 140,596,457 shares of its Common Stock, \$0.00001 par value, outstanding.

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## ITEM 1 FINANCIAL STATEMENTS

IMMUNOVATIVE, INC. AND SUBSIDIARY  
(Formerly Novo Energies Corporation and Subsidiary)  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED BALANCE SHEETS

	ASSETS	
	June 30, 2012 (unaudited)	March 31, 2012
<b>CURRENT ASSETS</b>		
Cash	\$569,547	\$619,624
Marketable securities	300,000	-
Prepaid expense	12,264	12,264
Total current assets	881,811	631,888
EQUIPMENT - net	33,735	36,468
INTANGIBLE ASSETS - Domain Name	32,345	-
<b>TOTAL ASSETS</b>	<b>\$947,891</b>	<b>\$668,356</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Note Payable Caete Invest & Trade, S.A.	\$-	\$179,572
Accounts Payable	261,149	208,644
Accrued Interest	34,102	77,847
Accrued Expenses	23,812	18,172
Accrued Professional Fees	93,270	145,822
Related party payables		
Accrued Salaries and Taxes	59,860	39,412
Due to Chairman and CEO	14,000	16,500
Note Payable to Chief Executive Officer	42,364	52,364
Total current liabilities	\$528,557	\$738,333
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common stock, par value \$0.00001; 1,000,000,000 shares authorized, 135,651,647 and 116,667,888 issued and outstanding at June 30, 2012 and March 31, 2012, respectively	1,357	1,166
Additional paid-in capital	22,132,978	20,770,505
Accumulated deficit from prior operations	(16,244,237)	(16,244,237)
Accumulated deficit during development stage	(5,467,601 )	(4,595,168 )
Accumulated other comprehensive loss	(3,163 )	(2,243 )
<b>Total Stockholders' Equity (Deficit)</b>	<b>419,334</b>	<b>(69,977 )</b>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$947,891	\$668,356
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See accompanying notes to unaudited consolidated financial statements.

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IMMUNOVATIVE, INC. AND SUBSIDIARY  
(Formerly Novo Energies Corporation and Subsidiary)  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	For the Three Months ended		Period from
	June 30,	2011	December 12,
	2012		2011
			(Inception of
			Development)
			to June 30,
			2012
<b>OPERATING EXPENSES</b>			
General and Administrative	\$ 623,601	\$-	\$ 4,391,033
Research and Development	243,050	-	1,062,214
Depreciation Expense	3,280	-	5,948
Total Expenses	869,931	-	5,459,195
<b>LOSS FROM OPERATIONS</b>	<b>869,931</b>	<b>-</b>	<b>5,459,195</b>
<b>OTHER EXPENSE</b>			
Interest Expense	2,502	-	8,406
Total Other Expense	2,502	-	8,406
<b>LOSS FROM CONTINUING OPERATIONS</b>	<b>(872,433 )</b>	<b>-</b>	<b>(5,467,601 )</b>
<b>DISCONTINUED OPERATIONS</b>			
Loss from operations of discontinued operations	-	(408,336 )	-
<b>NET LOSS</b>	<b>(872,433 )</b>	<b>(408,336 )</b>	<b>(5,467,601 )</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Translation Adjustment	(920 )	(251 )	(920 )
<b>COMPREHENSIVE LOSS</b>	<b>\$(873,353 )</b>	<b>\$(408,587 )</b>	<b>\$ (5,468,521 )</b>
<b>NET LOSS PER SHARE (Basic and Diluted)</b>			
Loss from continuing operations	\$(0.01 )	\$-	
Loss from discontinued operations	\$-	\$(0.01 )	
Net loss per share	\$(0.01 )	\$(0.01 )	
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>			
<b>BASIC AND DILUTED</b>	<b>122,304,734</b>	<b>56,838,026</b>	

See accompanying notes to unaudited consolidated financial statements.



IMMUNOVATIVE, INC. AND SUBSIDIARY  
(Formerly Novo Energies Corporation and Subsidiary)  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

	For the Three Months Ended June 30,		Period from December 12, 2011 (Inception of Development) to June 30, 2012
	2012	2011	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$(872,433 )	\$-	\$ (5,467,601 )
Loss from discontinued operations	\$-	(408,336 )	-
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Stock-based compensation	304,969	72,125	3,457,269
Shares issued in Settlement Agreement	-	-	153,000
Note payable discount amortization	-	3,044	-
Depreciation and amortization	3,280	1,000	6,077
Decrease (increase) in assets			
Prepaid expense	-	-	4,494
Increase (decrease) in liabilities			
Accounts payable	52,506	2,511	36,063
Accrued salaries and wages	20,448	-	20,448
Accrued interest	2,502	21,287	13,950
Accrued expense	5,640	-	23,812
Accrued professional fees	(52,552 )	(25,333 )	(205,847 )
Related party payables	(2,500 )	9,784	(99,071 )
Cash used in operating activities	(538,140 )	(323,918 )	(2,057,406 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equipment	-	-	(21,009 )
Purchase of intangible asset - domain name	(7,893 )	-	(7,893 )
Purchase of marketable securities	(300,000 )	-	(300,000 )
Cash used in investing activities	(307,893 )	-	(328,902 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of note payable to Chief Executive Officer	(10,000 )	(45,000 )	(85,000 )
Sale of common stock	926,876	362,500	2,992,232
Commissions paid on sale of common stock	(120,000 )	-	(120,000 )
Cash provided by financing activities	796,876	317,500	2,787,232

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Foreign Currency Translation Effect	(920 )	(251 )	(920 )
NET INCREASE / (DECREASE) IN CASH	(50,077 )	(6,669 )	400,004
CASH, BEGINNING OF PERIOD	619,624	8,730	169,543
CASH, END OF PERIOD	\$ 569,547	\$ 2,061	\$ 569,547

See accompanying notes to unaudited consolidated financial statements.

IMMUNOVATIVE, INC. AND SUBSIDIARY  
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 (A DEVELOPMENT STAGE COMPANY)  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (unaudited)

	For the Three Months Ended June 30,		Period from December 12, 2011 (Inception of Development) to June 30, 2012
	2012	2011	
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Interest and Taxes Paid	\$-	\$-	\$ -
<b>NON CASH ITEMS</b>			
Conversion of note payable - Caete Invest & Trade, S.A. to common stock	\$(179,572 )	\$-	\$ (179,572 )
Conversion of accrued interest on Caete Invest & Trade, S.A. to common stock	\$(46,247 )	\$-	\$ (46,247 )
Purchase of intangible asset - domain name with common stock	\$(25,000 )	\$-	\$ (25,000 )
Issuance of common stock	\$29	\$-	\$ 29
Additional paid in capital	\$250,790	\$-	\$ 250,790

See accompanying notes to unaudited consolidated financial statements.

IMMUNOVATIVE, INC. AND SUBSIDIARY

(Formerly Novo Energies Corporation and Subsidiary)

(A DEVELOPMENT STAGE COMPANY)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

(unaudited)

NOTE A - NATURE OF BUSINESS AND GOING CONCERN

Nature of Business

The Company, prior to December 12, 2011, was involved in the business of exploiting new technologies for the production of clean energy. In May 2011, the Company had entered into an exclusive memorandum of understanding with Immunovative Therapies, Ltd. (“ITL”) (an Israeli company) whereby the Company would acquire a subsidiary of ITL. On December 12, 2011, the Company terminated this memorandum of understanding and entered into a License Agreement (the “License Agreement”) with ITL, pursuant to which the Company received an immediate exclusive and worldwide license to commercialize all the Licensed Products based on ITL’s current and future patents and a patent in-licensed from the University of Arizona. The license granted covers two experimental products for the treatment of cancer in clinical development called AlloStim™ and Allo Vax™ (“Licensed Products”). On May 8, 2012, the Company changed its name to Immunovative, Inc. to better reflect its new direction on the development and commercialization of the next generation of immunotherapy treatments.

Going Concern

As indicated in the accompanying financial statements, the Company has incurred cumulative net operating losses of \$5,467,601 primarily from stock based compensation (\$3,457,269) and research and development expenses (\$1,062,214) since inception of the development stage. Management’s plans include the raising of capital through equity markets to fund future operations, a successful merger with ITL and generating of revenue by sub-licensing its commercialization rights with ITL to other companies as well as potentially generating revenue once all drugs or treatments are eligible for commercialization. Failure to raise adequate capital, complete a successful merger and generate adequate sales revenues could result in the Company having to curtail or cease operations. Additionally, even if the Company does raise sufficient capital to support its operating expenses, complete a successful merger and generate adequate revenues, there can be no assurances that the revenues will be sufficient to enable it to develop business to a level where it will generate profits and cash flows from operations. These matters raise substantial doubt about the Company’s ability to continue as a going concern. However, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Effective July 1, 2009, the Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 105-10 Generally Accepted Accounting Principles-Overall (“ASC 105-10”). ASC 105-10 establishes the FASB Accounting Standards Codification (the “Codification”) as the source of authoritative accounting principles recognized by the FASB to be applied to nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the codification is non-authoritative. The FASB

will not issue new standards in the form of Statements, FASB Positions or Emerging Issue Task Force Abstracts. Instead, it will issue Accounting Standards Updates (“ASUs”). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on the change(s) in the Codification.

#### Use of Estimates

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

IMMUNOVATIVE, INC. AND SUBSIDIARY  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2012  
(unaudited)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Translation

Commencing with the quarter ended June 30, 2012, the Company considers the U.S. dollar to be its functional currency. Prior to March 31, 2012, the Company considered the Canadian dollar to be its functional currency. Assets and liabilities were translated into US dollars at year-end exchange rates. Statement of operations amounts were translated using the average rate during the year. Gains and losses resulting from translating foreign currency financial statements were included in accumulated other comprehensive gain or loss, a separate component of stockholders' deficit. As a result of the change in functional currency from Canadian to U.S. dollar, an accumulated comprehensive loss of \$3,163 remains resulting from the conversion of a Canadian bank account.

Cash Equivalents

For purposes of reporting cash flows, cash equivalents include investment instruments purchased with an original maturity of three months or less. The Company had a certificate of deposit expiring on December 31, 2011.

Equipment and Depreciation

Equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

Intangible Assets

Intangible assets are stated at cost and amortized over five years.

Consolidated Financial Statements

The financial statements include the accounts and activities of Immunovative, Inc. and its wholly-owned Canadian subsidiary, Immunovative Canada, Inc. (formerly known as WTL Renewable Energies, Inc.) All inter-company transactions have been eliminated in consolidation.

Net Loss Per Common Share

The Company computes per share amounts in accordance with ASC Topic 260 Earnings per Share (EPS) which requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of Common Stock and Common Stock equivalents outstanding during the periods. A fully diluted calculation is not presented since the results would be anti-dilutive.

## Stock-Based Compensation

The Company accounts for Stock-Based Compensation under ASC 718 “Compensation-Stock Compensation”, which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 requires measurement of cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized.

The Company accounts for stock-based compensation awards to non-employees in accordance with ASC 505-50, Equity-Based Payments to Non-Employees. Under ASC 505-50, the Company determines the fair value of the warrants or stock-based compensation awards granted as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Any stock options or warrants issued to non-employees are recorded in expense and an offset to additional paid-in capital in shareholders’ equity/(deficit) over the applicable service periods using variable accounting through the vesting dates based on the fair value of the options or warrants at the end of each period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2012  
(unaudited)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company issues stock to consultants for various services. The costs for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (1) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (2) the date at which the counterparty's performance is complete. The Company recognized consulting expense and a corresponding increase to additional paid-in-capital related to stock issued for services.

Comprehensive Income

The Company has adopted ASC 211-05 effective January 1, 2012 which requires entities to report comprehensive income within a continuous statement of comprehensive income.

Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of information that historically has not been recognized in the calculation of net income.

Income Taxes

The Company accounts for income taxes utilizing the liability method of accounting. Under the liability method, deferred taxes are determined based on differences between financial statement and tax bases of assets and liabilities at enacted tax rates in effect in years in which differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

Impairment of Long-Lived Assets

Long-lived assets, primarily fixed assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. The Company will perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, the Company would recognize an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and estimated fair value.

Research and Development

The Company expenses research and development costs as incurred.

Fair Value Measurements

ASC 820 Fair Value Measurements defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1- fair value measurements are those derived from quoted prices (unadjusted in active markets for identical assets or liabilities);

Level 2- fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3- fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

IMMUNOVATIVE, INC. AND SUBSIDIARY

(Formerly Novo Energies Corporation and Subsidiary)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

(unaudited)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments classified as Level 1 - quoted prices in active markets include cash.

These consolidated financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. In addition, since estimates are as of a specific point in time, they are susceptible to material near-term changes. Changes in economic conditions may also dramatically affect the estimated fair values.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2012. The respective carrying value of certain financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable, accrued expenses and due to related parties.

Uncertainty in Income Taxes

Income taxes are accounted for under the liability method of accounting for income taxes. Under the liability method, future tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply when the asset is realized or the liability settled. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

ASC 740 "Income Taxes" clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

As a result of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by ASC 740 and concluded that the tax position of the Company does not meet the more-likely-than-not threshold as of June 30, 2012.

Recent Accounting Pronouncements

In June 2011, the FASB issued ASU No. 2011-05 which amends ASC Topic 220, Comprehensive Income. Under the amendment, 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 income, each component of other comprehensive income along with a total for other

comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The amendments in this ASU should be applied retrospectively. Additionally, the FASB issued a second amendment to ASC Topic 220 in December 2011, ASU No. 2011-12, which allows companies the ability to defer certain aspects of ASU 2011-05. For public entities, these amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The amendments do not require any transition disclosures. The Company has adopted this ASC retroactively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2012  
(unaudited)

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On September 15, 2011, the FASB issued ASU 2011-08, Intangibles-Goodwill and Other, which simplifies how an entity is required to test Goodwill for impairment. This ASU will allow an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under the ASU, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based upon qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The ASU includes a number of factors to consider in conducting the qualitative assessment. The ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company does not expect the provisions of ASU 2011-08 to have a material effect on the financial position, results of operations, or cash flows of the Company.

Management does not believe any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying consolidated financial statements.

## NOTE C - EQUIPMENT

The Company's equipment is as follows:

	June 30,	March 31,	Estimated
	2012	2012	Life
Computer and office equipment	\$ 47,011	\$ 47,011	5 years
Less: accumulated depreciation	13,276	10,543	
	\$ 33,735	\$ 36,468	

## NOTE D – INTANGIBLE ASSETS

Intangible assets consists of the cost of a domain name (\$32,893) being amortized over five years. Amortization for the three months ended June 30, 2012 was \$548.

## NOTE E – LICENSE AGREEMENT

On December 12, 2011, the Company entered into a License Agreement (the "License Agreement") with Immunovative Therapies, Ltd., an Israeli Corporation ("ITL"), pursuant to which the Company received an immediate exclusive and worldwide license to commercialize all product candidates (the "Licensed Products") based on ITL's current and future patents and a patent in-licensed from the University of Arizona. The license granted covers two experimental products for the treatment of cancer in clinical development called AlloStim™ and Allo Vaz™ ("Licensed Products").

In exchange for the license, the Company has undertaken an obligation to pay ITL \$10 million from the date of the License Agreement until the date that is two years after receiving notice from a regulatory agency in the US, Canada, EU or Thailand of approval to commence a Phase II/III clinical trial (“Regulatory Notice”). The \$10 million due from the Company under the License Agreement is to be paid in the following installments: (i) \$450,000 upon the signing of the Agreement (paid in February 2012), (ii) \$150,000 at the start of each month after ITL submits to a peer-reviewed journal a manuscript for publication describing the results of the Phase I/II clinical trial conducted pursuant to IND 13,9361 until the \$10 million has been paid, (iii) \$2 million within 60 days of receiving Regulatory Notice and (iv) at any time that the Company chooses prior to the dates above.

Upon successful completion of a randomized Phase II/III clinical trial (the “Clinical Trial”) designed to prove the efficacy of at least one of the Licensed Products, the Company and ITL have agreed to consummate a merger transaction (either directly or through a subsidiary of the Company) with the ITL shareholders immediately prior to the merger owning 75% of the post-merger shares and the shareholders of the Company immediately prior to the merger owning 25% of the post-merger shares on a fully diluted basis. The successful completion of the Clinical Trial shall be defined as the date that the treatment protocol for the number of evaluable subjects necessary to conduct a statistical analysis comparing a placebo control group with a Licensed Product is completed, whereby there is sufficient power to detect a statistically significant ( $p < 0.10$ ) increase in overall survival of 50% or greater of the Licensed Product as compared to the placebo.

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(Formerly Novo Energies Corporation and Subsidiary)  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2012  
(unaudited)

NOTE E – LICENSE AGREEMENT (CONTINUED)

The License Agreement provides that the percentage of the post-merger shares that the shareholders of the Company immediately prior to the merger will increase in certain circumstances, including if the Company provides ITL more than the \$10 million set out in the License Agreement and if ITL has outstanding debt (excluding any liabilities owed to patent attorney or for patent maintenance fees) at the time of the merger. Likewise the License Agreement provides that the percentage of the post-merger shares that the shareholders of the Company immediately prior to the merger will decrease in certain circumstances, including if ITL raises funds on its own or if the Company has outstanding debts at the time of the merger.

If there is a successful completion of a Clinical Trial but the Company has not paid the full \$10 million, the parties may agree to merge or the Company may receive shares of ITL based on the amount of funds that the Company has provided ITL and the license will terminate. If there is not a successful completion of a Clinical Trial and the Company decides to continue to fund the clinical trials, the Company will receive shares in ITL for any additional payments more than \$10 million. In each of these instances, the shares that the Company will receive will be based on a valuation (prior to the funds provided by the Company) of ITL of \$30 million, which can be decreased for any outstanding debts (with the exception of patent related debts and trade liabilities) of ITL or increased for any funds raised by ITL on its own.

If the Company pays all amounts due under the License Agreement, but there is no successful completion of a Clinical Trial, the Company and ITL may nevertheless agree to merge. If they do not, the Company shall maintain the license granted under the License Agreement. As of June 30, 2012, the Company has paid ITL \$1,062,214 and recorded the payment as Research and Development expenses. Subsequent to June 30, 2012, the Company has paid ITL an additional \$321,000 for a total since inception of \$1,383,214.

NOTE F – NOTE PAYABLE TO CAETE INVEST & TRADE, S.A.

On November 1, 2009, the Company issued a \$242,000 promissory note to Caete Invest & Trade, S.A. maturing on October 31, 2010. The note bears interest at the rate of 10% per annum and is payable at maturity. The face amount of the note plus accrued interest is convertible into unregistered common stock of the company at the lesser of 100% of the volume weighted average price (“VWAP”) of common stock as reported by Bloomberg L.P. on the day prior to the conversion date and a 15% discount to the lowest daily closing “VWAP” of common stock during the five days prior to the conversion date. The Company, in accordance with EITF 98-5 and 00-27, utilized the Market approach to value the debt instrument and concluded that a beneficial conversion feature exists since the effective conversion price of shares was less than the stock price at commitment date. The 15% discount created a beneficial conversion feature at the commitment date aggregating \$36,300 which was accreted monthly from the issuance date of the promissory note through maturity and was recorded as additional interest expense. On February 4, 2010, \$62,428 of the loan was repaid. The loan balance was \$179,572 at March 31, 2012. On April 26, 2012, through an assignment of the Debt Agreement, Caete Invest & Trade, S.A. agreed to sell and/or assign the debt, including interest owed by the Company to a third party investor/shareholder of the Company who repaid Caete Invest & Trade, S.A. The assignment transferred to the individual any and all rights, interests and claim arising under the original note agreement. On May 21, 2012, the note was converted into 2,720,000 shares of

the Company's common stock.

NOTE G – NOTE PAYABLE TO CHIEF EXECUTIVE OFFICER

On January 21, 2010, the Company issued to its Chief Executive Officer a \$172,364 promissory note maturing on January 21, 2012. The note bears interest at the rate of 10% per annum and is payable at maturity. The face amount of the loan plus accrued interest is convertible into unregistered common stock of the company at the lesser of 100% of the volume weighted average price ("VWAP") of common stock as reported by Bloomberg L.P. on the day prior to the conversion date and a 15% discount to the lowest daily closing "VWAP" of common stock during the five days prior to the conversion date. The Company, in accordance with EITF 98-5 and 00-27, utilized the Market approach to value the debt instrument and concluded that a beneficial conversion feature exists since the effective conversion price of shares was less than the stock price at commitment date. The 15% discount created a beneficial conversion feature at the commitment date aggregating \$55,923 which was accreted monthly from the issuance date of the promissory note through maturity and was recorded as additional interest expense. During the three months ended June 30, 2012 and the year ended March 31, 2012, \$10,000 and \$120,000 of the note was repaid. Accordingly, at June 30, 2012 and March 31, 2012, the loan balance is \$42,364 and \$52,364. On August 2, 2012, the remaining balance of the loan plus accrued interest of \$34,102 was repaid.

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NOTE H - STOCKHOLDERS' EQUITY (DEFICIT)

During the year ended March 31, 2012, the Company sold 13,450,000 shares of its common stock, under private placement agreements, at \$0.05 per share aggregating \$672,500 and 22,853,560 shares of its common stock @ \$0.10 per share aggregating \$2,285,356.

On June 15, 2011, the Company entered into a consulting agreement with CSIR Group, Inc. to assist in general business strategies. In consideration for the services to be rendered, the Company issued 500,000 shares of its common stock at \$0.12 per share, the commitment date value aggregating \$60,000. The amount has been recorded as stock based compensation. The agreement was terminated in August 2011 and the shares are currently under administrative hold waiting for settlement between the parties.

On June 15, 2011, the Company entered into a consulting agreement with SARLA Group, SA to assist in general business strategies. In consideration for the services to be rendered, the Company issued 1,000,000 shares of its common stock at \$0.11 per share, the commitment date value aggregating \$110,000. The amount has been recorded as stock based compensation.

On June 15, 2011, the Company entered into a consulting agreement with Octave LG Investment, Inc. to assist in general business strategies. In consideration for the services to be rendered, the Company issued 1,000,000 shares of its common stock at \$0.11 per share, the commitment date value aggregating \$110,000. The amount has been recorded as stock based compensation.

On July 1, 2011, the Company converted \$78,000 of unpaid rent for its headquarters to common stock. The conversion rate was at \$0.11 per share the date on which the conversion occurred. Accordingly, the Company issued 709,090 shares.

On July 15, 2011, the Company issued 465,000 shares of its common stock to a former consultant in settlement of a consulting agreement. The shares were valued at \$0.10 per share. Accordingly, stock based compensation in the amount of \$46,500 was recorded.

On February 15 and 28, 2012, the Company entered into a consulting agreements with Bridgeview Capital to assist the Company in developing a business strategy, assist in capital introductions and other mutually agreed upon services. In consideration for these services, the Company issued 3,000,000 shares of its common stock valued at \$0.14 per share, the fair market value at the date of commitment. The shares vest immediately.

On February 15, 2012, the Company entered into a consulting agreement with an individual to assist the Chief Executive Officer with day to day operating activities. In consideration for these services, the Company, in addition to paying bi-weekly compensation, issued 250,000 shares vesting immediately. The shares were valued at \$0.14, the fair market value at the date of commitment.

On February 28, 2012, the Company entered into a consulting agreement with an individual to provide capital introduction and other services as mutually agreed upon with the Company. In consideration for these services, the

Company issued 1,195,000 shares of its common stock valued at \$0.14 per share. The shares vest immediately.

On February 28, 2012, the Company entered into a consulting agreement with Rubicon Capital Advisors, LLC to assist the Company in developing marketing and investor relations strategies and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 2,500,000 shares of its common stock valued at \$0.14 per share. The shares are considered earned as of the date of this agreement.

On February 28, 2012, the Company entered into a consulting agreement with Sirton International, Inc. to assist the company in developing a marketing and investor relations, assist the Company in developing an acquisition strategy and structure with the European market and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 5,400,000 shares of its common stock valued at \$0.14 per share, the fair value of the stock at the date of commitment. The shares are considered earned as of its date of agreement.

In connection with settlement agreements dated February 21 and 23, 2012, the Company issued 1,100,000 shares of its common stock valued at \$0.14 per share to Satellite Advisors Group, LLC and Dr. Stella Snug.

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NOTE H - STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

On February 15, 2012, the Company entered into a consulting with an individual to act in the capacity of office manager. The agreement provides for the issuance of 25,000 shares per month. During the quarter ended June 30, 2012, the consultant was issued 125,000 shares at an average monthly price of \$0.12 per share.

On February 25, 2012, the Company entered into an agreement with Momentum Public Relations, Inc. for strategic business development activities. In connection with the agreement, the consultant is to receive 600,000 shares of the common stock vesting immediately as of April 1, 2012. The shares were valued at \$0.10 per share, the price at the date of commitment. The contract is for one year.

On March 15, 2012, the Company entered into a consulting contract with an individual to assist the Company with web design and branding, develop online marketing strategies and other services agreed to between the Company and the consultant. The agreement is for a period of 24 months. In addition to cash consideration, the consultant will receive 25,000 shares of the Company's common stock monthly. During the quarter ended June 30, 2012, the consultant received 75,000 shares valued at \$0.11 per share.

On April 1, 2012, the Company entered into a consulting agreement with an individual to be an advisory board member. The agreement is for a period of one year. In addition to cash compensation, the individual will receive 25,000 shares of the Company's common stock on a monthly basis. During the quarter ended June 30, 2012, the individual received 75,000 shares of common stock valued at \$0.12 per share.

On April 26, 2012, the Company entered into a consulting agreement to provide investor relation services. The contract is for a period of 12 months and the consultant received 805,000 shares of the Company's common stock valued at \$0.12 per share, the fair market value at the date of commitment.

On May 10, 2012, the Company entered into a consulting agreement with an individual to render strategic marketing services assisting the Company with search engine online marketing strategies and developing such strategies and other services mutually agreed to by the Company and the consultant. The contract is for a period of twelve months. As part of the consultant's compensation, he will receive monthly 15,000 shares of the Company's common stock. During the quarter ended June 30, 2012, the consultant received 15,000 shares valued at \$0.10 per share, the fair market value at the date of commitment.

On May 15, 2012, the chief executive officer's contract was amended to award him an additional 2,500,000 shares. The shares were valued at \$0.10 per share, the market value at the date of commitment.

On May 15, 2012, the Company entered into an agreement with a consultant to render strategic advisory services to include securing a well-qualified management team, developing acquisition strategy and other services mutually agreed to by the Company and consultant. The term of the contract is for 36 months. In connection with the contract, the consultant was awarded 2,500,000 shares of the Company's common stock. The shares were valued at \$0.10 per share the market value at the date of commitment.

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On May 21, 2012, the Company under the provisions of a note payable to Caete Invest & Trade, S.A., converted the note payable of \$179,572 and accrued interest of \$46,247, or an aggregate of \$225,819, into 2,720,000 shares of the Company's common stock.

On June 4, 2012, the Company purchased its Internet domain name for \$7,500 and the issuance of 200,000 shares of the Company's common stock valued at \$0.125 per share, the market value at the commitment date.

On June 26, 2012, the Company entered into a consulting agreement with XS Invest, LLC and issued 100,000 shares of its common stock at \$0.12 per share.

During the quarter ended June 30, 2012, the Company sold for cash, 9,268,759 shares of its common stock at \$0.10 per share aggregating \$806,876, net of \$120,000 paid in introducing fees.

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NOTE I – WARRANTS

The following table summarizes the activity of the warrants outstanding as at June 30, 2012:

	Number of Warrants	Exercise Price	Expiration Date
Balance March 31, 2012 (1)	394,465	\$ 0.75	7/2012 –8/2014
Issued on June 5, 2012 (2)	200,000	\$ 0.15	6/5/15
Issued on June 14, 2012 (2)	250,000	\$ 0.18	6/14/15
Exercised	-		
Balance June 30, 2012	844,465		

(1) Private Placement Agreements

(2) Consulting Agreements

The warrants were valued utilizing the following assumption employing the Black-Scholes Pricing Model:

	Consulting Agreements	Private Placements
Volatility	241.65% to 244.92%	14.99% to 195.52%
Risk-free rate	1.34% to 0.41%	1.42% to 1.52%
Dividend	-	-
Expected life of warrants	3	3

The warrants issued to consultants during the quarter ended June 30, 2012 were in connection with obtaining funds under private placement agreements. Accordingly, the expense of \$47,000 has been charged to additional paid in capital.

NOTE J - STOCK OPTIONS

On February 1, 2012, the Company awarded 5,000,000 options to purchase common shares to its' Chief Executive Officer and 5,000,000 options to purchase common shares to the vice president – strategic planning. These options vested immediately and were for services performed. The Company recorded stock-based compensation expense of \$1,400,000 for the issuance of these options. The following weighted average assumptions were used for Black-Scholes option-pricing model to value these stock options:

Volatility	220	%
Expected dividend rate	-	

Expected life of options in years	10
Risk-free rate	1.87 %

A summary of option activity as of March 31, 2012, and changes during the period then ended, is presented below:

Options	Weighted Average Exercise Price	Number of Shares	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance March 31, 2012	\$ 0.10	10,000,000	9.85	\$ 400,000
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options cancelled/forfeited	-	-	-	-
Balance at June 30, 2012	\$ 0.10	10,000,000	9.85	\$ 400,000
Exercisable at June 30, 2012	\$ 0.10	10,000,000	9.85	\$ 400,000

The weighted-average grant-date fair value of options granted during the three months ended June 30, 2012 was \$0.14.

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NOTE K - COMMITMENTS AND CONTINGENCIES

On January 31, 2012, the Company entered into a three year lease for its corporate office. This requires a monthly payment of \$2,150 per month. Required annual payments are as follows: 2013-\$25,800; 2014-\$25,800; and 2015-\$15,050.

The Company's employment agreement with its chief executive officer has compensation payable at \$10,000 per month with the contract expiring in July 2012.

In connection with the Company's consulting contracts, the Company has commitments for monthly payments of \$9,500 for the ensuing twelve months and \$9,000 per month for the ensuing 36 months.

On May 15, 2012, the Company amended the Chief Executive Officer's employment agreement to include additional awards of the Company's common stock, should the Company raise a total of \$7,500,000 in equity financing, he will earn an additional 2,500,000 shares of the Company's common stock at current prices.

NOTE L - SUBSEQUENT EVENTS

Subsequent to the three months ended June 30, 2012, the Company, through various private placements, sold approximately 13,263,000, shares of its common stock at \$0.10 per share aggregating \$1,326,300.

Subsequent to June 30, 2012, the Company advanced Immunovative Therapies, Ltd. under the license agreement (see Note E) \$321,000.

On July 1, 2012, the Company entered into a consulting agreement with an individual to render strategic advisory services. The agreement is for one year and requires the issuance of 500,000 shares of the Company's common stock.

On July 23, 2012, the Company entered into a consulting agreement with Wall Street Relations, Inc. to provide strategic advisory services with the implementation of branding concepts, marketing, and strategic introductions to institutional investors and accredited individual investors and introductions to prospective advisory board and management candidates. The agreement is for a period of six months. The consultant under the original agreement as consideration will receive 2,000,000 shares of the Company's common stock and cash fees of \$500,000. The cash consideration under the agreement is being amended. Through August 10, 2012, the Company advanced \$730,000 to Wall Street Relations, Inc.

On August 2, 2012, the Company repaid the remaining balance of the note payable of \$22,364 and the unpaid accrued interest of \$34,102 to the chief executive officer.

PART I - FINANCIAL INFORMATION

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

We believe that it is important to communicate our future expectations to our security holders and to the public. This report, therefore, contains statements about future events and expectations which are “forward-looking statements” within the meaning of Sections 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including the statements about our plans, objectives, expectations and prospects under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” You can expect to identify these statements by forward-looking words such as “may,” “might,” “could,” “would,” “will,” “anticipate,” “believe,” “plan,” “estimate,” “project,” “expect,” “intend,” “seek” and other similar expressions. Any statement contained in this report that is not a statement of historical fact may be deemed to be a forward-looking statement. Although we believe that the plans, objectives, expectations and prospects reflected in or suggested by our forward-looking statements are reasonable, those statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements, and we can give no assurance that our plans, objectives, expectations and prospects will be achieved.

Important factors that might cause our actual results to differ materially from the results contemplated by the forward-looking statements are contained in the “Risk Factors” section of and elsewhere in our Form 10-K dated March 31, 2012 for the fiscal year ended March 31, 2012 and in our subsequent filings with the Securities and Exchange Commission.

THIS REPORT CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933 AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934. THESE FORWARD LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM HISTORICAL RESULTS OR ANTICIPATED RESULTS, INCLUDING THOSE SET FORTH UNDER "RISK FACTORS" IN THIS "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" AND ELSEWHERE IN THIS REPORT. THE FOLLOWING DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH "SELECTED FINANCIAL DATA" AND THE COMPANY'S FINANCIAL STATEMENTS AND NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

We are a Florida corporation formed on April 8, 2001. We were originally organized to be a blank check company.

On June 8, 2009, the Board of Directors approved the change of name to “Novo Energies Corporation”. As described in a report filed with the U.S. Securities and Exchange Commission on June 26, 2009, a majority of shareholders executed a written consent in lieu of an Annual Meeting (the “Written Consent”) effecting the change of the name of our business from “Atlantic Wine Agencies, Inc.” to “Novo Energies Corporation” on June 8, 2009 to better reflect what we then intended to be our future operations. We filed an amendment to our Articles of Incorporation on June 8, 2009 with the Florida Secretary of State to affect this name change after receiving the requisite corporate approval.

On June 23, 2009, the Board of Directors approved a 3-for-1 forward stock split. Accordingly, all share and per share amounts have been retroactively adjusted in the accompanying financial statements.

On July 30, 2009, Novo Energies Corporation (“Novo”) formed a wholly-owned subsidiary - WTL Renewable Energy, Inc. (“WTL”). WTL was established as a Canadian Federal Corporation whose business is to initially research available technologies capable of transforming plastic and tires into useful energy commodities. Simultaneously, WTL also intended to plan, build, own, and operate renewable energy plants throughout Canada utilizing a third party technology and using plastic and tire waste as feedstock. On May 8, 2012, the name was changed to Immunovative Canada, Inc.

On May 17, 2011, Novo entered into an exclusive memorandum of understanding with Immunovative Clinical Research, Inc. (“ICRI”), a Nevada corporation and wholly-owned subsidiary of Immunovative Therapies, Ltd. (“ITL”), an Israeli corporation pursuant to which the Company and ICRI intended to pursue a merger resulting in Novo owning ICRI.

## RESULTS OF OPERATIONS

Three months ended June 30, 2012 compared to the three months ended June 30, 2011

**Revenue.** The Company is currently developing its business, and as a result has no products or services to offer and no revenues.

**Selling, General and Administrative Expenses.** For the three months ended June 30, 2012, selling, general and administrative expenses were \$623,601 compared to \$381,050 for the same period in 2011, an increase of 209.5%. This increase was primarily due to increased travel expenses, stock-based compensation under consulting agreements and increased personnel.

**Research and Development Expenses.** For the three months ended June 30, 2012, research and development expenses were \$243,050 compared to \$1,000 for the same period in 2011, an increase of \$242,050. This increase was primarily due to the payments made under the license agreement with Immunovative Therapies, Ltd.

**Net Loss.** We generated net losses of \$872,433 for the three months ended June 30, 2012 compared to \$408,336 for the same period in 2011, an increase of 249.6%. This increase was primarily due to an increase in business activity.

### Liquidity and Capital Resources

We continue to fund our operations through private placement offerings and financings.

During the three months ending June 30, 2012, we continued the private placement offering of our equity securities to a number of accredited investors. Through these private placement offerings, we sold 9,268,759 shares of our common stock at \$0.10 per share aggregating \$806,879 net of \$120,000 paid in introducing fees. During the period December 12, 2011 (inception of the development stage) to June 30, 2012, we sold 29,832,319 shares of our common stock at \$0.10 per share aggregating \$2,863,235 net of \$120,000 paid in introducing fees.

At June 30, 2012, we had cash and cost equivalents of \$569,547 compared to \$619,624 at March 31, 2012.

### Cash Flows

Net cash used in operating activities amounted to \$2,057,406 for the period from December 12, 2011 (inception of Development Stage) to June 30, 2012. Net cash used in operating activities amounted to \$538,140 and \$323,918 for the three months ended June 30, 2012 and 2011, respectively, which were due to the increase in business activities.

Net cash used in operating activities for the three months ended June 30, 2012 and 2011 was \$304,969 and \$72,125, an increase of \$232,844 primarily from share based compensation to consultants.

During the period from inception December 12, 2011 (inception of the Development Stage), we generated \$2,863,235 net of \$120,000 paid in introducing fees from private placement sales of our common stock.

During the three months ended June 30, 2012, we generated cash from financing activities of \$796,876 primarily from the sale of common stock. During the three months ended June 30, 2011, we generated cash from financing activities of \$317,500 primarily from the sale of common stock.

We do not believe that our cash on hand at June 30, 2012 will be sufficient to fund our license agreement requirements if all the conditions of the license agreement required of the licensor are met. We will continue to seek

additional equity financing. However, there is no assurance that we will be successful in our equity private placements.

## Going Concern Qualifications

The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had no revenue and net losses of \$827,433 for the period ended June 30, 2012 compared to sales of \$0 and net loss of \$408,336 (related to discontinued operations) for the three months ended June 30, 2011. As discussed in Note A to the financial statements, since inception of the Development Stage (December 12, 2011) the Company had losses of \$5,467,601 and there are existing uncertain conditions which the Company faces relative to its obtaining financing and capital in the equity markets. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company had working capital surplus, stockholders' equity, and accumulated deficit during the development stage of \$353,254, \$419,334 and \$5,467,601, respectively, at June 30, 2012, and used cash in operations of \$538,140 in the three months ended June 30, 2012. The Company is highly dependent on its ability to continue to obtain investment capital from future funding opportunities to fund the current and planned operating levels. The unaudited consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to bring in income generating activities and its ability to continue receiving investment capital from future funding opportunities. No assurance can be given that the Company will be successful in these efforts.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not applicable.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

The Securities and Exchange Commission defines the term "disclosure controls and procedures" to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its chief executive and chief financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to the chief executive and interim chief financial officer to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are not effective as of such date. The Chief Executive Officer and Chief Financial Officer have determined that the Company continues to have the following deficiencies which represent a material weakness:

1. The Company does not have an Audit Committee;

2. Lack of in-house personnel with the technical knowledge to identify and address some of the reporting issues surrounding certain complex or non-routine transactions. With material, complex and non-routine transactions, management has and will continue to seek guidance from third-party experts and/or consultants to gain a thorough understanding of these transactions;
3. Insufficient personnel resources within the accounting function to segregate the duties over financial transaction processing and reporting;
4. Insufficient written policies and procedures over accounting transaction processing and period end financial disclosure and reporting processes.

To remediate our internal control weaknesses, management intends to implement the following measures:

The Company will add sufficient number of independent directors to the board and will form an Audit Committee with a qualified person to chair the committee.

The Company will add sufficient accounting personnel to properly segregate duties and to effect a timely, accurate preparation of the financial statements.

The Company will hire staff technically proficient at applying U.S. GAAP to financial transactions and reporting.

Upon the hiring of additional accounting personnel, the Company will develop and maintain adequate written accounting policies and procedures.

The additional hiring is contingent upon the Company's efforts to obtain additional funding through equity or debt and the results of its operations. Management expects to secure funds in the coming fiscal year but provides no assurances that it will be able to do so.

#### Changes in Internal Control over Financial Reporting

Except as set forth above, there were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Limitations on the Effectiveness of Controls

The Company's management, including the CEO who is also the Chief Financial Officer and acting Principal Accounting Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of the control system must reflect that there are resource constraints and that the benefits 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, within the company 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. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on 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. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

None.

### ITEM 1A. RISK FACTORS.

Not applicable.

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

On February 8, 2012, the Company issued 14,131,500 shares of its common stock to various investors at \$0.10 per share. The shares mentioned above were issued in reliance on exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended, including Rule 506 of Regulation D and Regulation S promulgated under the Securities Act of 1933, as amended. These transactions qualified for exemption from registration because among other things, the transactions did not involve a public offering, each investor was an accredited investor, each investor had access to information about our Company and their investment, each investor took the securities for investment and not resale, there was no general solicitation or advertising in connection with the placement and we took appropriate measures to restrict the transfer of the securities.

On February 15 and 28, 2012, the Company entered into consulting agreements with Bridgeview Capital. In consideration for these services, the Company issued 3,000,000 shares of its common stock vesting immediately.

On February 15, 2012, the Company entered into a consulting agreement with an individual to assist the Chief Executive Officer with day to day operating activities. In consideration for these services, the Company issued 250,000 shares vesting immediately.

On February 28, 2012, the Company entered into a consulting agreement with an individual to provide capital introduction and other services as mutually agreed upon with the Company. In consideration for these services, the Company issued 1,195,000 shares of its common stock vesting immediately.

On February 28, 2012, the Company entered into a consulting agreement with Rubicon Capital Advisors, LLC to assist the Company in developing marketing and investor relations strategies and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 2,500,000 shares of its common stock.

On February 28, 2012, the Company entered into a consulting agreement with Sirton International, Inc. to assist the Company in developing a marketing and investor relations, assist the Company in developing an acquisition strategy and structure with the European market and other services as mutually agreed to by the Company and consultant. In consideration for these services, the Company issued 5,400,000 shares of its common stock.

In connection with settlement agreements dated February 21 and 23, 2012, the Company issued 1,100,000 shares of its common stock to Satellite Advisors Group, LLC and Dr. Stella Snug.

On February 15, 2012, the Company entered into a consulting with an individual to act in the capacity of office manager. The agreement provides for the issuance of 25,000 shares per month. During the quarter ended June 30, 2012, the consultant was issued 125,000 shares.



On February 25, 2012, the Company entered into an agreement with Momentum Public Relations, Inc. for strategic business development activities. In connection with the agreement, the consultant is to receive 600,000 shares of the common stock.

On March 15, 2012, the Company entered into a consulting contract with an individual to assist the Company with web design and branding, develop online marketing strategies and other services agreed to between the Company and the consultant. The agreement is for a period of 24 months. The consultant will receive 25,000 shares of the Company's common stock monthly. During the quarter ended June 30, 2012, the consultant received 75,000 shares.

On April 1, 2012, the Company entered into a consulting agreement with an individual to be an advisory board member. The agreement is for a period of one year. The individual will receive 25,000 shares of the Company's common stock on a monthly basis. During the quarter ended June 30, 2012, the individual received 75,000 shares of common stock.

On April 26, 2012, the Company entered into a consulting agreement to provide investor relation services. The contract is for a period of 12 months and the consultant received 805,000 shares of the Company's common stock.

On May 10, 2012, the Company entered into a consulting agreement with an individual to render strategic marketing services assisting the Company with search engine online marketing strategies and developing such strategies and other services mutually agreed to by the Company and the consultant. The contract is for a period of twelve months. As part of the consultant's compensation, he will receive monthly 15,000 shares of the Company's common stock. During the quarter ended June 30, 2012, the consultant received 15,000 shares.

On May 15, 2012, the chief executive officer's contract was amended to award him an additional 2,500,000 shares.

On May 15, 2012, the Company entered into an agreement with a consultant to render strategic advisory services to include securing a well-qualified management team, developing acquisition strategy and other services mutually agreed to by the Company and consultant. The term of the contract is for 36 months. In connection with the contract, the consultant was awarded 2,500,000 shares of the Company's common stock.

On May 21, 2012, the Company under the provisions of a note payable to Caete Invest & Trade, S.A., converted the note payable of \$179,572 and accrued interest of \$46,247, or an aggregate of \$225,819, into 2,720,000 shares of the Company's common stock.

On June 4, 2012, the Company purchased its Internet domain name and issued 200,000 shares of the Company's common stock.

On June 26, 2012, the Company entered into a consulting agreement with XS Invest, LLC and issued 100,000 shares of its common stock.

During the quarter ended June 30, 2012, the Company sold for cash, 9,268,759 shares of its common stock.

Subsequent to the three months ended June 30, 2012, the Company, through various private placements, sold approximately 13,263,000 shares of its common stock.

On July 1, 2012, the Company entered into a consulting agreement with an individual to render strategic advisory services. The agreement is for one year and requires the issuance of 500,000 shares of the Company's common stock.

On July 23, 2012, the Company entered into a consulting agreement with Wall Street Relations, Inc. to provide strategic advisory services with the implementation of branding concepts, marketing, and strategic introductions to institutional investors and accredited individual investors and introductions to prospective advisory board and management candidates. The agreement is for a period of six months. The consultant as consideration will receive 2,000,000 shares of the Company's common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. MINE SAFETY DISCLOSURES.

None

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

Exhibit Certification of Chief Executive Officer and Acting Principal Accounting Officer  
31.1

Exhibit Certification of Chief Executive Officer and Acting Principal Accounting Officer  
32.1

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Exhibit  
101

101.INS - XBRL Instance Document

101.SCH - XBRL Taxonomy Extension Schema Document

101.CAL - XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF - XBRL Taxonomy Extension Definition Linkbase Document

101.LAB - XBRL Taxonomy Extension Label Linkbase Document

101.PRE - XBRL Taxonomy Extension Presentation Linkbase Document

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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.

IMMUNOVATIVE, INC.  
(formerly Novo Energies Corporation)  
(Registrant)

Date: August 14, 2012

/s/ Antonio Treminio  
Antonio Treminio  
Chief Executive Officer and Chief  
Financial Officer