

NUVILEX, INC.

Huge M&A Execution Takes NVLX To The Next Level

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NUVILEX, INC. (OTC:QB – NVLX - \$0.113)

Price Target: \$0.75

Rating: Speculative Buy

COMPANY SNAPSHOT

Nuvilex, Inc. has been a provider of all-natural products for many years, has expanded its company to increase its natural product based footprint through medical marijuana studies and is becoming an international biotechnology provider of live, therapeutically valuable, encapsulated cells and services for treatments, research and medicine. The Company's offerings will ultimately include cancer, diabetes and other clinical treatments using the company's natural product knowledge, product base, cell and gene therapy expertise, and live-cell encapsulation technology in addition to other new products currently under development.

KEY STATISTICS

Price as of 7/12/13	\$0.113
52 Wk High – Low	\$0.22 – 0.019
Est. Shares Outstanding	460M
Market Capitalization	\$52M
3 Mo Avg Vol	3,200,000
Exchange	OTC:QB

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

Conclusion: Most Important Event in Nuvilex History Should Drive Stock Past \$0.22 Year High

Background: Late last week, NVLX announced the completion of the acquisition of all the assets and exclusive worldwide licenses associated with the live-cell encapsulation-based pancreatic cancer treatment. As part of this purchase the Company obtained the worldwide rights to utilize the live-cell encapsulation platform technology in the development of treatments for any and all cancer types, regardless of the cell type encapsulated. Therefore, the cells presently being used for cancer treatment are protected by the worldwide exclusive license as well.

Why This Is Great News for Nuvilex: For those investors following the company for some time, this transaction is far better than the original, proposed acquisition. Nuvilex is now the go-to firm in live-cell encapsulation technology for all cancers. All roads seeking to utilize this technology in all of oncology therapy, not just pancreatic cancer, now go through Nuvilex. The value of the intellectual property for a market in the tens of billions is worth far more than the pittance for which the stock currently trades, considering the clinical trial history.

Why This is Great News For Investors: The deal was funded via the sale of restricted stock to accredited investors at \$0.125 per share, a nearly 20% *premium* (not discount) to the current share price at what we project is a dilutive effect of less than 3%. That is a huge statement as most deals of this type are priced at a 20% *discount*. Plus, management is not done. Nuvilex plans to build on its oncology treatment flagship along with new treatments for other indications with a great unmet medical need.

Why This Is Great News for Both Nuvilex and Investors:

The early acquisition plan centered on acquiring the Company's foreign partner in order to gain access to the technology, broad exclusive rights, live cells, etc. Plus, it would have meant substantial dilution to shareholders. Conversely, the new deal, which is the purchase of a corporate subsidiary (Bio Blue Bird) that merely was the home for the targeted technology assets and rights means that the overhead for the Company will be substantially lower than previously thought. Nuvilex will not have the burden of full-time payroll and operating expenses for a company abroad, just employees in the U.S. All of the assets are now folded into Nuvilex. While the Company will maintain a close relationship and source live cells from Singapore, it now has much greater flexibility with respect to preparing for and conducting R&D as well as clinical trials. In a sense it is the best of all worlds for both the Company and its shareholders. The Company owns the rights to the use of live cell encapsulation platform-based oncology treatments yet will have a much lower burn rate and can more easily manage operations going forward, which serve to further ensure longevity and success. Clearly, good things come to those prudent companies who wait.

Separately, this milestone event substantially reduces Nuvilex's investment risk.

For example, having direct ownership of exclusive rights instead of rights through ownership of an affiliate is far less complicated and demonstrates the ability of the Firm to raise the funds necessary at extremely favorable valuations, in order to achieve its objectives. Plus, the value of the IP and exclusive rights in oncology offers tremendous development opportunity as well as business opportunity. As success in future trials occurs, and larger players seek to play in the live-cell encapsulation platform oncology sandbox, Nuvilex is the only game in town and these firms will have to pay to play, given the value of the broad therapeutic and huge revenue opportunity.

Finally, the Firm's positioning as a result of reaching this milestone removes the ammunition from the weapons of vocal naysayers and associated short sellers who have spewed falsehoods for many quarters. With the platform in its coffers, and a now recent history of successful funding, the game board has changed, and management should not have difficulty in funding accelerated oncology treatment R&D and initiating the steps that culminate in the commencement of its next clinical trials.

As NVLX executes on additional milestone achievements in its key arenas, the stock is poised to rise dramatically higher, on strong volume. We continue to rate these shares Speculative Buy with a \$0.75 price target.

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Recent Trading History For NVLX

(Source: Stockta.com)



**NUVILEX, INC. (OTC:QB NVLX)****Senior Analyst: Robert Goldman**

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

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