

Novo Energies Corp  
Form 10-Q  
August 22, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

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

For the quarterly period ended June 30, 2011

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 000-53723

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)

Europa Place d'Armes, 750 Côte de Place d'Armes  
Suite 64, Montréal Qc H2Y 2X8  
Canada  
(Address of principal executive offices) (Zip Code)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes No

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Indicate by check mark whether the registrant is a large 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

The number of shares outstanding of the issuer's common stock, as of August 22, 2011: 66,138,728.

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PART I - FINANCIAL INFORMATION

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

We are including the following cautionary statement in this Form 10-Q to make applicable and take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statement made by, or on behalf of, us. This 10-Q, press releases issued by us, and certain information provided periodically in writing and orally by our designated officers and agents contain statements which constitute 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. The words “expect”, “believe”, “goal”, “plan”, “intend”, “estimate”, and similar expressions and variations thereof used are intended to specifically identify forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions or basis underlying such forward-looking statement, we caution that assumed facts or basis almost always vary from actual results, and the differences between assumed facts or basis and actual results can be material, depending on the circumstances. Where, in any forward-looking statement, we, or our management, expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

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NOVO ENERGIES CORPORATION AND SUBSIDIARY  
A DEVELOPMENT STAGE COMPANY  
CONSOLIDATED BALANCE SHEETS

## ASSETS

	June 30, 2011 (unaudited)	March 31, 2011
<b>CURRENT ASSETS</b>		
Cash	\$ 2,061	\$ 8,730
Miscellaneous receivable	-	-
Total current assets	2,061	8,730
Equipment - net	7,353	8,353
<b>TOTAL ASSETS</b>	<b>\$ 9,414</b>	<b>\$ 17,083</b>

## LIABILITIES AND STOCKHOLDERS' DEFICIT

## CURRENT LIABILITIES

Note Payable Caete Invest Trade, S.A.	\$ 179,572	\$ 179,572
Convertible Debenture	575,000	575,000
Accounts Payable	198,530	196,019
Accrued Interest	145,550	124,263
Accrued Professional Fees	231,525	256,858
Related party payables		
Accrued Rent	78,000	78,000
Accrued Consulting	26,773	26,773
Accrued Salaries and Taxes	49,353	46,880
Due to Chairman and CEO	27,623	20,312
Note Payable Chief Executive Officer	119,415	161,371
Total Related Party Payables	301,164	333,336
Total current liabilities	<b>\$ 1,631,341</b>	<b>\$ 1,665,048</b>

## STOCKHOLDERS' DEFICIT

Common stock, par value \$0.00001; 1,000,000,000 shares authorized, 60,495,238 and 53,245,328 outstanding at June 30, 2011 and March 31, 2011, respectively	605	532
Additional paid-in capital	13,410,738	12,976,186
Accumulated deficit from prior operations	(8,521,904 )	(8,521,904 )
Accumulated deficit during development stage	(6,479,958 )	(6,071,622 )
Accumulated other comprehensive loss	(31,408 )	(31,157 )
Total Stockholders' Deficit	(1,621,927 )	(1,647,965 )
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 9,414</b>	<b>\$ 17,083</b>



NOVO ENERGIES CORPORATION AND SUBSIDIARY  
A DEVELOPMENT STAGE COMPANY  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months ended June 30,		Period from inception of Development (October 7, 2008) to June 30, 2011 (Unaudited)
	2011	2010	
	(Unaudited)		
<b>OPERATING EXPENSES</b>			
General and Administrative	\$381,050	\$ 291,939	\$ 4,815,059
Research and Development	1,000	195,398	987,352
Interest Expense	25,286	92,202	671,469
Depreciation Expense	1,000	638	6,078
Total Expenses	408,336	580,177	6,479,958
<b>NET LOSS</b>	<b>\$(408,336 )</b>	<b>\$( 580,177 )</b>	<b>\$( 6,479,958 )</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Foreign Currency Translation	(251 )	5,073	(31,408 )
<b>COMPREHENSIVE LOSS</b>	<b>\$( 408,587 )</b>	<b>\$( 575,104 )</b>	<b>\$( 6,511,366 )</b>
<b>NET LOSS PER SHARE (BASIC AND DILUTED)</b>	<b>\$(0.01 )</b>	<b>\$( 0.02 )</b>	
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	<b>56,838,026</b>	<b>24,843,425</b>	

NOVO ENERGIES CORPORATION AND SUBSIDIARY  
A DEVELOPMENT STAGE COMPANY  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended June 30, 2011          2010 (Unaudited)		Period from Inception of Development (October 7, 2008) to June 30, 2011 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$(408,336 )	\$(580,177 )	\$ (6,479,958 )
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Stock based compensation	72,125	228,085	2,920,220
Shares Issued in settlement agreement			114,995
Stock based compensation cancelled in consulting agreement	-	(90,000 )	-
Note Payable Discount Amortization	3,044	70,915	449,726
Depreciation	1,000	638	6,078
Convertible Debenture Repayment Premium	-	-	75,000
Decrease (increase) in assets			
Miscellaneous Receivable	-	3,674	-
Increase (decrease) in liabilities			
Accounts Payable	2,511	53,128	676,488
Accrued Interest	21,287	21,287	145,550
Accrued Professional Fees	(25,333 )	34,435	220,891
Related party payables	9,784	88,291	94,249
Cash used in operating activities	(323,918 )	(169,724 )	(1,776,761 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Equipment	-	-	(13,431 )
Cash used in investing activities	-	-	(13,431 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Note Payable	-	-	242,000
Repayment of Note Payable	-	-	(62,428 )
Proceeds from Convertible Debenture	-	-	491,667
Issuance of Common Stock	362,500	110,000	1,197,423
Repayment of note payable to Chief Executive Officer	(45,000 )	-	(45,000 )
Cash provided by financing activities	317,500	110,000	1,823,662
Foreign Currency Translation Effect	(251 )	5,073	(31,409 )
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(6,669 )</b>	<b>(54,651 )</b>	<b>2,061</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>8,730</b>	<b>54,806</b>	<b>-</b>

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CASH, END OF PERIOD	\$2,061	\$155	\$ 2,061
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NOVO ENERGIES CORPORATION AND SUBSIDIARY  
A DEVELOPMENT STAGE COMPANY  
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Period from Inception of Development (October 7, 2008)
	For the Three Months Ended	
	June 30,	to June 30,
	2011	2011

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: