As filed with the Securities and Exchange Commission on September 24, 1997
Registration No. 333-31241

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE QUIGLEY CORPORATION
(Exact name of Registrant as specified in its charter)

Nevada	5149	23-2577138
(State or other jurisdiction of Incorporation or organization)	(Primary Standard Industrial Code Number)	(I.R.S. Employer Identification Number)

The Landmark Building
10 South Clinton Street
Doylestown, PA 18901
(215) 345-0919

(Address, including zip code, and telephone
number, including area code, of Registrant's
principal executive offices)

Guy Quigley
President and Chief Executive Officer
The Quigley Corporation
10 South Clinton Street
P.O. Box 1349
Doylestown, PA 18901
(215) 345-0919
(Name, address and telephone number of agent for service of process)

Copies to:

Robert H. Friedman, Esq.
Olshan Grundman Frome & Rosenzweig LLP
505 Park Avenue
New York, New York 10022
(212) 753-7200

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS

THE QUIGLEY CORPORATION

5,480,000 SHARES OF COMMON STOCK

This Prospectus relates to the reoffer and resale by certain selling shareholders (the "Selling Shareholders") of shares (the "Shares") of the Common Stock, $.0005 par value (the "Common Stock"), of The Quigley Corporation, a Nevada corporation (the "Company") that are issuable by the Company to the Selling Shareholders upon the exercise of certain warrants to purchase Common Stock.

The Company will not receive any proceeds from the sale of the Shares by the Selling Shareholders, but will receive amounts upon the exercise of warrants which amounts will be used for working capital and other corporate purposes. The Company has agreed to bear certain expenses (other than selling commissions and fees and expenses of counsel and other advisors to the Selling Shareholders) in connection with the registration and sale of the Shares being offered by the Selling Shareholders. See "Use of Proceeds."

The Selling Shareholders have advised the Company that the resale of their Shares may be effected from time to time in one or more transactions in the over-the-counter market, in negotiated transactions or otherwise at market prices prevailing at the time of the sale or at prices otherwise negotiated. The Selling Shareholders may effect such transactions by selling the Shares to or through broker-dealers who may receive compensation in the form of discounts, concessions or commissions from the Selling Shareholders and/or the purchasers of the Shares for whom such broker-dealers may act as agent or to whom they sell as principal, or both (which compensation as to a particular broker-dealer may be in excess of customary commissions). Any broker-dealer acquiring the Shares from the Selling Shareholders may sell such securities in its normal market making activities, through other brokers on a principal or agency basis, in negotiated transactions, to its customers or through a combination of such methods. See "Plan of Distribution."

The Company's Common Stock is traded on the Nasdaq Small-Cap Market ("Nasdaq") under the symbol ("QGLY"). On September 22, 1997, the closing bid price of the Common Stock on Nasdaq was $16.56 per share. Prior to July 7, 1997, the Company's Common Stock was traded on the National Association of Securities Dealers, Inc.'s OTC Electronic Bulletin Board under the symbol ("QGLY").

AN INVESTMENT IN THE SECURITIES OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS" AT PAGE 6 HEREOF.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CERTAIN MATTERS DISCUSSED IN THIS REGISTRATION STATEMENT ARE FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED.

THE DATE OF THIS PROSPECTUS IS [ ], 1997

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the following regional offices: 7 World Trade Center, Suite 1300, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60606-2511 upon payment of the fees prescribed by the Commission. Such material may also be accessed electronically by means of the Commission's home page on the internet at http//www.sec.gov.

The Company has also filed with the Commission a Form SB-2 Registration Statement (together with all amendments and exhibits thereto, the "Registration Statement") under the Securities Act with respect to the Shares offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statement.

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, AND SHOULD BE READ IN CONJUNCTION WITH, THE MORE DETAILED INFORMATION AND THE FINANCIAL STATEMENTS (INCLUDING THE NOTES THERETO) APPEARING ELSEWHERE IN THIS PROSPECTUS. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PROSPECTUS IN ITS ENTIRETY. UNLESS OTHERWISE INDICATED, ALL INFORMATION IN THIS PROSPECTUS HAS BEEN ADJUSTED TO REFLECT A TWO-FOR-ONE STOCK SPLIT OF THE COMMON STOCK EFFECTED ON JANUARY 15, 1997. CERTAIN OF THE INFORMATION CONTAINED IN THIS SUMMARY AND ELSEWHERE IN THIS PROSPECTUS, INCLUDING INFORMATION UNDER "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" AND RELATED STRATEGY AND FINANCING, ARE FORWARD-LOOKING STATEMENTS. FOR A DISCUSSION OF IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE FORWARD-LOOKING STATEMENTS, SEE "RISK FACTORS" AND "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS."

THE COMPANY

The Quigley Corporation (hereinafter referred to as "the Company") is a Nevada corporation which was organized on August 24, 1989 and commenced business operations in October 1989.

The Company's initial business was the marketing and distribution of a line of nutritious health supplements called Nutri-Bars. Since June 1996, the Company has concentrated its business operations exclusively on the manufacturing, marketing and development of its proprietary Cold-Eeze(R) and Cold-Eezer Plus cold- remedy lozenge products and on development of various product extensions. The Company's lozenge products are based upon a proprietary zinc gluconate formula, which in a clinical study conducted by The Cleveland Clinic, has been shown to reduce the severity and duration of the common cold symptoms. The Quigley Corporation acquired world-wide manufacturing and distribution rights to this formulation in 1992 from Dr. John Godfrey and commenced national marketing in 1996. The Company markets its Cold-Eeze(R) products through manufacturer's representatives, networK marketing, commercial dealerships and other sources of marketing and promotion including television direct marketing.

The Company's principal office is located at the Landmark Building, 10 South Clinton Street, Doylestown, PA (and its alternative mailing address is P.O. Box 1349, Doylestown, PA 18901). The telephone number is (215) 345-0919.

THE OFFERING

Securities Offered.........................	Up to 5,480,000 shares of Common Stock that are issuable by the Company to the Selling Shareholders upon the exercise of certain warrants to be sold by the Selling Shareholders. See "Description of Securities."
Common Stock Outstanding Prior to the Offering............................	12,146,264 shares
Common Stock to be Outstanding After the Offering...........................	17,626,264 shares
Use of Proceeds...........................	None of the proceeds from the sale of the Common Stock registered hereunder will accrue to the Company. See "Use of Proceeds."
Risk Factors..............................	The Securities offered hereby involve a high degree of risk including without limitation: history of losses; going concern report, government regulation; competition; dependence on sales of principal product; dependence on third-party manufacturing and suppliers; seasonality of business and quarterly fluctuations. See

"Risk Factors."

Nasdaq Symbol- Common Stock............. QGLY

SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below is derived from the financial statements of the Company appearing elsewhere in this Prospectus. This information should be read in conjunction with such financial statements, including the notes thereto.

	YEAR ENDED SEPTEMBER 30,		THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30	
	1995	1996	1995	1996	1996	1997
STATEMENT OF OPERATIONS DATA:						
Net sales...........	$501,903	$1,049,561	$ 147,718	$4,091,653	$174,928	$26,265,742
Gross Profit........	390,069	765,594	129,743	2,717,326	121,076	18,151,546
Net Income (Loss)...	(152,556)	(694,269)	(4,347)	1,951,489	(172,452)	7,547,170
Net Income (Loss) per share	$(.05)	$(.17)	__	$.14	$(.02)	$.47
Weighted average shares outstanding.	6,722,828	9,539,528	10,562,828	13,881,028	8,397,050	16,199,522

	AS OF JUNE 30, 1997
BALANCE SHEET DATA:	
Total assets.......................	18,425,977
Working capital....................	11,653,317
Total liabilities..................	5,691,365
Shareholders' equity...............	12,734,612

(1) On January 2, 1997, the Company changed its fiscal year end from September 30 to December 31. Accordingly, the Summary Financial Information includes results of operations for the three month period ended December 31, 1995 and 1996.

RISK FACTORS

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK. EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS INHERENT IN, AND AFFECTING THE BUSINESS OF, THE COMPANY BEFORE MAKING AN INVESTMENT DECISION.

LIMITED OPERATING HISTORY; WORKING CAPITAL DEFICIENCIES; HISTORY OF LOSSES. The Company was organized in August of 1989 and has generated limited revenues from the sale of its cold-remedy products through the end of the fiscal year ended September 30, 1996. As of June 30, 1997, the Company had working capital of approximately $11.6 million, however, the Company has a history of limited working capital and for the fiscal years ended September 30, 1995 and 1996, the Company had working capital of approximately $270,000 and $911,000, respectively. In addition, although the Company had net income of approximately $1,951,000 and $7,547,000 for the three months ended December 31, 1996 and the six months ended June 30, 1997, respectively, it incurred net losses of $153,000 and $694,000 for the fiscal years ended September 30, 1995 and 1996. There can be no assurance that the Company will generate sufficient revenues to meet expenses or to operate profitably in the future. If the Company is unable to generate sufficient cash flow from its operations it would have to seek additional borrowings, effect debt or equity offerings or otherwise raise capital. There can be no assurance that any such financing will be available to the Company, or if available, that the terms will be acceptable to the Company.

GOING CONCERN REPORT. The Company's independent certified public accountant has included an explanatory paragraph in his report on the Company's financial statements for the fiscal years ended September 30, 1995 and 1996 included herein which states that such financial statements have been prepared based on the assumption that the Company will continue as a going concern and that the Company's losses from operations since inception raise substantial doubt about the ability of the Company to continue as a going concern. See Financial Statements.

GOVERNMENT REGULATION. The manufacturing, processing, formulation, packaging, labeling and advertising of the Company's cold-relief products are subject to regulation by one or more federal agencies, including the United States Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission, the United States Department of Agriculture, the United States Postal Service, the United States Environmental Protection Agency and the Occupational Safety and Health Administration. In particular, the FDA regulates the safety, labeling and distribution of dietary supplements, including vitamins, minerals and herbs, food additives, food supplements, over-the-counter and prescription drugs and cosmetics. In addition, the FTC has overlapping jurisdiction with the FDA to regulate the promotion and advertising of vitamins, over-the-counter drugs, cosmetics and foods.

Since the Company does not engage in the manufacturing process of its cold-relief products, it is not subject to many of these regulations. In addition, the Company's cold-relief product is a homeopathic remedy which is regulated by the Homeopathic Pharmacopoeia of the United States ("HPUS"). HPUS sets the standards for source, composition and preparation of homeopathic remedies which are officially recognized in the Federal Food, Drug and Cosmetics Act of 1938.

The Company's business is also regulated by various agencies of the states and localities in which the Company's products are sold and governmental regulations in foreign countries where the Company plans to commence or expand sales may prevent or delay entry into a market or prevent or delay the introduction, or require the reformulation, of certain of the Company's products.

In addition, the Company cannot predict whether new domestic or foreign legislation regulating its activities will be enacted. Such new legislation could have a material adverse effect on the Company. Failure to comply with any applicable requirements can result in sanctions being imposed on the Company or the manufacturers of its products, including warning letters, fines, product recalls and seizures.

COMPETITION. Management of the Company believes that the Company's cold-relief product, which has been clinically proven to reduce the severity and duration of the common cold symptoms, offers a significant advantage over other suppliers in the over-the-counter cold remedy market. Competition consists of numerous suppliers of cold remedy products. This market is highly competitive, and some companies with which the Company competes are substantially larger and have significantly greater resources than the Company. The Company believes that its ability to compete depends on a number of factors, including price, product quality, availability and reliability and name recognition. There can be no assurance that the Company will be able to compete successfully in the future.

MANAGING GROWTH. The Company is currently experiencing a period of rapid growth and expansion which has placed, and could continue to place, a significant strain on the Company's management, customer service and support operations, sales and administrative personnel and other resources. The Company's ability to manage its planned growth requires the Company to continue to expand its operating, management, information and financial systems, all of which may increase its operating expenses. If the Company fails to achieve its growth as planned or is unsuccessful in managing its anticipated growth, there could be a material adverse effect on the Company. In addition, the loss of a significant customer or a number of customers, or a significant reduction in purchase volume by or financial difficulty of such customers, for any reason, could have a material adverse effect on the Company. See "Business -- Outlook."

DEPENDENCE ON KEY PERSONNEL. The Company's future success depends in large part on the continued service of its key personnel. In particular, the loss of the services of Guy Quigley, its Chairman of the Board, President and Chief Executive Officer could have a material adverse effect on the operations of the Company. The Company has an employment agreement with Mr. Quigley which expires on May 31, 2005. The Company's future success and growth also depends on its ability to continue to attract, motivate and retain highly qualified employees. There can be no assurance that the Company will be able to attract, motivate and retain such persons.

DEPENDENCE UPON SALES OF PRINCIPAL PRODUCT. The Company's future performance will depend, almost entirely, on the continued customer acceptance of the Company's principal product, Cold-Eeze(R). For the three months ended December 31, 1996 and the six months ended June 30, 1997, substantially all of the Company's revenues have been generated by sales of Cold-Eeze(R) or product extensions of Cold-Eeze(R). The Company anticipates that substantially all of its revenues for the foreseeable future will be generated by sales of Cold-Eeze(R), both overseas and in the U.S. There can be no assurance that the Company's Cold-Eeze(R) products will continue to receive market acceptance. The inability to successfully commercialize Cold-Eeze(R), for any reason, would have a material adverse effect on the Company's financial condition, prospects, and ability to continue operations. See "Business."

DEPENDENCE ON THIRD-PARTY MANUFACTURING AND SUPPLIER. The Company does not own or lease any manufacturing facilities, does not manufacture the Cold-Eeze(R) product or any of its ingredients, and purchases all ingredients from a single unaffiliated supplier. The Company has entered into a contract with a single manufacturer to supply its zinc gluconate products. Should this relationship terminate, the Company believes that the contingency plans which it has formulated would prevent such termination from materially affecting the Company's operations. Any such termination may, however, result in a temporary delay in production until a replacement facility with available production time is located. In addition, the terms on which suppliers and manufacturers will be available could have a material effect on the success of the Company. See "Business - Customers and Suppliers."

UNCERTAINTY OF PATENT PROTECTION; UNCERTAINTY OF PROTECTION OF PROPRIETARY TECHNOLOGY. The strength of the Company's patent position may play an important role in its long-term success. The Company currently owns no patents. However, the Company has been granted an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc/gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D. The zinc/gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D has been patented in the United States, Germany, France, Italy, Sweden, Canada and Great Britain and a patent is pending in Japan. The Company also has an exclusive license from George Eby Research for a United States use patent for zinc gluconate. There can be no assurance that these

patents will be effective to protect the Company's product from duplication by others. In addition, there can be no assurance that the Company or the patent holder will be able to afford the expense of any litigation which may be necessary to enforce its rights under any patent. Moreover, although the Company believes that its product does not and will not infringe upon the patents or violate the proprietary rights of others, it is possible that such infringement or violation has or may occur. In the event that the Company's product is determined to infringe upon the patents or proprietary rights of others, the Company could be required to modify its product or obtain an additional license for the manufacture and/or sale of the product, or could be prohibited from selling the product. There can be no assurance that, in such an event, the Company would be able to do so in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon the Company. Furthermore, there can be no assurance that the Company or the patent holders will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. In addition, if the Company's product is deemed to infringe upon the patents or proprietary rights of others, the Company could, under certain circumstances, become liable for damages, which could also have a material adverse effect on the Company. See "Business - Patents."

The Company also relies substantially upon its proprietary technologies, utilizing non-disclosure agreements with its employees, suppliers, consultants and customers to establish and protect the ideas, concepts and documentation of its proprietary technology and know-how. Such methods, however, may not afford complete protection, and there can be no assurance that third parties will not independently develop such know-how or obtain access to the Company's know-how, ideas, concepts and documentation, which could have a material adverse effect on the Company.

SEASONALITY OF BUSINESS; QUARTERLY FLUCTUATIONS. A substantial portion of the Company's business is highly seasonal, causing significant variations in operating results from quarter to quarter. The consumer market for the Company's cold-relief products tends to be highly seasonal. It is anticipated that a major portion of the Company's will come in the first and fourth quarters since the primary cold season is from September to March. There can be no assurance that the Company can maintain sufficient flexibility with respect to its working capital needs and its ability to manufacture products to be able to minimize the adverse effects of an unanticipated shortfall in or greater than expected demand for its products. Failure to predict accurately and respond to consumer demand may cause the Company to produce excess inventory. Conversely, if the product achieves greater success than anticipated for any given quarter, the Company may not have sufficient inventory to meet customer demand. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

POTENTIAL PRODUCT LIABILITY EXPOSURE. The Company's business exposes it to an inherent risk of potential product liability claims, including claims for serious bodily injury or death, which could lead to substantial damage awards. The Company currently maintains product liability insurance in the amount of and with a maximum payout of $10 million. A successful claim brought against the Company in excess of, or outside of, its insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. Claims against the Company, regardless of their merit or eventual outcome, may also have a material adverse effect on the consumer demand for the Company's products.

CONTROL BY PRINCIPAL SHAREHOLDER. Guy Quigley, the Chairman of the Board and President of the Company, through his beneficial ownership has the power to vote approximately 30.9% of the Common Stock. Mr. Quigley and the other executive officers and directors of the Company collectively beneficially own approximately 42.5% of the Company's Stock. These individuals have significant influence over the outcome of all matters submitted to shareholders for approval, including election of directors of the Company, thereby enabling them to control all major decisions of the Company. In addition, such concentration of ownership may have the effect of preventing a change of control of the Company. See "Security Ownership of Certain Beneficial Owners and Management".

VOLATILITY OF THE COMPANY'S COMMON STOCK PRICES. The market price of the Company's Common Stock has experienced significant volatility, with per share bids ranging from a low of approximately $2.09 to a high of approximately $15.50 (after giving effect to a 2 for 1 stock split) over the nine month period from October 1, 1996 to June 30, 1997. Announcements of technological innovations for new commercial products of the Company or its competitors, developments concerning propriety rights or governmental regulation or general conditions in the market for the Company's cold-relief products may have a significant effect on the Company's business and on the market price of the Company's securities. Sales of a substantial number of shares by existing security holders could also have an adverse effect on the market price of the Company's securities.

SHARES ELIGIBLE FOR FUTURE SALE. The sale, or availability for sale, of substantial amounts of Common Stock in the public market pursuant to Rule 144 or otherwise could adversely affect the market price of the Common Stock and could impair the Company's ability to raise additional capital through the sale of its equity securities.

NO CASH DIVIDENDS. The Company has not paid cash dividends on its Common Stock since its inception. The Company currently intends to retain earnings, if any, for use in the business and does not anticipate paying any dividends to its shareholders in the foreseeable future.

RIGHTS OF COMMON STOCK SUBORDINATE TO PREFERRED STOCK. The Articles of Incorporation of the Company authorizes the issuance of a maximum of 1,000,000 shares of preferred stock, par value $.001 per share. No shares of preferred stock are currently outstanding. If shares of preferred stock are issued in the future, the terms of a series of preferred stock may be set by the Company's Board of Directors without approval by the holders of the Common Stock of the Company. Such terms could include, among others, preferences as to dividends and distributions on liquidation as well as separate class voting rights. The rights of the holders of the Company's Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future.

BARRIERS TO TAKEOVER. The Company's Articles of Incorporation and By-Laws contain certain provisions which may deter, discourage, or make more difficult the assumption of control of the Company by another corporation or person through a tender offer, merger, proxy contest or similar transaction or series of transactions. These provisions include an unusually large number of authorized shares (150,000,000) and the prohibition of cumulative voting. In addition, the future issuance of preferred stock by the Company could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of the outstanding voting stock of the Company. The overall effect of these provisions may be to deter a future tender offer or other takeover attempt that some shareholders might view to be in their best interest as the offer might include a premium over the market price of the Company's capital stock at the time. In addition, these provisions may have the effect of assisting the Company's current management in retaining its position and place it in a better position to resist changes which some shareholders may want it to make if dissatisfied with the conduct of the Company's business. See "Description of Securities -- Nevada Law and Corporate Provisions Affecting Shareholders."

LIMITATIONS ON LIABILITY OF DIRECTORS AND OFFICERS. Section 78.751 of the Nevada General Corporation Law ("NGCL") allows the Company to indemnify any person who is or was made a party to, or is or was threatened to be made a party to, any pending, completed, or threatened action, suit or proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise. The NGCL permits the Company to advance expenses to an indemnified party in connection with defending any such proceeding, upon receipt of an undertaking by the indemnified party to repay those amounts if it is later determined that the party is not entitled to indemnification.

The foregoing provisions may reduce the likelihood of derivative litigation against directors and officers and discourage or deter shareholders from suing directors or officers for breaches of their duties to the Company, even though such an action, if

successful, might otherwise benefit the Company and its shareholders. In addition, to the extent that the Company expends funds to indemnify directors and officers, funds will be unavailable for operational purposes. See "Description of Securities -- Nevada Law and Corporate Provisions Affecting Shareholders."

USE OF PROCEEDS

No net proceeds will be realized by the Company from the sale of the Shares offered hereby by the Selling Shareholders. The Company will, however, receive the exercise price of the warrants held by the Selling Shareholders, if and when exercised. Such proceeds will be used by the Company for working capital and other corporate purposes.

PRICE RANGE OF COMMON STOCK

Prior to July 7, 1997, the Company's Common Stock, $.0005 par value, traded on the National Association of Security Dealers, Inc.'s OTC Electronic Bulletin Board under the trading symbol QGLY. The following table sets forth the average range of bid and ask quotations for the Company's Common Stock as reported by the NASD Bulletin Board for each full quarterly period within the two most recent fiscal years (1). Since July 7, 1997, the Company's Common Stock has been quoted on the Nasdaq Small-Cap Market under the trading symbol QGLY.

FISCAL YEAR ENDED SEPTEMBER 30, 1995 (2) (3)

BY QUARTER		COMMON STOCK	
QUARTER	DATE	HIGH	LOW
1st	December 31, 1994	$1.25	$1.00
2nd	March 31, 1995	$1.25	$1.00
3rd	June 30, 1995	$1.25	$1.00
4th	September 30, 1995	$1.25	$1.00

FISCAL YEAR ENDED SEPTEMBER 30, 1996 (2) (3)

BY QUARTER		COMMON STOCK	
QUARTER	DATE	HIGH	LOW
1st	December 31, 1995	$ 1.38	$0.88
2nd	March 31, 1996	$ 1.38	$0.88
3rd	June 30, 1996	$ 2.25	$0.63
4th	September 30, 1996	$6.63	$1.75

INTERIM PERIOD ENDED DECEMBER 31, 1996 (3)

DATE	HIGH	LOW
December 31, 1996	$ 10.44	$ 2.09

FISCAL YEAR ENDING DECEMBER 31, 1997 (3)

BY QUARTER

QUARTER	DATE	COMMON STOCK HIGH	LOW
1st	March 31, 1997	$ 15.50	$ 9.03
2nd	June 30, 1997	$ 12.50	$ 7.69

(1) Prior to July 7, 1997, trading transactions in the Company's securities occurred in the over-the-counter market and, accordingly, an "established public trading market" for such securities currently exists and has existed for more than the past sixty business days. Bid and asked quotations at fixed prices have appeared regularly in the established quotation systems on at least one-half of such business days. All prices indicated herein are as reported to the Company by broker-dealer(s) making a market in its securities. The aforesaid securities are not traded or quoted on any automated quotation system. The over-the-counter market quotes indicated above reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

(2) Prices have been adjusted to reflect the ten-for-one reverse split of Common Stock in December 1995.

(3) Prices have been adjusted to reflect the two-for-one split of Common Stock in January 1997.

As of June 30, 1997 there were approximately 373 holders of record of Company's Common Stock, including brokerage firms, clearing houses, and/or depository firms holding the Company's securities for their respective clients. The exact number of beneficial owners of the Company's securities is not known.

DIVIDEND POLICY

The Company has never paid any cash dividends on the Common Stock and it is currently the intention of the Company not to pay cash dividends on its Common Stock in the foreseeable future. Management intends to reinvest earnings, if any, in the development and expansion of the Company's business. Any future declaration of cash dividends will be at the discretion of the Board of Directors and will depend upon the earnings, capital requirements and financial position of the Company, general economic conditions and other pertinent factors.

SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

	YEAR ENDED SEPTEMBER 30,		THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	1995	1996	1995	1996	1996	1997
STATEMENT OF OPERATIONS DATA:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales............	$501,903	$1,049,561	147,718	$4,091,653	$174,928	$26,265,742
Gross Profit..........	390,069	765,594	129,743	2,717,326	121,076	18,151,546
Net Income (Loss).....	(152,556)	(694,269)	(4,347)	1,951,489	(172,452)	7,547,170
Net Income (Loss) per share	$(.05)	$(.17)	--	$.14	$(.02)	$.47
Weighted average shares outstanding...	6,722,828	9,539,528	10,562,828	13,881,028	8,397,050	16,199,522

</TABLE>

BALANCE SHEET DATA: AS OF JUNE 30, 1997

Total assets............................	18,425,977
Working capital.........................	11,653,317
Total liabilities.......................	5,691,365
Shareholders' equity....................	12,734,612

(1) On January 2, 1997, the Company changed its fiscal year end from September 30 to December 31. Accordingly, the Summary Financial Information includes results of operations for the three month period ended December 31, 1995 and 1996.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD- LOOKING STATEMENTS. FACTORS THAT MAY CAUSE SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, THE COMPANY'S EXPANSION INTO NEW MARKETS, COMPETITION, TECHNOLOGICAL ADVANCES AND AVAILABILITY OF MANAGERIAL PERSONNEL.

OVERVIEW

During the fiscal year ended September 30, 1996, management of the Company made a strategic marketing decision to change the focus and business operations of the Company to the manufacture and marketing of the Company's patented Cold-Eeze(R) cold relief lozenge product and the development and marketing of brand extension products based upon the Company's proprietary zinc gluconate glycine formula.

By commencing national distribution of a cold-relief product clinically proven to reduce the severity and duration of the common cold symptoms, the Company believes that it is offering a significant addition to the huge over-the-counter cold remedy market. Through greatly increased sales and expansion of manufacturing availability and by holding down operation, marketing and distribution costs, the Company believes it will in the fiscal year ending December 31, 1997 maintain a positive cash flow from operations. The Company also intends to continue to utilize the financial and marketing resources of independent national and international brokers and marketers to represent the Company's Cold-Eeze(R) lozenge product and product extensions, thereby saving the Company from the expenses and capital outlays which the Company would otherwise be required to expend.

The Company had not generated significant revenues from its business operations from its inception through the third quarter of the fiscal year ended September 30, 1996. As a result of the release of the clinical study by The Cleveland Clinic in July, 1996 citing positive results of the efficacy of the Company's Cold-Eeze(R) formulation, and the resultant increased national publicity concerning the Cold-Eeze(R) product, revenue from product sales greatly increased during the fourth quarter ending September 30, 1996. For the fiscal year ended September 30, 1996, the Company had a net loss of ($694,269) on revenues of $1,049,561. The dramatic increase in purchase orders for the Cold-Eeze(R) product resulted in a significant backlog in purchase orders by the close of the fiscal year ended September 30, 1996.

Based upon continuing strong consumer demand for the Cold- Eeze(R) product, the Company in September, 1996 initiated a program designed to increase manufacturing availability in several stages.

As a result of this program, the Company will have the ability to manufacture and ship in excess of $1.5 million of the Cold-Eeze(R) product by the end of January, 1997, with additional manufacturing availability coming on-line shortly thereafter.

As of December 26, 1996, the Company had a purchase order backlog of approximately $7.5 million of Cold-Eeze(R) product, and was, during the months of November, 1996 and December, 1996, manufacturing and shipping Cold-Eeze(R) product at the rate of approximately $500,000 per week. These sales levels are significantly higher than any previous sales results of the Company and management expects that these sales levels will continue for the immediate future and therefore will have a materially positive effect on the Company's results for the fiscal year ending December 31, 1997.

Although the Company expects that sales levels will be highest during the peak cold season from September through March, near-term sales levels should continue to increase as the Company ships its backlog of orders and distributors and retailers order increasing quantities of the Cold-Eeze(R) product to fill their distribution pipeline and meet increasing consumer demand for the product. In addition, new marketing plans are under way as well as negotiating sales distribution agreements for the Southern Hemisphere, which has a cold season that is opposite of North America to help counteract the current seasonality for the product.

The Company expects that it will during the fiscal year ending December 31, 1997 utilize its increased manufacturing availability to manufacture sufficient product for international distribution of Cold-Eeze(R). Although the Company has begun to establish an international network of independent distributors, the current inability to meet domestic demand for the Cold-Eeze(R) product and the time needed for international product registration has delayed the introduction of the Cold-Eeze(R) product outside the United States.

The management of the Company currently believes that the expected significant increases in revenues, and related profits generated, for the remainder of 1997, should provide an internal source of capital to fund the Company's business operations, and as needed, short term funding with commercial banks. Management is not aware of any trend, events or uncertainties that have, or are reasonably likely, or expected to have, a material negative impact upon the Company's short term or long term liquidity.

The Company believes that it has developed an effective, proprietary cold remedy product which is beginning to meet with widespread consumer acceptance. Future results of the Company's operations, however, will be dependent upon a number of factors, including competitive and financial pressures associated with national distribution of an over-the-counter cold remedy. Future revenues, costs, margins and profits will continue to be influenced by the Company's ability to increase its manufacturing, marketing

and distribution capabilities in order to compete on the national and international level.

On January 2, 1997, the Company changed its fiscal year end from September 30 to December 31. Accordingly, the comparison of results of operations includes a discussion of the three month period ended December 31, 1996 and 1995.

RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 1996 AND 1997

For the three and six months ended June 30, 1997, the Company reported revenues of $4,083,756 and $26,265,742, respectively, and a net income of $1,057,365 and $7,547,170, respectively, as compared with revenues of $69,496 and $174,928 and a net loss of ($95,162) and ($172,452) for the comparable periods ended June 30, 1996. This substantial increase in revenue and profits is primarily due to the publication of a clinical trial study in a medical journal, proving the effectiveness of Cold-Eeze(R) as a remedy for the common cold symptoms. Also, contributing to this substantial increase was the Company's national marketing program, national exposure in the media, such as the ABC network news program, "20/20", in January 1997, and the substantial increase in the manufacturing availability for the product during this period.

The current gross profit rate of 70.0% and 69.1% for the three and six month periods ended June 30, 1997, should remain as a relative constant going forward, especially for the immediate future. This is comparable to the 69.9% and 69.2% gross profit rate for the periods ended June 30, 1996.

Operating expenses, such as delivery, brokerage commissions, promotion, and advertising costs, increased significantly over the prior comparable period due to the national marketing efforts and the relationship of revenue dollar volume increases of the Cold- Eeze(R) product. These expenses accounted for approximately $651,881 and $3,081,831 of the total operating costs of $1,081,528 and $5,467,226 for the three and six month periods ended June 30, 1997 as compared to total operating costs of $143,705 and $293,528 for the comparable three and six month periods ended June 30, 1996. Accordingly, until other income tax strategies currently being reviewed are implemented in the future, the effective tax rate for the Company should approximate 40.5%.

Total assets of $18,425,977, working capital of $11,653,317 and shareholder's equity of $12,734,612 at June 30, 1997, increased dramatically as compared to $6,281,184, $3,723,275 and $4,777,073, respectively at December 31, 1996. This occurred primarily from significant sales and net income volume increases which thereby increased cash and cash equivalents $4,112,070, inventories $7,065,918 and accounts payable and other accrued expenses $3,889,871. The occurrence of common stock related transactions,

as compared to the comparable reporting period, totaling $670,369 also contributed to the balance sheet increases.

BY REASON OF THE COMPANY'S CHANGE OF FISCAL YEAR END FROM SEPTEMBER 30 TO DECEMBER 31, THE FOLLOWING COMPARISON IS PROVIDED:

THREE MONTHS ENDED DECEMBER 31, 1996 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 1995.

For the three months ended December 31, 1996, the Company reported revenues of $4,091,653 and a net income of $1,951,489, as compared with revenues of $147,718 and a net loss of ($4,347) for the comparable period ended December 31, 1995. This substantial increase in revenue and profits is primarily due to the Company's national marketing program coupled with the publication of a recent clinical trial study in a medical journal, proving the effectiveness of Cold-Eeze(R) as a remedy for the common cold symptoms. Prior to the release of this study, financial information reported does not really compare to the financial relationships that are present in the three-months period ended December 31, 1996.

Operating expenses, such as delivery, brokerage commissions, promotion, and advertising costs, increased significantly over the prior comparable period due to the national marketing efforts of the Cold-Eeze(R) product. These expenses accounted for approximately $585,202 of the total operating costs of $802,823 for the three months ended December 31, 1996 as compared to total operating costs of $134,090 for the prior comparable period.

Total assets of $6,335,373, working capital of $3,777,464 and shareholders' equity of $4,831,262 for the period ended December 31, 1996, increased dramatically from the prior comparable period. This occurred primarily from significant sales increases which thereby increased accounts receivable by $1,593,746 and inventories by $242,393. Also, issuance of common stock related transactions totaling $1,815,795 contributed to the balance sheet increases.

YEAR ENDED SEPTEMBER 30, 1996 COMPARED WITH YEAR ENDED SEPTEMBER 30, 1995

For the year ended September 30, 1996, the Company reported revenues of $1,049,561 and a net loss of ($694,269), as compared with revenues of $501,903 and a net loss of ($152,556) for the comparable period ended September 30, 1995. This substantial increase in revenue is primarily attributable to gradual market acceptance of the Cold-Eeze(R) lozenge products. The gradual market acceptance of the Cold-Eeze(R) product resulted from a national marketing program commenced in the fourth quarter for the year ended September 30, 1996 and the release of the results of The Cleveland Clinic Study in July, 1996. Sales in 1995 were $501,903, most of which resulted following the Company's marketing shift from health food bars to cold-relief products.

Cost of Goods sold, as a percentage of net sales, increased to 27.1% for the year ended September 30, 1996 from 22.3% for the year ended September 30, 1995. The slight increase was similarly caused by the Company's change in its product mix toward developing and marketing the Cold-Eeze(R) products instead of health food bars. During the year ended September 30, 1996, operating expenses similarly increased to $1,493,794 from $552,696 in the year ended September 30, 1995. This was primarily a result of increased costs associated with a national marketing program and the increased sales volume from the Cold-Eeze(R) product during the year ended September 30, 1996.

During the year ended September 30, 1996, the Company's major operating expenses included $558,281 for salaries and $570,752 for advertising which collectively accounted for $1,129,033 or approximately 75.6% of the Company's operating expenses. Other operating costs for this period maintained their fixed attributes, in that they did not follow sales volume but maintained a relative constant dollar value for the year ended September 30, 1995. During the year ended September 30, 1995, these expenses included $106,660 for salaries and $93,931 for advertising. If these two categories of expenses maintained the same relationship to net sales from the year ended September 30, 1995, then the net loss for the year ended September 30, 1996 would have changed to basically a break even.

For future periods, a normal profitable relationship should develop for all costs and operating expenses as they relate to sales. However, this will not occur until certain break even sales volume levels are achieved to absorb certain fixed costs of the Company. The pricing structure of the Company's product is designed to render the Company profitable after base line sales volume levels are attained.

The total assets of the Company at September 30, 1996 and September 30, 1995 were $1,368,301 and $437,076 respectively. Working capital increased to $910,970 from $287,281 for the respective periods. These significant increases are due primarily to increased sales volume, the acquisition of the use patent, and funds or paid in capital generated from the sale, exercise or exchange for services of the Company's Common Stock, options, and warrants.

At September 30, 1996, the Company's backlog was approximately $2 million as compared to no backlog at September 30, 1995. The backlog increase was attributable to a growth in sales of the Company's Cold-Eeze(R) lozenge products.

YEAR ENDED SEPTEMBER 30, 1995 COMPARED WITH YEAR ENDED SEPTEMBER 30, 1994

For the year ended September 30, 1995, the Company reported revenues of $501,903 and a net loss of ($152,556), as compared with revenues of $76,907 and a loss of ($73,784) for the comparable period ended September 30, 1994. This dramatic change in revenue

is primarily attributable to the Company's initial marketing efforts of its cold-relief products, through the "QVC" television shopping network, which represents approximately $261,000 or 52% of the total revenues for the year ended September 30, 1995, and growing interest of the product by consumers in the marketplace.

Cost of goods sold, as a percentage of net sales, decreased to 22.3% for the year ended September 30, 1995 from 34.8% for the year ended September 30, 1994. The occurred because the Company's change in its product mix toward developing and marketing the Cold- Eeze(R) products primarily through QVC, which carried a lower cost of sales than health food and other cold-relief products. During the fiscal year ended September 30, 1995, the health food bars accounted for approximately 1% of total net sales as opposed to approximately 27% in the fiscal year ended September 30, 1994.

During the fiscal year ended September 30, 1995, operating expenses increased to $552,696 from $180,015 in the year ended September 30, 1994. However, as a percentage of net sales, operating costs decreased to 110.1% in the year ended September 30, 1995 from 234.1% in the fiscal year ended September 30, 1994. Even though total operating costs were lower as a percentage of net sales, certain expenses increased in the fiscal year ended September 30, 1995 causing a greater loss from operations to be reported. During the fiscal year ended September 30, 1995, advertising and professional expenses increased to $93,931 and $69,325, respectively, compared to $3,056 and ($8,081), respectively for the year ended September 30, 1994.

The Company had working capital of $287,281 for its fiscal year ended September 30, 1995, as compared to a working capital deficiency of ($59,998) for its fiscal year ended September 30, 1994. This improvement in working capital was due primarily to a significant increase in revenues to $501,903 in the year ended September 30, 1995 from $76,907 in the year ended September 30, 1994, combined with additional capital obtained by the Company through sale of Common Stock.

As of September 30, 1995, the Company did not have any current material commitments for capital expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $11,653,317 at June 30, 1997 and $3,377,464 at December 31, 1996. The increase in working capital is due to sales and net income volume increases. Total cash balances at June 30, 1997 were $6,568,043, as compared to $2,455,973 at December 31, 1996.

The Company believes that its increased marketing efforts and increased national publicity concerning the Cold-Eeze(R) product, together with the Company's increased manufacturing availability, will result in significantly increased revenues in the year ending December 31, 1997. These revenues will provide an internal source of capital to fund the Company's business operations. In addition

to anticipated earnings from operations, the Company may continue to raise capital through the issuance of equity securities or short term borrowing with commercial banks to finance anticipated growth.

Management is not aware of any trends, events or uncertainties that have or are reasonably likely or expected to have a material negative impact upon the Company's (a) short term or long term liquidity, (b) net sales or revenues or income from continuing operations and (c) the Company's business operations may not be considered to be cyclical and/or seasonable in nature. Any challenge to the Company's rights under certain patents could have a material adverse effect on future liquidity of the Company, however, the Company is not aware of any condition which would make such an event probable.

Management believes that its present cash balances and future cash provided by operating activities will be sufficient to support current working capital requirements and planned expansion through the year ending December 31,

1997. However, should the Company's business expand significantly, additional external sources of financing would be required. While the Company believes that such financing would be available to it, there can be no assurance in this regard.

PLAN OF OPERATIONS AND CAPITAL REQUIREMENTS

Since the Cold-Eeze(R) lozenge product is manufactured for the Company by outside sources, capital expenditures for the year ending December 31, 1997 are not anticipated to be material.

There are significant royalty agreements between the Company and the patent holders of the Company's cold-relief product. The Company has entered into royalty agreements with Godfrey Science & Design, Inc. and George Eby Research that require payments of 3% of gross sales and with Guy J. Quigley and Charles A. Phillips who share a royalty of 5% of gross sales (in a ratio of 3.75% and 1.25%, respectively). Additionally, Dr. John C. Godfrey and Dr. Nancy J. Godfrey receive a consulting fee of 2% of gross sales. All such royalty and consulting arrangements are subject to certain adjustments, and payments are required by the Company only after funds are remitted from such sales. See, Description of Business- Royalty and Employment Agreements.

The agreements expire as follows: the agreement with George Eby Research expires on March 5, 2002; the agreements with each of Godfrey Science & Design, Dr. John C. Godfrey, and Dr. Nancy J. Godfrey expire on May 4, 2007; and the agreements with Guy J. Quigley and Charles A. Phillips expire on May 31, 2005. All costs associated with the cold-relief product, including the royalty and consulting agreements, have been built into the wholesale selling price of the product, in order to render the operations profitable after a certain base sales volume has been achieved.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which are intended to be covered by the safe harbors created thereby. Although the Company believes that the assumptions underlying the forward looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this Prospectus will prove to be accurate. Factors that could cause actual results to differ from the results specifically discussed in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors." In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

BUSINESS

OVERVIEW

The Quigley Corporation (the "Company") is a Nevada corporation which was organized on August 24, 1989 and commenced business operations in October, 1989. Since its inception, the Company has conducted research and development into various types of health-related food supplements and homeopathic cold remedies.

The Company's initial business was the marketing and distribution of a line of nutritious health supplements (hereinafter "Nutri-Bars"). Beginning in 1995, the Company minimized its marketing of the Nutri-Bars and focused its efforts on the development and marketing of the Company's patented Cold- Eeze(R) zinc gluconate cold relief lozenge product.

Since June, 1996, the Company has concentrated its business operations exclusively on the manufacturing, marketing and development of its proprietary Cold-Eeze(R) and Cold-Eezer Plus cold- remedy lozenge products and on development of various product extensions. The Company's lozenge products are based upon a proprietary zinc gluconate formula which in a clinical study conducted by The Cleveland Clinic has been shown to reduce the severity and duration of the common cold symptoms. The Quigley Corporation acquired world-wide manufacturing and distribution rights to this formulation in 1992 from Dr. John Godfrey and commenced national marketing in 1996.

THE COLD-EEZE(R) COLD REMEDY LOZENGE

In May, 1992, the Company entered into an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D., and patented in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany, and pending in Japan. This product is presently being marketed by the Company under the tradename Cold-Eeze(R) by the Company directly and also through independent brokers and marketers, and is a featured product on the QVC Cable TV shopping network.

In 1996, the Company also acquired an exclusive license to a zinc gluconate use patent which had been patented by George Eby III, thereby assuring the Company of exclusivity in the manufacturing and marketing of zinc gluconate formulated cold relief products.

Under an FDA approved Investigational New Drug Application, filed by Dartmouth College, a randomized double-blind placebo- controlled study (randomized study), conducted at Dartmouth College Health Science, Hanover, New Hampshire, concluded that the lozenge

formulation treatment, initiated within 48 hours of symptom onset, resulted in a significant reduction in the total duration of the common cold symptoms.

On May 22, 1992, ZINC AND THE COMMON COLD, A CONTROLLED CLINICAL STUDY, by Dr. Godfrey, et al., was published in England, in the "Journal of International Medical Research", Volume 20, Number 3, Pages 234-246. According to Dr. Godfrey (a) flavorings used in other Zinc lozenge products (citrate, tartrate, separate, orotate, picolinate, mannitol or sorbitol) render the Zinc inactive and unavailable to the patient's nasal passages, mouth and throat, where cold symptoms have to be treated, (b) this new, patented pleasant-tasting formulation delivers approximately 93% of the active Zinc to the mucosal surfaces and (c) the patient has the same sequence of symptoms as in the absence of treatment, but goes through the phases at an accelerated rate and with reduced symptom severity.

On July 15, 1996, results of a new randomized double-blind placebo-controlled study on the common cold, which commenced at the CLEVELAND CLINIC FOUNDATION on October 3rd, 1994 was published. The study called "ZINC GLUCONATE LOZENGES FOR TREATING THE COMMON COLD" was completed and published in the ANNALS OF INTERNAL MEDICINE - VOL. 125 NO. 2. Using a 13.3mg lozenge (almost half the strength of the lozenge used in our Dartmouth Study), the results still showed a 42% reduction in the duration of the Common Cold symptoms.

The Company's executive offices are located at Landmark Building, PO Box 1349, Doylestown, PA 18901. The telephone number of the Company is (215) 345-0919. The Company maintains a home page on the Internet at http://www.quigleyco.com and can be reached by e-mail at quigley@quigleyco.com.

CUSTOMERS AND SUPPLIERS

The Cold-Eeze(R) lozenge products are distributed through numerous independent and chain drug and discount stores throughout the United States, including Walgreen's, Revco, Osco/Sav-On, Thrift Drug, CVS, RiteAid, Eckerd, PharMor, K-Mart, and wholesale distribution including, McKesson, Bergen Brunswick, Foxmeyer, US Health Distributors. The Cold-Eezer Plus product is marketed through an exclusive sales agreement with the QVC cable shopping network. The Company is not dependent on any single customer.

The Company currently uses a single supplier to provide its zinc gluconate products. The Company entered into an exclusive supply agreement effective as of March 17, 1997, pursuant to which such supplier will exclusively manufacture and package the Company's zinc gluconate lozenges for an initial period expiring on March 16, 2000. The contract provides for a yearly renewal, unless terminated by either party upon two (2) years written notice. Should this relationship terminate, the Company believes that the contingency plans which it has formulated would prevent such termination from materially affecting the Company's operations. Any such termination may, however, result in a temporary delay in production until a replacement facility with available production time is located.

RESEARCH AND DEVELOPMENT

The Company's research and development costs for the year ended September 31, 1996 and the year ended September 30, 1995 was $41,856 and $70,711, respectively. The decrease in research and development costs is attributable to the Company's completion of its research and development projects with respect to the Cold- Eeze(R) product. The clinical study conducted by The Cleveland Clinic was done at no cost to the Company. The Company will in the fiscal year ending December 31, 1997 incur research and development expenditures to develop extensions of the lozenge product, including potential pediatric Cold-Eeze(R), along with chewing gum and mouthwash formulations of the Cold-Eeze(R) product.

PATENTS

The Company currently owns no patents. However, the Company has been granted an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc/gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D., and patented as follows:

UNITED STATES:	No. 4 684 528 (August 4, 1987) AND
	No. 4 758 439 (July 19, 1988)
GERMANY:	No. 3,587,766 (March 2, 1994)
FRANCE & ITALY:	No. EP 0 183 840 B1 (March 2, 1994)
SWEDEN.	No. 0 183 840 (March 2, 1994)
CANADA:	No. 1 243 952 (November 1, 1988)
GREAT BRITAIN:	No. 2 179 536 (December 21, 1988)
JAPAN:	Pending.

In 1996, the Company also acquired exclusive license for a United States ZINC GLUCONATE USE PATENT NUMBER RI 33,465 from the patent holder George Eby of George Eby Research. This use patent gives The Company the only world-wide entity with rights to both USE and FORMULATION patents on zinc gluconate for reducing the duration and severity of the common cold symptoms.

COMPETITION

The Company competes with other suppliers of cold remedy products. These suppliers range widely in size. Some of the Company's competitors have significantly greater financial, technical or marketing resources than the Company. Many of the products offered by the Company's competitors only relieve the symptoms of the common cold and management believes that its product, which has been clinically proven to reduce the severity and duration of the common cold symptoms, offers a significant advantage over many of its competitors in the over-the-counter cold remedy market. The Company believes that its ability to compete depends on a number of factors, including price, product quality, availability and reliability, credit terms, name recognition, delivery time and post-sale service and support.

REGULATORY MATTERS

The manufacturing, processing, formulation, packaging, labeling and advertising of the Company's cold-relief products are subject to regulation by one or more federal agencies, including the United States Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission, the United States Department of Agriculture, the United States Postal Service, the United States Environmental Protection Agency and the Occupational Safety and Health Administration. In particular, the FDA regulates the safety, labeling and distribution of dietary supplements, including vitamins, minerals and herbs, food additives, food supplements, over-the-counter and prescription drugs and cosmetics. In addition, the FTC has overlapping jurisdiction with the FDA to regulate the promotion and advertising of vitamins, over-the-counter drugs, cosmetics and foods.

Since the Company does not engage in the manufacturing process of its cold-relief products, it is not subject to many of these regulations. In addition, the Company's cold-relief product is a homeopathic remedy which is regulated by the Homeopathic Pharmacopoeia of the United States ("HPUS"). HPUS sets the standards for source, composition and preparation of homeopathic remedies which are officially recognized in the Federal Food, Drug and Cosmetics Act of 1938.

The Company's business is also regulated by various agencies of the states and localities in which the Company's products are sold and governmental regulations in foreign countries where the Company plans to commence or expand sales may prevent or delay entry into a market or prevent or delay the introduction, or require the reformulation, of certain of the Company's products.

The Company cannot predict whether new domestic or foreign legislation regulating its activities will be enacted. Regulatory and legislative changes can affect the economics of the industry by

requiring changes in operating practices or by influencing the demand for, and the costs of providing the Company's products. Such new legislation could have a material adverse effect on the Company. Failure to comply with any applicable requirements can result in sanctions being imposed on the Company or the manufacturers of its products, including warning letters, fines, product recalls and seizures.

Management believes that the Company is in compliance with all such laws, regulations and standards currently in effect including the Food, Drug and Cosmetic Act of 1938 and HPUS. Management further believes that the cost of compliance with such laws, regulations and standards has not and will not have a material adverse effect on the Company.

EMPLOYEES

The Company currently has nine (9) full-time employees, of whom all were involved in an executive, marketing or administrative capacity. None of the Company's employees is covered by a collective bargaining agreement or is a member of a union. The Company considers its relationship with its employees to be good.

PROPERTIES

The Company currently maintains its executive offices at the Landmark Building, 10 South Clinton Street, Doylestown, PA (and its alternative mailing address is P.O. Box 1349, Doylestown, PA 18901) where it occupies approximately 2,000 square feet of office space pursuant to a written 3-year lease agreement with an unaffiliated landlord. The Company also occupies approximately 2,500 square feet of warehouse space under a one-year lease agreement with an unaffiliated landlord. The monthly aggregate lease payments for both premises is $ 2,470. The Company believes that its existing facilities are adequate for its current needs and that additional facilities in its service area are available to meet future needs.

LEGAL PROCEEDINGS

The Company is not presently a party to any material litigation nor, to the knowledge of management, is any material litigation threatened.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

Listed below are the names, ages and positions with the Company of all Directors and Executive Officers of the Company as of June 30, 1997. Each director's term is scheduled to expire at the next annual meeting of shareholders and when his successor is duly elected:

Name	Age	Position	Year First Elected
Guy J. Quigley Landmark Building 10 South Clinton Street Doylestown, PA 18901	55	President, Chief Executive Officer and Director	1989
Eric H. Kaytes Landmark Building 10 South Clinton Street Doylestown, PA 18901	41	Vice President, Secretary, Treasurer and Director	1989

Name	Age	Position	Year First Elected
Charles A. Phillips Landmark Building 10 South Clinton Street Doylestown, PA 18901	49	Vice President, Chief Operating Officer and Director	1989
George J. Longo, Landmark Building 10 South Clinton Street Doylestown, PA 18901	51	Vice President, Chief Financial Officer and Director	1997
A. Jerene Robbins, M.D. Landmark Building 10 South Clinton Street Doylestown, PA 18901	78	Director	1997
Robert L. Pollack, Ph.D. Landmark Building 10 South Clinton Street Doylestown, PA 18901	72	Chairman Medical Advisory Board, Director of Research and Development and Director	1993

GUY J. QUIGLEY is the Founder of the Company and has served as its Chairman of the Board, President, and Chief Executive Officer since September 1989. Prior to this date, Mr. Quigley, an accomplished author, established and operated various manufacturing, sales, marketing and real estate companies located in the United States, Europe and the African Continent.

CHARLES A. PHILLIPS has been Vice President, Chief Operations Officer and a Director of the Company since September 1989. He is currently responsible for overseeing the Company's relationships with its manufacturing partners. Before his employment with the Company, Mr. Phillips founded and operated KEB Enterprises, a gold and diamond mining operation that was based in Sierra Leone, West Africa. In addition, Mr. Phillips, also served as a technical consultant for Re-Tech, Inc., Horsham, Pennsylvania, where he was responsible for full marketing and production of a prototype electrical device.

ERIC H. KAYTES currently serves as Vice President of Management Information Systems, Secretary, Treasurer and is a Director of the Company. From 1989 until January 1997, Mr. Kaytes also served as the Chief Financial Officer of the Company. Prior to 1989 and concurrent with his responsibilities for the Company, Mr. Kaytes has been an independent programmer and designer of computer software.

GEORGE J. LONGO, assumed his duties as Vice President and Chief Financial Officer for the Company in January 1997. Mr. Longo was also appointed as a Director of the Company in March 1997. Before joining the Company, Mr. Longo served as Chief Financial Officer of two privately held international manufacturing firms and Manager of Corporate Accounting at RHONE-PAULENC RORER, INC., being responsible for SEC and IRS Compliance, and was involved in acquisition and general accounting issues. Prior to that, Mr.
Longo was with KPMG Peat Marwick.

A. JERENE ROBBINS, M.D., F.A.C.S., has served as a director of the Company since June 1997. Dr. Robbins is currently the Director of Health Services of St. Peters College, and a Member Emeritus of the Surgical Staff at Christ Hospital in New Jersey. In addition to her private practice as a thoracic surgeon, Dr. Robbins has served as attending surgeon at Flower & Fifth Avenue Hospital and Metropolitan Hospital in New York and Christ Hospital and Jersey City Medical Center in New Jersey. Dr. Robbins was appointed as Attending Thoracic Surgeon and Consultant Geriatric Surgeon for B.S. Pollak Hospital, as well as to the position of Superintendent.

ROBERT L. POLLACK, B.S., M.S., Ph.D. currently serves as the Chairman of the Company's Medical Advisory Board, Director of Research and Development and a Director. Dr. Pollack is a Professor Emeritus at Temple University School of Medicine's Department of Biochemistry. Dr. Pollack is a biochemist, researcher, nutritionist, microbiologist, editor and educator having lectured (both nationally and internationally) on nutritional matters to the general public and scientific audiences. In addition to publishing several papers in scientific journals, Dr. Pollack has authored three books on the subject of nutrition and is currently responsible for overseeing the Company's product development and product quality efforts.

EXECUTIVE COMPENSATION

(a) CASH COMPENSATION

The following table sets forth information concerning all remuneration paid or accrued by the Company for services rendered during the year ended September 30, 1994, the year ended September 30, 1995 and the year ended September 30, 1996 to the Company's chief executive officer and three most compensated executive officers whose cash compensation exceeded $100,000.

<TABLE>
<CAPTION>

Name and Principal Position	Year	Salary ($)(1)	Additional Compensation ($)(2)
<S>	<C>	<C>	<C>
Guy J. Quigley	1996	125,000	235,956
Chairman of the	1995	62,400	
Board, President,	1994	25,000	
Chief Executive Officer			

Charles A. Phillips Vice President and Chief Operating Officer	1996 1995 1994	85,000 38,050 25,000	81,547
All Executive Officers as a group (3 Persons)	1996 1995 1994	221,300 103,850 50,000	329,343

</TABLE>

- -----------------------

(1) Compensation paid pursuant to employee agreements.

(2) Additional payments, including stock awards in lieu of cash, for past and current services.

(b) OUTSTANDING OPTIONS

As of September 30, 1996, Officers and/or Directors of the Company have been issued an aggregate of 585,000 options to purchase shares of the Company's Common Stock at various exercise prices. The following table sets forth information as to all options to purchase the Company's Common Stock which were granted, and held by each of the individuals listed on the remuneration table and all directors and officers as a group:

<TABLE>
<CAPTION>

Name	Options To Purchase # of Shares Indicated	Exercise Price	Date Granted	Expires	Percent of Total Options
<S>	<C>	<C>	<C>	<C>	<C>
Guy J. Quigley	200,000	$ .50	12/95	12/00	3.4
	300,000	1.75	7/96	6/01	5.1
Charles A. Phillips	150,000	$ .50	12/95	12/00	2.6
	300,000	1.75	7/96	6/01	5.1
Eric H. Kaytes	60,000	$ .50	12/95	12/00	1.0
	50,000	1.75	7/96	6/01	.8
Robert L. Pollack	60,000	$ .50	12/95	12/00	1.0
	50,000	1.75	7/96	6/01	.8

</TABLE>

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ROYALTY AND EMPLOYMENT AGREEMENTS

The Cold-Eeze(R) product is manufactured for the Company by an independent manufacturer and marketed by the Company in accordance with the terms of the licensing agreement (between the Company and Godfrey Science & Design, Inc. and John C. Godfrey, Ph.D; hereinafter "Dr. Godfrey"). The contract is assignable by the Company with Dr. Godfrey's consent. Throughout the duration of the agreement Dr. Godfrey is to receive a three percent (3%) royalty on all gross sales (subsequent to the Company receiving payment upon such gross sales).

A separate consulting agreement between the parties referred to directly above was similarly entered into on May 4, 1992 whereby Dr. John C. Godfrey and Dr. Nancy J. Godfrey are to receive a consulting fee of two percent (2%) of gross sales of the lozenge by the Company for his consulting services to the Company with respect to such product.

Pursuant to the License Agreement entered into between the Company and George Eby Research, the Company pays a royalty fee. Throughout the duration of the agreement George Eby of George Eby Research is to receive a three percent (3%) royalty on all gross sales (subsequent to the Company receiving payment upon such gross sales).

An employment agreement between the Company and Guy J. Quigley was entered into on June 1, 1995, whereby Guy J. Quigley, along with the normal considerations of an Executive Employment Agreement, in consideration of the acquisition of the cold therapy product, is to receive a royalty of five percent (5%) of gross sales of the Lozenge by the Company for the termination of said agreement on May 31, 2005.

An employment agreement between the Company and Charles A. Phillips was entered into on June 1, 1995, whereby Charles A. Phillips, along with the normal considerations of an Executive Employment Agreement, shall receive 25% (twenty five per cent) of the royalty received by Guy J. Quigley, either directly from Guy J. Quigley or, if requested, directly from the Company. Should Charles A. Phillips make such request upon Company, the said 25% (twenty five per cent) would be deducted from any royalties due to Guy J. Quigley.

DIRECTOR'S COMPENSATION

The Company's directors are not compensated for attendance at meetings. The Company currently does not plan to compensate its outside directors for services rendered in their capacity as directors.

CERTAIN TRANSACTIONS

For the year ended September 30, 1996, there have not been any material transactions between the Company and any Director, Executive Officer, security holder or any member of the immediate family of any of the aforementioned which exceeded the sum of $60,000.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information concerning ownership of the Company's Common Stock, as of June 30, 1997, by (i) each person who is known by the Company to be the beneficial owner of more than five percent of the Common Stock outstanding on such date, (ii) each of the Company's directors, (iii) each of the executive officers named in the summary compensation table, and (iv) all current directors and executive officers of the Company as a group.
<TABLE>
<CAPTION>

Name and Address of Beneficial Owner(1)	Amount of Shares Beneficially Owned(2)(3)	Percentage of Class
<S>	<C>	<C>
GUY J. QUIGLEY	3,841,854(4)	30.9
CHARLES A. PHILLIPS	1,482,992(5)	12.0
ERIC H. KAYTES	402,992(6)	3.4
GEORGE J. LONGO	125,000(7)	1.0
A. JERENE ROBBINS, M.D.	5,000(8)	*
ROBERT L. POLLACK, Ph.D.	180,000(9)	1.5
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (Six Persons)(9)	6,037,838(10)	44.7

</TABLE>

- -----------------

* Less than one percent

(1) Unless otherwise indicated, all addresses are c/o Quigley Corporation, Landmark Building, 10 South Clinton Street, Doylestown, PA 18901.

(2) Includes shares issued pursuant to a two-for-one stock split on January 15, 1997.

(3) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act ("Rule 13d-3") and unless otherwise indicated, represents shares for which the beneficial owner has sole voting and investment power. The percentage of class is calculated in accordance with Rule 13d- 3 and includes options or other rights to subscribe which are exercisable within sixty (60) days of June 30, 1997.

(4) Mr. Quigley's beneficial ownership includes (i) an aggregate of 820,000 shares beneficially owned by certain members of Mr. Quigley's immediate family; (ii) warrants exercisable within sixty (60) days to purchase 200,000 shares of Common Stock at an exercise price of $.50 per share; (iii) warrants exercisable within sixty (60) days to purchase 300,000 shares of Common Stock at an exercise price of $1.75 per share; (iv) warrants exercisable within sixty (60) days to purchase 75,000 shares of Common Stock at an exercise price of $2.50 per share; and (v) warrants exercisable within sixty (60) days to purchase 140,000 shares of Common Stock at an exercise price of $10.00 per share.

(5) Mr. Phillips's beneficial ownership includes (i) warrants exercisable within sixty (60) days to purchase 150,000 shares of Common Stock at an exercise price of $.50 per share; (ii) warrants exercisable within sixty (60) days to purchase 300,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) warrants exercisable within sixty (60) days to purchase 75,000 shares of Common Stock at an exercise price of $2.50 per share; and (iv) warrants exercisable within sixty (60) days to purchase 85,000 shares of Common Stock at an exercise price of $10.00 per share.

(6) Mr. Kaytes's beneficial ownership includes (i) warrants exercisable within sixty (60) days to purchase 60,000 shares of Common Stock at an exercise price of $.50 per share; (ii) warrants exercisable within sixty (60) days to purchase 50,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) warrants exercisable within sixty (60) days to purchase 25,000 shares of Common Stock at an exercise price of $2.50 per share; and (iv) warrants exercisable within sixty (60) days to purchase 35,000 shares of Common Stock at an exercise price of $10.00 per share.

(7) Mr. Longo's beneficial ownership includes (i) warrants exercisable within sixty (60) days to purchase 50,000 shares of Common Stock at an exercise price of $2.50 per share; and (ii) warrants exercisable within sixty (60) days to purchase 75,000 shares of Common Stock at an exercise price of $10.00 per share.

(8) Dr. Robbins' beneficial ownership includes warrants exercisable within 60 days to purchase 5,000 shares of Common Stock at an exercise price of $10.00 per share.

(9) Dr. Pollack's beneficial ownership includes (i) warrants exercisable within sixty (60) days to purchase 60,000 shares of Common Stock at an exercise price of $.50 per share; (ii) warrants exercisable within sixty (60) days to purchase 50,000 shares of Common Stock at an exercise price of $1.75 per share; and (iii) warrants exercisable within sixty (60) days to purchase 25,000 shares of Common Stock at an exercise price of $2.50 per share.

(10) Includes an aggregate of 1,760,000 shares of Common Stock issuable to officers and directors of the Company upon exercise of warrants exercisable within sixty (60) days to purchase an aggregate of 1,760,000 shares of Common Stock.

DESCRIPTION OF SECURITIES

The authorized capital stock of the Company is 51,000,000 shares, consisting of 50,000,000 shares of Common Stock, $.0005 par value per share and 1,000,000 shares of preferred stock, $.001 par value per share ("Preferred Stock"). As of September 22, 1997, there were 12,146,264 shares of Common Stock outstanding. After the completion of this Offering and after giving effect to the exercise of warrants into 5,480,000 shares, there will be 17,626,264 shares of Common Stock outstanding. No shares of Preferred Stock are currently outstanding.

COMMON STOCK

All outstanding shares of Common Stock are, and the shares offered hereby will be, validly issued, fully paid and non-assessable. Subject to preferences that may be applicable to any Preferred Stock outstanding at the time, shareholders of Common Stock are entitled to share ratably in such dividends and distributions as may from time to time be declared by the Board of Directors of the Company from funds legally available therefor and upon liquidation will be entitled to share ratably in any assets of the Company legally available for distribution to holders of the Common Stock. The Company's Articles of Incorporation, as amended, and By-Laws do not confer any preemptive, subscription, redemption or conversion rights on the holders of Common Stock. Holders of Common Stock are entitled to cast one vote for each share held of record on each matter submitted to a vote of shareholders. There is no cumulative voting, which means that holders of a majority of the voting power may elect all of the directors.

PREFERRED STOCK

The Company's authorized shares of Preferred Stock may be issued in one or more series, and the Board of Directors is authorized, without further action by the shareholders, to designate the rights, preferences, limitations and restrictions of and upon shares of each series, including dividend, voting, redemption and conversion rights. The Board of Directors also may designate par value, preferences in liquidation and the number of shares constituting any series. The Company believes that the availability of Preferred Stock issuable in series will provide increased flexibility for structuring possible future financings and acquisitions, if any, and in meeting other corporate needs. It is not possible to state the actual effect of the authorization and issuance of any series of Preferred Stock upon the rights of holders of Common Stock until the Board of Directors determines the specific terms, rights and preferences of a series of Preferred Stock. However, such effects might include, among other things, restricting dividends on the Common Stock, diluting the voting power of the Common Stock, or impairing liquidation rights of such shares without further action by holders of the Common Stock. In addition, under various circumstances, the issuance of Preferred Stock may have the effect of facilitating, as well as impeding or discouraging, a merger, tender offer, proxy contest, the assumption of control by a holder of a large block of the Company's securities or the removal of incumbent management. Issuance of Preferred Stock could also adversely effect the market price of the Common Stock. The Company has no present plan to issue any shares of Preferred Stock.

REGISTRATION RIGHTS

Following this offering, no shareholders of the Company's Common Stock will have rights to register those shares for sale to the public under the Securities Act of 1933, as amended (the "Securities Act").

NEVADA LAW AND CORPORATE PROVISIONS AFFECTING SHAREHOLDERS

The Company's Certificate of Incorporation and By-laws contain certain provisions which may deter, discourage, or make more difficult the assumption of control of the Company by another corporation or person through a tender offer, merger, proxy contest or similar transaction or series of transactions. These provisions include an unusually large number of authorized shares of Common Stock (50,000,000) the authorization of the Board of Directors to issue Preferred Stock as described above and the prohibition of cumulative voting. The overall effect of these provisions may be to deter a future tender offer or other takeover attempt that some shareholders might view to be in their best interest as the offer might include a premium over the market price of the Company's

capital stock at the time. In addition, these provisions may have the effect of assisting the Company's current management in retaining its position and place it in a better position to resist changes which some shareholders may want it to make if dissatisfied with the conduct of the Company's business. See "Risk Factors - Anti-Takeover Provisions."

Furthermore, Section 78.751 of the Nevada General Corporation Law ("NGCL") allows the Company to indemnify any person who is or was made a party to, or is or was threatened to be made a party to, any pending, completed, or threatened action, suit or proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise. The NGCL permits the Company to advance expenses to an indemnified party in connection with defending any such proceeding, upon receipt of an undertaking by the indemnified party to repay those amounts if it is later determined that the party is not entitled to indemnification.

The foregoing provisions may reduce the likelihood of derivative litigation against directors and officers and discourage or deter shareholders from suing directors or officers for breaches of their duties to the Company, even though such an action, if successful, might otherwise benefit the Company and its shareholders. In addition, to the extent that the Company expends funds to indemnify directors and officers, funds will be unavailable for operational purposes. See "Risk Factors Indemnification of Officers and Directors."

TRANSFER AGENT

The transfer agent and registrar for the Common Stock is American Stock Transfer and Trust Company, New York, New York.

SELLING SHAREHOLDERS

The following table sets forth (i) the number of shares of Common Stock beneficially owned by each Selling Shareholder as of September 22, 1997, (ii) the number of Shares of Common Stock to be offered for resale by each Selling Shareholder and (iii) the number and percentage of shares of Common Stock to be beneficially owned by each Selling Shareholder after completion of the offering. Except as set forth below, none of the Selling Shareholders has had a material relationship with the Company during the past three years.

<TABLE>
<CAPTION>

Name	No. of Shares of Common Stock Beneficially Owned at September 22, 1997	No. of Shares Offered	Shares Beneficially Owned After Offering (1)	
<S>	<C>	<C>	<C>	<C>
Guy J. Quigley (2)....................	3,841,854	715,000(3)	3,126,854	18.2%
Wendy Quigley.........................	700,000	400,000(4)	300,000	1.7%
Kariba Holdings, Ltd..................	665,000	430,000(5)	235,000	1.4%
Charles Phillips (6)..................	1,482,992	610,000(7)	872,992	5.1%
Robert Pollack (8)....................	180,000	135,000(9)	45,000	*
Eric Kaytes (10)......................	402,992	170,000(11)	0	*
William J. Reilly.....................	811,533	340,000(12)	471,533	2.7%
Marielle T. Reilly....................	125,000	100,000(13)	25,000	*
Marielle T. Reilly, Trustee...........	125,000	100,000(14)	25,000	*
Ted Karkus............................	50,000	50,000(15)	0	*
George J. Longo (16)	125,000	125,000(17)	0	*
Prophase Management, Inc..............	250,000	250,000(18)	0	*
Thomas MacAniff.......................	607,183	260,000(19)	347,183	2.0%
Sands Brothers & Co., Ltd.............	175,000	175,000(20)	0	*
SBS Retained Annuity Trust............	180,000	180,000(21)	0	*
MSS Retained Annuity Trust............	180,000	180,000(21)	0	*
Mark G. Hollo.........................	337,500	337,500(22)	0	*
Scott Franklin........................	4,600	4,600(21)	0	*
Bob Spiegel...........................	4,600	4,600(21)	0	*
Richard Sands.........................	4,600	4,600(21)	0	*
Rob Bonaventura.......................	4,600	4,600(21)	0	*
Sabin Danziger........................	1,900	1,900(21)	0	*
Community Funds, Inc..................	2,000	2,000(21)	0	*
Charles Robinson......................	3,200	3,200(21)	0	*
Gordon Fallone........................	3,300	3,300(21)	0	*
Hugh Marasa...........................	3,300	3,300(21)	0	*

James Brodie..........................	2,900	2,900(21)	0	*

</TABLE>

<TABLE>
<CAPTION>

Name	No. of Shares of Common Stock Beneficially Owned at September 22, 1997	No. of Shares Offered	Shares Beneficially Owned After Offering (1)	
<S>	<C>	<C>	<C>	<C>
Seth Potter..........................	11,000	11,000(23)	0	*
Alan Bluestine.......................	2,500	2,500(21)	0	*
BR/RA Trust..........................	175,000	175,000(21)	0	*
Aaron Scott..........................	44,500	44,500(24)	0	*
Matthew Russo........................	8,500	8,500(25)	0	*
Brad Cohen...........................	1,000	1,000(26)	0	*
Diversified Corporate Consulting Group, LLC................	350,000	350,000(27)	0	*
Pacific Rim Pharmaceuticals..........	600,000	280,000(28)	320,000	1.9%
Frank M. Merlino.....................	10,000	10,000(29)	0	*
A. Jerene Robbins(30)................	5,000	5,000(31)	0	*

</TABLE>

- ------------------------

* Less than 1%.

(1) Assumes that all Common Stock offered by the Selling Shareholders is sold.

(2) Mr. Quigley is the Chairman of the Board, President and Chief Executive Officer of the Company.

(3) Consists solely of Common Stock issuable to Mr. Quigley upon the exercise of currently exercisable warrants to purchase (i) 200,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 300,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) 75,000 shares of Common Stock at an exercise price of $2.50 per share; and (iv) 140,000 shares of Common Stock at an exercise price of $10.00 per share.

(4) Consists solely of Common Stock issuable to Ms. Quigley upon the exercise of currently exercisable warrants to purchase (i) 200,000 shares of Common Stock at an exercise price of $.50 per share; and (ii) 200,000 shares of Common Stock at an exercise price of $1.75 per share.

(5) Consists solely of Common Stock issuable to Kariba Holdings upon the exercise of currently exercisable warrants to purchase (i) 130,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 300,000 shares of Common Stock at an exercise price of $1.75 per share.

(6) Mr. Phillips is the Vice President, Chief Operating Officer and a Director of the Company.

(7) Consists solely of Common Stock issuable to Mr. Phillips upon the exercise of currently exercisable warrants to purchase (i) 150,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 300,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) 75,000 shares of Common Stock at an exercise price of $2.50 per share; and (iv) 85,000 shares of Common Stock at an exercise price of $10.00 per share.

(8) Mr. Pollack is the Director of Research and Development, the Chairman of the Medical Advisory Board and a Director of the Company.

(9) Consists solely of Common Stock issuable to Mr. Pollack upon the exercise of currently exercisable warrants to purchase (i) 60,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 50,000 shares of Common Stock at

an exercise price of $1.75 per share; and (iii) 25,000 shares of Common Stock at an exercise price of $2.50 per share.

(10) Mr. Kaytes is the Vice President, Secretary, Treasurer and a Director of the Company.

(11) Consists solely of Common Stock issuable to Mr. Kaytes upon the exercise of currently exercisable warrants to purchase (i) 60,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 50,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) 25,000 shares of Common Stock at an exercise price of $2.50 per share; and (iv) 35,000 shares of Common Stock at an exercise price of $10.00 per share.

(12) Consists solely of Common Stock issuable to Mr. Reilly upon the exercise of currently exercisable warrants to purchase (i) 100,000 shares of Common Stock at an exercise price of $.50 per share; (ii) 140,000 shares of Common Stock at an exercise price of $1.75 per share; (iii) 50,000 shares of Common Stock at an exercise price of $2.50 per share; (iv) 50,000 shares of Common Stock at an exercise price of $10.00 per share.

(13) Consists solely of Common Stock issuable to Ms. Reilly upon the exercise of currently exercisable warrants to purchase 100,000 shares of Common Stock at an exercise price of $.50 per share.

(14) Consists solely of Common Stock issuable to Ms. Reilly, Trustee upon the exercise of currently exercisable warrants to purchase 100,000 shares of Common Stock at an exercise price of $1.75 per share.

(15) Consists solely of Common Stock issuable to Mr. Karkus upon the exercise of currently exercisable warrants to purchase 50,000 shares of Common Stock at an exercise price of $2.50 per share.

(16) Mr. Longo is the Chief Financial Officer and a Director of the Company.

(17) Consists solely of Common Stock issuable to Mr. Longo upon the exercise of currently exercisable warrants to purchase (i) 50,000 shares of Common Stock at an exercise price of $2.50 per share; and (ii) 75,000 shares of Common Stock at an exercise price of $10.00 per share.

(18) Consists solely of Common Stock issuable to Prophase Management upon the exercise of currently exercisable warrants to purchase 200,000 shares of Common Stock at an exercise price of $1.75 per share; and (ii) 50,000 shares of Common Stock at an exercise price of $10.00 per share.

(19) Consists solely of Common Stock issuable to Mr. MacAniff upon the exercise of currently exercisable warrants to purchase (i) 60,000 shares of Common Stock at an exercise price of $1.75 per share; and (ii) 200,000 shares of Common Stock at an exercise price of $10.00 per share.

(20) Consists solely of Common Stock issuable to Sands Brothers upon the exercise of currently exercisable warrants to purchase 175,000 shares of Common Stock at an exercise price of $10.00 per share.

(21) Consists solely of Common Stock issuable to the Selling Shareholder upon the exercise of currently exercisable warrants to purchase shares of Common Stock at an exercise price of $1.75 per share.

(22) Consists solely of Common Stock issuable to Mr. Hollo upon the exercise of currently exercisable warrants to purchase (i) 175,000 shares of Common Stock at an exercise price of $1.75 per share and (ii) 162,500 shares of Common Stock at an exercise price of $10.00 per share.

(23) Consists solely of Common Stock issuable to Mr. Potter upon the exercise of currently exercisable warrants to purchase (i) 9,500 shares of Common Stock at an exercise price of $1.75 per share and (ii) 1,500 shares of Common Stock at an exercise price of $10.00 per share.

(24) Consists solely of Common Stock issuable to Mr. Scott upon the exercise of currently exercisable warrants to purchase (i) 35,500 shares of Common Stock at an exercise price of $1.75 per share and (ii) 9,000 shares of Common Stock at an exercise price of $10.00 per share.

(25) Consists solely of Common Stock issuable to Mr. Russo upon the exercise of currently exercisable warrants to purchase (i) 7,000 shares of Common Stock at an exercise price of $1.75 per share and (ii) 1,500 shares of Common Stock at an exercise price of $10.00 per share.

(26) Consists solely of Common Stock issuable to Mr. Cohen upon the exercise of currently exercisable warrants to purchase (i) 500 shares of Common Stock at an exercise price of $1.75 per share and (ii) 500 shares of Common Stock at an exercise price of $10.00 per share.

(27) Consists solely of Common Stock issuable to Diversified Corporate Consulting Group, LLC upon the exercise of currently exercisable warrants to purchase 350,000 shares of Common Stock at an exercise price of $1.75 per share.

(28) Consists solely of Common Stock issuable to Pacific Rim Pharmaceuticals upon the exercise of currently exercisable options to purchase 280,000 shares of Common Stock at an exercise price of $.50 per share.

(29) Consists solely of Common Stock issuable to F. M. Merino upon the exercise of currently exercisable warrants to purchase 10,000 shares of Common Stock at an exercise price of $10.00 per share.

(30) Dr. Robbins is a Director of the Company.

(31) Consists solely of Common Stock issuable to Dr. Robbins upon the exercise of currently exercisable warrants to purchase 5,000 shares of Common Stock at an exercise price of $10.00 per share.

There is no assurance that the Selling Shareholders which hold warrants to purchase Common Stock from the Company will exercise such warrants or that such Selling Shareholder or any other Selling Shareholder will otherwise opt to sell any of the Shares offered hereby. To the extent required, the specific Shares to be sold, the names of the Selling Shareholders, other additional shares of Common Stock beneficially owned by such Selling Shareholders, the public offering price of the Shares to be sold, the names of any agent, dealer or underwriter employed by such Selling Shareholders in connection with such sale, and any applicable commission or discount with respect to a particular offer will be set forth in an accompanying Prospectus Supplement.

The Shares covered by this Prospectus may be sold from time to time so long as this Prospectus remains in effect; provided, however, that the Selling Shareholders are first required to contact the Company's Corporate Secretary to confirm that this Prospectus is in effect. The Company intends to distribute to each Selling Shareholder a letter setting forth the procedures whereby

such Selling Shareholder may use the Prospectus to sell the shares and under what conditions the Prospectus may not be used. The Selling Shareholders expect to sell the Shares at prices then attainable, less ordinary brokers' commissions and dealers' discounts as applicable.

The Selling Shareholders and any broker or dealer to or through whom any of the Shares are sold may be deemed to be underwriters within the meaning of the Securities Act with respect to the Common Stock offered hereby, and any profits realized by the Selling Shareholders or such brokers or dealers may be deemed to be underwriting commissions. Brokers' commissions and dealers' discounts, taxes and other selling expenses to be borne by the Selling Shareholders are not expected to exceed normal selling expenses for sales over-the-counter or otherwise, as the case may be. The registration of the Shares under the Securities Act shall not be deemed an admission by the Selling Shareholders or the Company that the Selling Shareholders are underwriters for purposes of the Securities Act of any Shares offered under this Prospectus.

PLAN OF DISTRIBUTION

This Prospectus covers 5,480,000 shares of the Company's Common Stock. All of the Shares offered hereby are being sold by the Selling Shareholders. The securities covered by this Prospectus may be sold under Rule 144 instead of under this Prospectus. The Company will realize no proceeds from the sale of the Shares by the Selling Shareholders, but will receive amounts upon exercise of the Warrants, which amounts will be used for working capital and general corporate purposes.

The distribution of the Shares by the Selling Shareholders is not subject to any underwriting agreement. The Selling Shareholders may sell the Shares offered hereby from time to time in transactions on one or more exchanges, in the over-the-counter market, in negotiated transactions, or a combination of such methods of sale, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices relating to prevailing market prices or at negotiated prices. In addition, from time to time the Selling Shareholders may engage in short sales, short sales against the box, puts and calls and other transactions in securities of the Company or derivatives thereof, and may sell and deliver the shares in connection therewith.

From time to time the Selling Shareholders may pledge their Shares pursuant to the margin provisions of its customer agreements with its brokers.

Upon a default by the Selling Shareholders, the broker may offer and sell the pledged Shares.

Such transactions may be effected by selling the Shares to or through broker-dealers, and such broker-dealers may receive compensation in the form of discounts, concessions or commissions

from the Selling Shareholders and/or the purchasers of the Shares for whom such broker-dealers may act as agents or to whom they sell as principals, or both (which compensation as to a particular broker-dealer might be in excess of the customary commissions). The Selling Shareholders and any broker-dealers that participate with the Selling Shareholders in the distribution of the Shares may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act and any commissions received by them and any profit on the resale of the Shares may be deemed to be underwriting commissions or discounts under the Securities Act. The Selling Shareholders will pay any transaction costs associated with effecting any sales that occur.

In order to comply with the securities laws of certain states, if applicable, the Shares will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the Shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with by the Company and the Selling Shareholders.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Shares may not simultaneously engage in market-making activities with respect to the Company's Common Stock for a period of two business days prior to the commencement of such distribution. In addition and without limiting the foregoing, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including without limitation, Rules 10b-6, 10b-6A and 10b-7, which provisions may limit the timing of the purchases and sales of shares of Common Stock by the Selling Shareholders.

The Selling Shareholders are not restricted as to the price or prices at which it may sell their Shares. Sales of such Shares may have an adverse effect on the market price of the Common Stock. Moreover, the Selling Shareholders are not restricted as to the number of Shares that may be sold at any time, and it is possible that a significant number of Shares could be sold at the same time which may also have an adverse effect on the market price of the Company's Common Stock.

The Company has agreed to pay all fees and expenses incident to the registration of the Shares, except selling commissions and fees and expenses of counsel or any other professionals or other advisors, if any, to the Selling Shareholders.

This Prospectus also may be used, with the Company's consent, by donees or other transferees of the Selling Shareholders, or by other persons acquiring the Common Stock under circumstances

requiring or making desirable the use of this Prospectus for the offer and sale of such shares.

LEGAL MATTERS

The legality of the Shares offered hereby will be passed upon for the Company by Olshan Grundman Frome & Rosenzweig LLP, New York, New York.

EXPERTS

The consolidated financial statements and schedules of the Company incorporated by reference in this prospectus and elsewhere in this Registration Statement as of September 30, 1995, and 1996 included in the Company's Form 10-KSB for the fiscal year ended September 30, 1996 have been audited by Nachum Blumenfruct CPA, independent public accountant, as indicated in his report with respect thereto, and are included herein in reliance upon the authority of Mr. Blumenfruct as experts in giving said reports.

CHANGE OF ACCOUNTANTS

On January 29, 1997, the Company determined to change accountants to Coopers & Lybrand LLP. The Company's prior auditor, Nachum Blumenfruct, CPA resigned and on the same date, the Company engaged Coopers & Lybrand, LLP, to audit its financial statements. The decision to change accountants was made with the approval of the Company's Board of Directors and was a result of the dramatic expansion of business operations since the close of the fiscal year ended September 30, 1996.

The Company believes, and has been advised by Nachum Blumenfruct that it concurs in such belief, that, the Company and Mr. Blumenfruct did not have any disagreement on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Mr. Blumenfruct, would have caused him to make reference in connection with his report on the Company's financial statements to the subject matter of the disagreement.

No report of Mr. Blumenfruct on the Company's financial statements for either of the past two fiscal years contained an adverse opinion, a disclaimer or opinion or a qualification (other than a going concern qualification) or was modified as to uncertainty, audit scope or accounting principles. During such fiscal periods, there were no "reportable events" within the meaning of Item 304(a)(1) of Regulation S-K promulgated under the Securities Act.

INDEX TO FINANCIAL STATEMENTS

N. BLUMENFRUCHT
CERTIFIED PUBLIC ACCOUNTANT
1040 EAST 22ND STREET
BROOKLYN, N.Y. 11210
----

(718) 692-2743

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

The Board of Directors
The Quigley Corporation
Doylestown, Pennsylvania

I have audited the accompanying balance sheets of The Quigley Corporation as of September 30, 1996 and 1995, and the related Statements of Operations, Cash Flows and Stockholders' Equity for the periods ended September 30, 1996, 1995 and 1994. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Quigley Corporation as of September 30, 1996 and 1995 and the results of its operations and its Cash Flows and Stockholders' Equity for the periods ended September 30, 1996, 1995 and 1994, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. However, the Company suffered losses since inception, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 1, effective October 1, 1993, the Company has changed its method of accounting for income taxes in accordance with SFAS No. 109.

/s/ NACHUM BLUMENFRUCHT

Nachum Blumenfrucht
Certified Public Accountant

Brooklyn, New York
December 12, 1996

THE QUIGLEY CORPORATION
Balance Sheet

As of September 30,

ASSETS

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>
CURRENT ASSETS		
Cash	$ 370,147	$132,739
Accounts receivable-Note 1	607,078	135,983
Interest receivable-Stockholders-Note 6	659	2,784
Inventory-Note 1	58,339	82,437
Due from attorney's escrow	0	9,000
Prepaid expenses-Note 5	0	4,468
TOTAL CURRENT ASSETS	1,036,223	367,411
FIXED AND OTHER ASSETS		
Fixed Assets (net of acc. depreciation of $28,337 and $14,010) - Note 1	65,314	36,884
Intangible Asset - Patent (net of acc. amortization of $3,134 in 1996)- Note 1	206,866	0
Deposits- Note 1	3,377	3,310
Deferred taxes- Note 1	56,521	29,471
TOTAL FIXED AND OTHER ASSETS	332,078	69,665
TOTAL ASSETS	$1,368,301	$437,076

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable & accrued expenses-Note 7	$ 84,253	$ 75,677
Prepaid stock subscription-Note 8	41,000	0
Loans and note payable-Note 9	0	4,453

	1996	1995
TOTAL CURRENT LIABILITIES	125,253	80,130
NON CURRENT LIABILITIES		
Auto loan payable-non current portion	0	13,706
Restricted stock sold under put option 420,000 common shares-Note 10	0	44,100
TOTAL LIABILITIES	125,253	137,936
STOCKHOLDERS' EQUITY - Note 10		
Common Stock, $.001 par value; authorized 25,000,000 shares, issued and outstanding, 4,769,764 shares in 1996 and 3,361,414 shares in 1995	4,769	3,361
Additional paid-in capital	4,129,256	2,466,632
Deficit	(2,803,247)	(2,108,978)
Less: Notes receivable stockholders - Note 6	(87,730)	(61,875)
TOTAL STOCKHOLDERS' EQUITY	1,243,048	299,140
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,368,301	$437,076

</TABLE>

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

THE QUIGLEY CORPORATION

Statement of Operations

<TABLE>
<CAPTION>

	YEARS ENDED SEPTEMBER 30,		
	1996	1995	1994
REVENUE			
Sales	$1,049,561	$ 501,903	$ 76,907
Cost of Goods Sold	283,967	111,834	26,751
Gross Profit	765,594	390,069	50,156
GENERAL AND ADMINISTRATIVE EXPENSES			
Officer salaries & payroll taxes	558,281	106,660	50,000
Services rendered & R&D-Note 10	71,256	80,411	8,750
Administrative expenses-Note 12	42,906	39,305	26,949
Commissions, consulting & royalties	77,030	58,711	6,100
Travel, entertainment and shows	6,009	13,758	15,551
Depreciation and amortization	17,461	4,728	2,773
Utilities	11,013	9,498	9,722
Advertising and promotion	570,752	93,931	3,056
Professional	65,268	69,325	(8,081)
Rent	28,265	20,029	32,893
Interest	4,523	3,728	3,676
Insurance	19,878	25,697	5,390
Office and equipment rental	1,522	1,290	13,446
Wages and outside labor	10,901	18,156	0

Dues and subscriptions	1,777	1,420	0
Stock transfer and maintenance fees	4,462	3,600	5,700
Miscellaneous	2,490	2,449	4,090
Total General and administrative expenses	1,493,794	552,696	180,015
Loss before other income provision for income tax and cumulative effective adjustment	(728,200)	(162,627)	(129,859)
Interest Income	6,881	4,126	49
Sale of distribution rights-Note 11	0	0	32,500
Subtotal	(721,319)	(158,501)	(97,310)
Less: Provision for Corporate Income Tax -(Credit)- Note I	(27,050)	(5,945)	1,962
Loss before cumulative adjustment	(694,269)	(152,556)	(95,348)
Less: Cumulative Effect Adjustment - (Credit)- Note 1	--	--	21,564
Net Loss	$ (694,269)	$(152,556)	$ (73,784)
Loss per share:			
Prior to cumulative effect adjust.	(.17)	(.05)	(.04)
Cumulative effect adjustment	--	--	.01
NET LOSS PER SHARE	$ (.17)	$ (.05)	$(.03)

</TABLE>

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

THE QUIGLEY CORPORATION

Statement of Cash Flows

<TABLE>
<CAPTION>

	Year Ended SEPTEMBER 30, 1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
<S>	<C>	<C>	<C>
Net loss	$ (694,269)	$ (152,556)	$(73,784)
Adjustments to reconcile net loss to net cash used by operating activities Non-cash items included in loss:			
Amortization and depreciation	17,461	4,728	2,773
Expenses incurred without cost credited to additional paid in capital	0	0	

			40,000
Paid through the issuance of common stock	1,104,586	110,214	63,250
Allowance for deferred income taxes	(27,050)	(5,945)	(23,526)
Change in assets and liabilities:			
Accounts receivable	(471,095)	(135,983)	0
Inventory	24,098	(64,912)	(8,318)
Due from attorney's escrow account	9,000	(9,000)	0
Prepaid expenses	4,468	(4,468)	8,474
Interest on notes receivable	2,125	(2,784)	0
Deposits	(67)	2,765	(3,235)
Prepaid stock subscription	41,000	0	0
Accounts payable and accrued expenses	8,576	4,772	(24,242)
Cash provided by (used in) operations	18,833	(253,169)	(18,608)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed and other assets	(42,757)	(35,725)	(1,000)
Acquisition of patent rights	(210,000)	0	0
Total cash provided by (used in) investing activities	(252,757)	(35,725)	(1,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Sale of restricted common stock	515,346	433,925	20,388
Less: shares issued for notes	(25,855)	(61,875)	0
Exercise and issuance of various options	0	38,042	0
Loan payable by shareholder	0	0	(4,800)
Officers loan payable	(440)	(10,800)	8,240
Automobile loan payable	17,719	17,719	0
Total cash provided by (used in) financing activities	471,332	417,011	23,828
NET INCREASE (DECREASE) IN CASH	237,408	128,117	4,220
CASH AT BEGINNING OF PERIOD	132,739	4,622	402
CASH AT END OF PERIOD	$370,147	$132,739	$ 4,622

</TABLE>

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

THE QUIGLEY CORPORATION

Statement of Cash Flows (continued)

<TABLE>
<CAPTION>

	Year Ended SEPTEMBER 30,		
	1996	1995	1994
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Expenses paid by issuance of common stock and options	$1,104,586	$110,214	$63,250
Non cash investing & financing:			
Conversion of put option into equity	44,100		
Acquisition of patent rights	210,000		

</TABLE>

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

THE QUIGLEY CORPORATION

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

NOTE 10

<TABLE>
<CAPTION>

	Common Stock Shares	Issued Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Total
Balance at Sept. 30, 1993	2,445,525	$2,445	$1,761,729	$(1,882,638)	$(118,464)
Sales of S registration shares, net of commission	28,550	29	16,359		16,388
Exercise of options by officers August 1994	300,000	300	20,700		21,000
Exercise of options- August 1994	50,000	50	(50)		0
Issuance of stock in settlement of accounts payable balance- August 1994	25,667	26	3,474		3,500
Issuance of stock in exchange of loan and notes payable- August and September 1994	60,000	60	29,940		30,000
Sale of shares- Sept. 1994	5,334	5	3,995		4,000
Issuance of stock for					

services rendered - September 1994	10,000	10	8,740		8,750
Services contributed by officers credited to paid in capital-Note 12			40,000		40,000
Net Loss for Period Ended September 30, 1994				(73,784)	(73,784)
Balance at Sept. 30, 1994	2,925,076	2,925	1,884,887	(1,956,422)	(68,610)
Issuance of stock for services rendered Oct. 1, 1994-Sept. 30, 1995	88,171	88	110,126		110,214
Exercise of warrants Jan. 1995	21,134	21	38,021		38,042
SUBTOTAL	3,034,381	$3,034	$2,033,034	$(1,956,422)	$79,646

</TABLE>

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

THE QUIGLEY CORPORATION

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) - NOTE 10 (Continued)

<TABLE>
<CAPTION>

	Common Stock Shares	Issued Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Notes Receivable-Stockholders	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance	3,034,381	$3,034	$2,033,034	$(1,956,422)		$ 79,646
Sale of 504 Stock- December 1994 for cash & notes-Net of expenses	159,700	160	185,715			185,875
Less: Shares issued for notes					(61,875)	(61,875)
Sale of Stock Oct. 1, 1994-Sept. 30, 1995 for cash	167,333	167	247,883			248,050
Net Loss for period ended September 30, 1995				(152,556)		(152,556)
Balance at Sept. 30, 1995	3,361,414	3,361	2,466,632	(2,108,978)	(61,875)	299,140
Conversion of put option to equity January 1996	42,000	42	44,058			44,100
Shares issued to officers net of prior compensation recognized	530,000	530	313,220			

						313,750
Issuance of stock for services rendered Oct. 1, 1995 -Sept. 30, 1996	269,320	269	580,567			580,836
Issuance of stock for Patent rights- Note 1	60,000	60	209,940			210,000
Stock issued to underwriter-June 1996	7,873	8	(8)			0
Exercise of warrants- Jan. 1996	2,070	2	2,068			2,070
Add: partial receipt of notes receivable on shares sold in prior period					9,145	9,145
Sale of Stock, options & exercise of options- Oct. 1, 1995- Sept. 30, 1996 for cash & notes	497,087	497	512,779			513,276
Less: Shares issued for notes					(35,000)	(35,000)
Net Loss for period ended September 30, 1996				(694,269)		(694,269)
BALANCE AT SEPT 30, 1996	4,769,764	$4,769	$4,129,256	$(2,803,247)	(87,730)	$1,243,048
	=========	======	==========	============	========	==========

</TABLE>

The accompanying notes are an integral part of these financial statements

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) ORGANIZATION AND OPERATIONS

The Quigley Corporation (the "Company") was organized under the laws of the State of Nevada on August 24, 1989. The Company started business October 1, 1989 and has been engaged in the business of marketing health products . The products are fully developed and are being offered to the general public. For the fiscal year ended September 30, 1996 the Company had revenues of approximately $1,049,000 from the sale of these products. For the most recent fiscal periods the Company has concentrated its efforts in the promotion of a product known as "Cold-Eeze(TM)". Management believes that it can generate enough revenue in the next twelve months to sustain -the Company. Management is also pursuing additional capital through various methods.

(b) REVENUE

Revenue is recognized from product sales when the product is shipped using the accrual basis of accounting.

(c) ACCOUNTS RECEIVABLE

The direct write off method of accounting for bad debts is utilized and there is no allowance for doubtful accounts. For the current period approximately $764 of bad debts was written off.

(d) INVENTORY

Inventory is stated at the lower of cost or market. Cost is determined by the first in, first out method.

(e) FIXED ASSETS

Fixed assets are reflected on the accompanying statements at cost less accumulated depreciation. A combination of the straight line and accelerated methods of depreciation is used utilizing a life of five years for machinery and equipment and a life of seven years for furniture and fixtures.

(f) PATENT

During the current fiscal period the Company reached an agreement with an individual who had patent rights on the use of zinc gluconate which is used in the formulation of the Company's products. The Company issued 60,000 of its common shares in return for the exclusive and sole right to this license / patent. The stock issued had a fair value of $210,000 and is being amortized over the remaining patent life which expires in March 2002. In addition to the payment of stock , the Company has agreed to pay royalties to the previous patentholder for the remaining term of the patent.

The Company is obligated under a licensing agreement to pay Drs. John and Nancy Godfrey a total of 5% of all sales of the Cold-Eeze product. This is comprised of a royalty fee of 3% and a consulting fee of 2%.

The Company is also obligated under a separate licensing agreement with George Eby to pay him a 3% royalty fee of all sales collected for the remaining term of the patent. The patent expires in March 2002.

The Company is obligated under an employment contract to its two principal officers, Guy J. Quigley and Charles A. Phillips, whereby the above-mentioned officers are to receive a combined royalty of 5% of gross sales from the Cold-Eeze product. Amounts paid to the officers under the aforementioned contract were included in officers compensation on the Statement of Operations.

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) DEPOSITS

Deposits are comprised of rent security and the related accrued interest.

(h) INCOME TAXES

Effective October 1, 1993 the Company changed its method of accounting for income taxes to comply with SFAS No. 109, "Accounting for Income Taxes." The Company has suffered net losses since inception and has a NOL carry forward of approximately $1,500,000. Using an 15% income tax rate results in a deferred tax asset of approximately $225,000. A valuation allowance of $168,479 was established to reduced deferred tax assets to amounts expected to be realized. This resulted in a net deferred tax asset of $56,521. Of this $27,050 was derived from the current year's NOL (after provision for the valuation allowance). This amount was credited to provision for Corporate Income Tax. Of the total tax asset- $21,564 represented prior years tax benefits, before the adoption by the Company of SFAS No.109. This credit was reported as a Cumulative Effect Adjustment on the Statement of Operations for the period ended September 30, 1994.

(i) FISCAL YEAR

The Company's fiscal year ends September 30th.

(j) SERVICES CONTRIBUTED BY OFFICERS

Prior to October 1, 1994, the officers received no significant remuneration. The Statement of Operations was charged an amount needed in order to obtain an annual officers compensation expense of $50,000. For the fiscal year ended Sept. 30, 1994 these charges totaled $40,000 and additional paid-in capital was credited for such amounts. For the fiscal years ended September 30, 1996 and 1995 the officers received remuneration of approximately $555,000 and $106,000 respectively. This includes common stock issued to the officers which was shown at fair value at the time of issuance.

NOTE 2- MANAGEMENTS PLANS

It is managements contention that they will be able to generate sufficient cash from sales to support its operations for the following twelve month period. In addition the Company is contemplating various equity offerings in the next fiscal year.

NOTE 3- LEASE COMMITMENTS

Operating Leases- The Company has a lease agreement on its office space which expires in December 1998. There is no lease agreement on its warehouse space and the Company occupies the premises on a month to month basis. The following table represents the future minimum rent payments required on the operating lease with terms in excess of one year as of September 30, 1996.

Fiscal Year Ended September 30,

1997	16,440
1998	18,213
1999	4,701
	$39,354

Capital Leases- in the most recent fiscal year the Company was not obligated under any capital lease.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company had various transactions with the Ruyala Corporation since inception. Ruyala is owned in its entirety by Wendy Quigley (the wife of the Company's President, Guy Quigley). For part of the current fiscal year officer compensation owing to Guy and Wendy Quigley was paid to the Ruyala corporation and was charged to officers compensation on the Statement of Operations.

NOTE 5- PREPAID EXPENSES & BANK LOAN PAYABLE

Prepaid expenses represents prepaid interest on an automobile loan. The automobile loan was satisfied in its entirety in the current fiscal period.

NOTE 6- NOTES RECEIVABLE-SHAREHOLDERS

Notes receivable include principal and interest due from shareholders. The Company sold shares under a Section 504 registration and received a note in the amount of $61,875 in 1995. The note was originally due June 1, 1996 and bore interest at a rate of 6% per annum. The Board of Directors authorized an extension on the due date of the note until July 1, 1997. The balance as of September 30, 1996 was $53,389.

Additionally, certain option and warrant holders exercised their options in September 1996. The full proceeds of the exercise were not received in the current period. As of September 30, 1996 the balance owing to the Company was $35,000.

The principal amount of the notes has been shown as a reduction in shareholders equity pending the collection of such notes. The interest receivable has been carried as a current asset on the balance sheet.

NOTE 7- ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses represent various short term operating expenses of the Company including the purchase of merchandise.

NOTE 8- PREPAID STOCK SUBSCRIPTION

As of September 30, 1996 an investor deposited $41,000 for the purchase of common shares which were issued in October 1996.

NOTE 9- LOANS AND NOTES PAYABLE

(a) As of September 30, 1995 loans payable represented an amount due to officers of $440. The loan was satisfied in full during the current fiscal period.

(b) The Company purchased an automobile and financed part of the purchase through a bank loan. The total amount financed was $15,324 at an approximate rate of 11% for a period of 60 months. As of September 30, 1995 approximately $17,700 was owed. The loan was satisfied in full in the current period.

NOTE 10-CAPITALIZATION

In December 1995, the Company initiated a 1 for 10 reverse stock split and changed the par value of its stock to $.001 per common share. All shares referred to in the financial statements and notes to the financial statements (unless specifically stated otherwise) refer to post split amounts.

(a) In August of 1994 an option holder exercised 250,000 options in lieu of the $2,500 owed to him by the Company for advertising services rendered. The Statement of Operations reflects a charge to advertising in the period where incurred.

(b) In November 1992 , January and February 1993 the Company received a total of $35,000 from an investor. The agreement provided that the investor was to receive 12,000 (pre-split) restricted shares of the Company for each $1,000 invested up to an initial maximum of 1,800,000 (pre-split) restricted common shares for a maximum, investment of $150,000.

The Company had granted the investor certain resale rights where the investor could require the Company to repurchase the shares at increasing prices ranging from $.0972 to $.105 per share. This option commenced 24 months from January 1993 and expired 36 months from such date. As of September 30, 1995 the Company had issued 42,000 shares of stock to the investor.

Due to the potential exercise of the put option, the above mentioned shares had been segregated from the stockholders' permanent equity and had been included in the mezzanine section of the balance sheet in the amount of $44,100 (the maximum repurchase price). In the current- fiscal period the put option expired and the shares were moved to the permanent equity section.

(c) In June of 1994 the Company sold 28,550 shares in a Regulation "S" sale of common shares of the Company. The shares were offered exclusively to non-US persons. The shares were sold at $.07 a share for total gross proceeds of $19,985. Commissions totaling $3,597 were deducted from these proceeds resulting in a net amount of $16,388 being forwarded to the Company.

(d) In August 1994 various officers and / or their spouses exercised options which were issued in 1992. A total of 300,000 shares were issued upon the exercise of these options. The options exercised ranged in price from $.001 through $.10 per share. Total consideration was to have been $21,000. In lieu of payment, the officers applied monies owed to them by the Company.

(e) In August 1994 Gary Quigley (a relative of the Company's President) exercised 500,000 options out of the 1,000,000 granted to him in 1992. in lieu of paying the exercise price Gary Quigley relinquished the remaining 500,000 options issued to him. The options were then cancelled by the Company.

NOTE 10- CAPITALIZATION (CONTINUED)

(f) In August 1994 the Company issued 36,000 restricted shares to Dr. Robert Pollack in total repayment of a debt of $18,000 ($.50 per share). The debt was incurred over a period of fifteen months and included $820 worth of interest.

(g) In September 1994 the Company issued 24,000 restricted shares to Dr. and Mrs. John Godfrey in full repayment of a loan owing to them in the amount of $12,000 ($. 50 per share) .

(h) In August 1994, 667 restricted shares were issued to Robert Moore in payment of a debt owed to him of $1,000 ($1.50 per share) for the installation of some fixed assets The balance sheet account- fixed assets was charged for this item in a prior period in the amount of $1,000.

(i) In September 1994 Mrs. Robert Pollack purchased 5,334 restricted shares of the Company at $.75 for a total cash consideration of $4,000.

(j) In August 1994 the Company issued 10,000 restricted shares of common stock to Dr. John Godfrey for services rendered. A charge in the amount of $8,750 was made to services rendered on the Statement of Operations for the fair value of the stock.

(k) During the period October 1, 1994 through September 30, 1995 various individuals purchased restricted stock from the Company. 167,333 shares were sold for which the Company received consideration of $243,050 or an average price of approximately $1.48 per share.

(l) In January 1995 warrants which were originally issued to the underwriter were exercised by a third party who had the warrants transferred to him. Total shares issued were 21,134 in consideration of an $38,042 exercise price or a per share price of $1.80.

(m) In December 1994 and January 1995 the Company sold 159,700 shares of stock under a Registration D private placement offering for total consideration of $199,625. The Company paid commissions on the sale in the amount of $13,750 which was charged against paid in capital. The Company received an interest bearing note receivable in the amount of $61,875 from some investors. This note is due June 1, 1997.

(n) During the period October 1, 1994 through September 30, 1995 various individuals were issued restricted shares in return for goods and services rendered. The total number of shares issued was 88,171. The statement of operations was charged a total of $110,214 or $1.25 per share for these issuance. The various expenses categories charged were:

Services rendered\ R&D	$ 70,711
Advertising & Promotion	19,813
Legal	7,500
Commissions	6,875
Purchases of goods	2,815
Office expense	2,500
Total	$110,214

The valuation was based on the fair value of the stock which approximated the value of goods and services rendered.

(o) In December 1995 the Company initiated a 1 for 10 reverse stock split and changed the par value of the stock to $.001 per common share. In January 1996 all a, b, and c warrants exercising prices were reduced from $.25, $.50 and $.75 to $.10, $.15 and $.20 respectively. All warrants of these classes expired as of January 31, 1996.

NOTE 10- CAPITALIZATION (CONTINUED)

(p) During the period October 1, 1995 through September 30, 1996 various individuals were issued shares in return for goods and services rendered. The total number of shares issued was 269,320. The statement of operations was charged a total of $580,836 or an average of $2.16 per share for these issuance. The various expenses categories charged were:

Services rendered\ R&D	$ 41,836
Advertising & Promotion	434,000
Legal	105,000
Total	$580,836

(q) In addition, an underwriter was issued 7,873 shares for services rendered. Additional paid in capital was charged for this transaction. The valuation was based on the fair value of the stock at the time of issuance.

(r) For periods prior to October 1, 1994 officers compensation actually received by officers was minimal. For those periods the Statement of Operations was charged an amount needed in order to obtain an annual officers compensation expense of $50,000. Additional paid in capital was credited for such amounts. During the period October 1, 1995 through September 30, 1996, 530,000 shares were issued to various officers for past service rendered. The fair value of these shares was $463,750. This amount was reduced by $150,000 which represents amounts charged in prior periods for compensation which was never actually paid to the officers.

(s) In January and February 1996 20,700 of A warrants were exercised by various individuals who received 2,070 shares for a total consideration of $2,070.

(t) During the period October 1, 1995 through September 30, 1996 various individuals purchased shares, options and or exercised options in the Company. The total shares issued was 497,087 and total consideration received was $515,346. By agreement with the optionholders, 1,250,000 shares of common stock underlying the purchase options were registered pursuant to Form S-8 in August and October 1996.

(u) During the current period the Company entered into a marketing agreement with Pacific Rim Pharmaceuticals for developing the Company's product in the Far East. Pacific Rim Pharmaceutical was issued 300,000 common stock Class D warrants exercisable at $1 and expiring in December 2000.

NOTE 11- INCOME

On June 21, 1993, the Company received a non refundable deposit in the amount of $20,000 from a Canadian corporation (Cold-Eeze Canada Inc.) These monies were a deposit toward a total of $250,000 for an option to acquire the distribution rights for one of the Company's product.

In November 1993 Cold-Eeze Canada Inc. transferred their distribution rights to Sunburst Resources. The Company and Sunburst had renegotiated the original agreement to allow for distribution in the United States on a non exclusive agreement. Sunburst agreed to pay $75,000 to the Company prior to March 15, 1994. On January 15, 1994 the Company received the first installment of $12,500. In January 1994 the Company terminated its agreement with Sunburst as they had reneged on any further payments. The receipt of these monies was shown as income from the sale of distribution rights on the Statement of Operations in the period that negotiations ceased.

NOTE 12- EXPENSES

(a) Services contributed by officers was charged to officer's compensation even though no monies were paid to those officers. Management's estimate of the value of these costs are:

	For year ended September 30, 1995 and 1996	1994
Officer's Salary	$0	$40,000

The corresponding expense was charged on the statement of operations and additional paid-in capital was credited for such amounts.

(b) Administrative expenses are comprised mainly of office expense, supplies and employee business expenses.

NOTE 13- COMMITMENTS AND CONTINGENCIES

The Company is obligated on a lease on its office which expires December 1998. The current monthly rent is $1,370.

The Company is obligated under a licensing agreement to pay Drs. John and Nancy Godfrey a total of 5% of all sales of the Cold-Eeze product. This is comprised of a royalty fee of 3% and a consulting fee of 2%. These fees amounted to $19,999 and $0 for Fiscal 1996 and Fiscal 1995.

The Company is also obligated under a separate licensing agreement with George Eby to pay him a 3% royalty fee of all sales collected for the remaining term of the patent. The patent expires in March 2002. No royalties were paid under this agreement in Fiscal 1996 and Fiscal 1995.

The Company is obligated under an employment contract to its two principal officers, Guy J. Quigley and Charles A. Phillips, whereby the above-mentioned officers are to receive a combined royalty of 5% of gross sales from the Cold-Eeze product. No royalties were paid under this agreement in

Fiscal 1996 and Fiscal 1995.

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 14- STOCK OPTIONS AND WARRANTS

The following is a summary of stock warrants and options outstanding for the dates listed:

THE QUIGLEY CORPORATION
SCHEDULE OF OUTSTANDING WARRANTS AND OPTIONS

<TABLE>
<CAPTION>

Security Exercise Price	Warrants $1.00 Class D	Warrants $3.50 Class E	Warrants $.10,.15,.20 Class A,B,C	Options Various	Options $1.00	Sale Incentive Options $1.25-$1.50	Warrants Underwriters
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance Oct. 1, 1994	0	0	634,030	1,710,000	0	0	84,536
Exercised Oct. 1, 1994 - Sept. 30, 1995	0	0	0	0	0	0	21,134
Subtotal	0	0	634,030	1,710,000	0	0	63,402
Add: New items issued	0	0	0	0	1,500,000	140,000	63,402
Balance Sept. 30, 1995	0	0	634,030	1,710,000	1,500,000	140,000	63,402
Exercised Oct. 1, 95 - Sept. 30, '96	0	0	20,700	0	385,000	0	20,000
Expired Oct. 1, 95 - Sept. 30, '96	0	0	613,330	1,710,000	0	0	0
Subtotal	0	0	0	0	1,115,000	140,000	43,402
Add: New items issued	800,000	850,000	0	0	0	0	0
Balance Sept. 30, 1996	800,000	850,000	0	0	1,115,000	140,000	43,402

</TABLE>

During the current period the Company sold incentive stock options to various salesman. The Company received a total of $960 from the sale of these options. 140,000 options were issued in total and the exercise price ranges from $1.25 to $1.50. The options expire in 1998 and are exercisable upon reaching certain sales goals.

NOTE 15- SUBSEQUENT EVENTS

On October 1, 1996 the Company hired the investment banking firm, Sands Brothers & Co. to assist in raising additional capital needed for expansion purposes. The company is considering a private placement of common stock pursuant to Regulation D. It is estimated that total funds raised will be in range of $6,000,000 - $8,000,000.

THE QUIGLEY CORPORATION
BALANCE SHEETS

	(Unaudited) December 31, 1996	September 30, 1996
ASSETS		
Current Assets:		
Cash	$2,455,973	$ 370,147
Notes receivable	54,189	88,389
Accounts receivable, net	2,200,824	607,078
Due from attorneys' escrow account	260,000	--
Inventory	300,732	58,339
Other current assets	9,857	--
TOTAL CURRENT ASSETS	5,281,575	1,123,953
EQUIPMENT - Less accumulated depreciation	66,599	65,314
OTHER ASSETS:		
Patent rights - Less accumulated amortization	267,985	206,866
Deferred income taxes	715,825	56,521
Other assets	3,389	3,377
TOTAL OTHER ASSETS	987,199	266,764
TOTAL ASSETS	$6,335,373	$1,456,031
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 131,797	$ 63,139
Accrued expenses	749,996	21,114
Accrued income taxes	622,318	--
Stock subscription payable	--	41,000
TOTAL CURRENT LIABILITIES............	1,504,111	125,253
STOCKHOLDER'S EQUITY:		
Common Stock, $.0005 par value; authorized 25,000,000; issued and outstanding 12,099,192 and 9,539,528 shares (Note 2)	6,049	4,769
Additional paid-in capital	5,978,390	4,129,256
Deficit	(851,758)	(2,803,247)
Stock subscription receivable	(301,419)	--
TOTAL STOCKHOLDER'S EQUITY	4,831,262	1,330,778
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY..	$ 6,335,373	$ 1,456,031

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended

	December 31, 1996	December 31, 1995
NET SALES	$4,091,653	$ 147,718
COST OF SALES	1,374,327	17,975
GROSS PROFIT	2,717,326	129,743
OPERATING EXPENSES:		
Sales and marketing	585,202	37,510
Administration	217,621	96,580
TOTAL OPERATING EXPENSES....................	802,823	134,090
INCOME BEFORE TAXES	1,914,503	(4,347)
INCOME TAXES (Note 4).......................	(36,986)	--
NET INCOME	$1,951,489	($ 4,347)
Earnings per common share:		
Primary (Notes 2 and 3)..................	$ .14	--
Fully diluted (Notes 2 and 3)............	$ .14	--
Weighted average common shares outstanding:		
Primary (Notes 2 and 3)..................	13,881,028	10,562,828
Fully diluted (Notes 2 and 3)............	13,881,028	10,562,828

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended December 31, 1996	December 31, 1995
OPERATING ACTIVITIES:		
Net income (loss)	$1,951,489	$ (4,347)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	18,807	--
Deferred income taxes	(659,304)	--
(Increase) decrease in assets:		
Notes receivable	34,200	(1,080)
Accounts receivable	(1,593,746)	(76,317)
Inventory	(242,393)	8,333
Other current assets	(9,857)	253
Increase (decrease) in liabilities:		
Accounts payable	68,658	23,793
Accrued expenses	728,882	(1,002)
Accrued income taxes	622,318	--
Stock subscription payable	(41,000)	--
Total adjustments	(1,073,435)	(46,020)
NET CASH PROVIDED BY OPERATING ACTIVITES ...	878,054	(50,367)

CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(6,212)	(2,760)
Patent rights and other assets	(75,011)	--
NET CASH FLOWS FROM INVESTING ACTIVITIES ...	(81,223)	(2,760)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued for services performed	217,814	--
Common stock issued from exercise of options and warrants	1,590,000	--
Common stock issued from sale of stock and options	42,600	--
Due from attorneys' escrow account	(260,000)	
Stock subscription receivable	(301,419)	
NET CASH FLOWS FROM FINANCING ACTIVITIES ...	1,288,995	--
NET INCREASE (DECREASE) IN CASH	2,085,826	(53,127)
CASH AT BEGINNING OF PERIOD	370,147	132,739
CASH AT END OF PERIOD	$2,455,973	$ 79,612

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND GENERAL

The Quigley Corporation (the "Company"), organized under the laws of the state of Nevada, is primarily engaged in the development and marketing of homeopathic cold remedies. The products developed are being offered to the general public through distributors, brokers, mail order, and are currently being featured on the QVC Cable TV shopping network. For the fiscal periods presented, and for the immediate future, the Company plans to continue concentrating its efforts in the promotion of its major product "Cold-Eeze". This product is covered by patents registered in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany and pending in Japan. Research is continuing on this product in order to maximize its full potential use for the general public.

On July 15, 1996, results were published in the Annals of Internal Medicine - Vol. 125 No 2, of a new randomized double-blind placebo-controlled study of the common cold, which had commenced at the Cleveland Clinic Foundation, on October 3, 1994. This study had results that showed a 42% reduction in the duration of the common cold.

The Company has exclusive worldwide use, manufacturing, marketing and distribution rights for the zinc gluconate/glycine lozenge formulation, known as "Cold-Eeze". The goal of the Company is to have consumers worldwide make "Cold-Eeze" their preferred choice for relief from the common cold.

The Balance Sheet as of December 31, 1996, the Statements of Operations, and the Statements of Cash Flows for the three month periods ended December 31, 1996 and 1995, have been prepared without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows, for the periods indicated, have been made. All adjustments made were of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and accompanying notes for the fiscal year ended September 30, 1996 in the Companys' Form 10-KSB.

NOTE 2 - TRANSACTIONS AFFECTING STOCKHOLDERS' EQUITY

On January 15, 1997, the Company split its common stock on a two-for-one basis. Therefore, all share data such as, par value, earnings per share, options exercised, warrants granted, cash received or to be received for outstanding options and warrants are all on a post-split basis.

During the three month period ended December 31, 1995, there were no transactions affecting stockholders equity.

From October 1, 1996 to December 31, 1996, there were 2,365,000 shares issued through the exercise of stock options and warrants of the Company, shares numbering 54,664 were issued for cash payment, and 140,000 were issued for services rendered to the Company. The difference between the option payment price, cash received, or fair market value for services rendered, resulted in an increase to the additional paid-in-capital of the Company.

As of October 1, 1996, there were 5,810,000 unexercised options and warrants. During the period ended December 31, 1996, 2,265,000 options and warrants were exercised at various prices. In November of 1996, the Company issued 350,000 warrants to purchase the Companys' stock at $2.50 per share. At December 31, 1996, there were a total of 3,895,000 (of which 3,595,000 are currently exercisable) of unexercised issued options and warrants of the Companys' stock.

NOTE 2 - TRANSACTIONS AFFECTING STOCKHOLDERS' EQUITY (continued)

Of the shares issued through the exercise of stock options and warrants, monies in the amount of $301,419, still owing to the Company, are classified as a contra account in stockholders' equity.

In addition, the contract, as modified in November 1996, with Sands Brothers & Co., Ltd., the Companys' investment banker, for the purpose of raising additional capital needed for expansion, stipulates that "Sands" has the conditional right to purchase, at $10 per share, 200,000 shares of the Companys' stock, for every million dollars they identify for the Company in a private placement of the Companys' stock pursuant to Regulation D. Current plans of the Company is that the private placement is not to exceed $10 million.

NOTE 3 - EARNINGS PER SHARE

Earnings and net loss per share is based on the weighted average number of common shares outstanding during the three months ended December 31, 1996 and 1995. During the period ended December 31, 1995, no effect has been given to unexercised stock options or warrants because the effect would be antidilutive.

NOTE 4 - INCOME TAXES

Income taxes resulted in a credit for the period ended December 31, 1996 because of an excess valuation account at September 30, 1996 that provided for deferred taxes at a rate of 15% instead of the 40.5% used at December 31, 1996. Based upon the expectations for the Company at September 30, 1996, a "qualification for a going concern" was made in the audit report of the Company. Thereby indicating the valuation account and rates used were determined to be adequate at that time.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

In November 1996, the Company and George J. Longo entered into an employment agreement for a period of five years. This agreement provides for, among other things, that Mr. Longo, commencing in January 1997, is to serve as the Chief Financial Officer for the Company, a starting base salary of $80,000 per annum, and the granting of 50,000 warrants to purchase the Companys' stock at $2.50 per share.

NOTE 6 - OTHER MATTERS

On January 2, 1997, the Board of Directors approved the change of the Comapnys' fiscal year from September 30 to December 31 to reflect the fiscal year which has been generally adopted by the pharmaceutical industry. The audited statements for the transition period October 1, 1996 to December 31, 1996 will be filed by the Company of Form 10-KSB for the calendar year ended December 31, 1997, and will be audited by Nachum Blumenfrucht, CPA.

On January 29, 1997, the Company engaged the independent accounting firm of Coopers & Lybrand L.L.P. to audit the Companys' financial statements for the calendar year 1997. The replacement of the previous certifying accountant, Nachum Blumenfrucht, CPA, was made by approval of the Board of Directors of the Company and with agreement of Mr. Blumenfrucht. This change was due to the dramatic expansion of business operations undertaken by the Company since the close of the prior fiscal year. There have been no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedure, nor any reportable event required to be disclosed.

THE QUIGLEY CORPORATION
BALANCE SHEET

	(Unaudited) June 30, 1997
ASSETS	
Current Assets:	

Cash and cash equivalents	$ 6,568,043
Accounts receivable, net	1,443,840
Inventory	7,366,650
Prepaid income taxes	594,807
Other current assets	451,641
TOTAL CURRENT ASSETS	16,424,981
EQUIPMENT - Less accumulated depreciation	140,112
OTHER ASSETS:	
Patent rights - Less accumulated amortization	432,357
Deferred income taxes (Note 4)	1,014,414
Other assets	414,113
TOTAL OTHER ASSETS	1,860,884
TOTAL ASSETS	$18,425,977

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:	
Accounts payable	$ 1,261,107
Accrued payroll and payroll taxes	630,076
Accrued royalties and sales commissions	1,158,532
Accrued expenses	1,721,949
TOTAL CURRENT LIABILITIES	4,771,664
OTHER NON-CURRENT LIABILITIES	919,701
STOCKHOLDER'S EQUITY:	
Common Stock, $.0005 par value; authorized 50,000,000; issued 12,223,130; outstanding 11,736,268 shares (Note 2)	6,112
Additional paid-in capital	7,473,446
Retained earnings	6,695,412
Less: Treasury stock, 486,862 shares at cost (Notes 2&3)	(1,145,358)
Stock subscription receivable (Note 2)	(295,000)
TOTAL STOCKHOLDER'S EQUITY	12,734,612
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 18,425,977

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30, 1997	Three months ended June 30, 1996	Six months ended June 30, 1997	Six months ended June 30, 1996
NET SALES	$4,083,736	$ 69,496	$26,265,742	$ 174,928
COST OF SALES	1,225,374	20,953	8,114,196	53,852
GROSS PROFIT	2,858,362	48,543	18,151,546	121,076
OPERATING EXPENSES:				
Sales and marketing	435,099	40,427	2,921,223	82,564
Administration	646,429	103,278	2,546,003	210,964
TOTAL OPERATING EXPENSES	1,081,528	143,705	5,467,226	293,528
INCOME BEFORE TAXES	1,776,834	(95,162)	12,684,320	(172,452)

INCOME TAXES (Note 4).....	719,469	--	5,137,150	--
NET INCOME	$ 1,057,365	($ 95,162)	$ 7,547,170	($ 172,452)

Earnings per common share:

Primary (Notes 2 & 3)	$.07	($.01)	$.47	($.02)
Fully diluted (Notes 2 & 3)	$.07	($.01)	$.47	($.02)

Weighted average common shares outstanding:

Primary (Notes 2 & 3)	15,825,852	8,377,532	16,199,522	8,397,050
Fully diluted (Notes 2 & 3)	15,825,852	8,377,532	16,199,522	8,397,050

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six months ended	
	June 30, 1997	June 30, 1996
OPERATING ACTIVITIES:		
Net income (loss)	$ 7,547,170	($172,452)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	69,027	--
Deferred income taxes	(298,589)	--
(Increase) decrease in assets:		
Accounts receivable	756,984	120,779
Prepaid income taxes	(594,807)	--
Inventory	(7,065,918)	13,854
Other current assets	(441,784)	506
Increase (decrease) in liabilities:		
Accounts payable	1,129,310	(28,468)
Accrued payroll and payroll taxes	630,076	--
Accrued royalties and sales commissions..	527,887	--
Accrued expenses	1,602,598	(2,445)
Accrued income taxes	(622,318)	--
Other non-current liabilities	509,000	--
Total adjustments	(3,798,534)	104,226
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,748,636	(68,226)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(78,516)	(1,333)
Patent rights and other assets	(15,515)	(24)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(94,031)	(1,357)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued from exercise of options and warrants	60,850	--
Common stock issued from sale of stock	76,007	77,980
Due from attorney's escrow account	260,000	--
Stock subscription receivable	60,608	(2,214)
NET CASH FLOWS FROM FINANCING ACTIVITIES	457,465	75,766

NET INCREASE (DECREASE) IN CASH	4,112,070	6,183
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD ...	2,455,973	79,612
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 6,568,043	$ 85,795

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

	Six months ended June 30, 1997	June 30, 1996
Supplemental disclosure of cash flow information		
Non cash investing and financing activities:		
Capital expenditures	$7,905	-----
Patent rights and other assets	$615,701	-----
Common stock issued for services performed	$1,358,263	-----
Treasury stock cost	$1,145,358	-----

See accompanying notes to financial statements

THE QUIGLEY CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND GENERAL

The Quigley Corporation (the "Company"), organized under the laws of the state of Nevada, is primarily engaged in the development, manufacturing, and marketing of homeopathic cold remedies. The products developed are being offered to the general public through distributors, brokers, mail order, and is regularly featured on the QVC Cable TV shopping network. For the fiscal periods presented, and for the immediate future, the Company plans to continue concentrating its efforts in the promotion of its major proprietary "Cold-Eeze(R)" and Cold-Eezer Plus products. These products are based upon a proprietary zinc gluconate glycine formula which in a clinical study conducted by The Cleveland Clinic, has been shown to reduce the severity and duration of the common cold symptoms. This product is covered by patents registered in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany and pending in Japan. Research is continuing on this product in order to maximize its full potential use for the general public.

On July 15, 1996, results of this study were published in the Annals of Internal Medicine - Vol. 125 No 2, of a new randomized double-blind placebo-controlled study of the common cold, which had commenced at the Cleveland Clinic Foundation, on October 3, 1994. This study had results that indicated a 42% reduction in the duration and severity of the common cold symptoms.

The Company has exclusive worldwide representation, manufacturing, marketing and distribution rights for the zinc gluconate glycine lozenge formulation, known as "Cold-Eeze(R)", which is patented in the United States, United Kingdon, Sweden, France, Italy, Canada, Germany, and pending in Japan. The goal of the Company is to have consumers worldwide make "Cold-Eeze(R)" their preferred choice for relief from the common cold.

The business of the Company is subject to federal and state laws and regulations adopted for the health and safety of users of the Company's products. Cold-Eeze(R) is a homeopathic remedy which is subject to regulations by various federal, state and local agencies, including the FDA and the Homeopathic Pharmacopoeia of the United States.

The Company competes with a various range and size of suppliers in the cold remedy products arena. Cold-Eeze(R) which has been clinically proven to reduce the duration and severity of the common cold symptoms, offers a significant advantage over other suppliers in the over-the-counter cold remedy market. The management of the Company believes there should be no future impediment on our ability to compete in the marketplace now, or in the immediate future, since factors concerning the product, such as, price, product quality, availability, reliability, credit terms, name recognition, delivery and support are all properly positioned.

The Balance Sheet as of June 30, 1997, the Statements of Operations for the three and six months periods ended June 30, 1997 and 1996, and the Statements of Cash Flows for the six months periods ended June 30, 1997 and 1996, have been prepared without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows, for the periods indicated, have been made. All adjustments made were of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and accompanying notes for the fiscal year ended September 30, 1996, in the Company's Form 10-KSB/A, and the transition quarter ended December 31, 1996, in the Company's Form 10-QSB. The transition quarter reflects the Company's change from a fiscal year end of September 30, to a calendar year end, and is reflective of the first quarter results since the release of The Cleveland Clinic Study in July 1996.

NOTE 2 - TRANSACTIONS AFFECTING STOCKHOLDER'S EQUITY

On January 15, 1997, the Company split its common stock on a two-for-one basis. Therefore, all share data such as, par value, earnings per share, options and warrants exercised, cash received or to be received for outstanding options and warrants are all on a post-split basis.

From January 1, 1997 to June 30, 1997, there were 85,000 shares issued through the exercise of stock options and warrants of the Company, shares numbering 17,884 were issued for cash payment, 264,120 were issued for services rendered to the Company, and 729,928 shares were returned to the Company to be placed in treasury. The difference between the option payment price and cash received or fair market value for services rendered, resulted in an increase to the additional paid-in-capital of the Company.

At June 30, 1997, there were a total of 5,935,000 of unexercised issued options and warrants of the Company's stock.

Of the shares issued through the exercise of stock options and warrants, monies in the amount of $295,000 still owed to the Company, are classified as a contra account in stockholder's equity.

On October 1, 1996, the Company entered into an agreement with Sands Brothers & Co., Ltd, ("Sands") to assist the Company raise additional capital and to provide other investment banking services. For this service, Sands received 800,000 warrants at an exercise price of $1.75. Subsequently, this contract, was modified in November 1996, and stipulated Sands had the conditional right to purchase, at $10 per share, 200,000 shares of the Company's stock, for every million dollars they identify for the Company in a private placement of the Company's Stock pursuant to Regulation D. The Company desired that the private placement was not to exceed $10 million. During the first quarter of 1997, the Company decided not to pursue a private placement offering. Therefore, the aforementioned possible additional warrants for Sands will not materialize.

However, in order to terminate this arrangement with Sands, the Company issued to Sands 350,000 additional warrants to purchase the Company's stock at $10 per share. Accordingly, a provision for loss of $700,000 ($417,000 net of taxes) for a total of 1,150,000 warrants issued to Sands, and other expenses expected to be incurred, was charged against earnings.

Also, the Company terminated a contract with a consulting firm that was previously issued 350,000 options to purchase the Company's stock. A provision of $91,000 ($54,000 net of taxes), was also charged against earnings

On March 27, 1997, the Company received a net return to treasury 486,862 shares of its stock because of a favorable ruling from litigation commenced against Nutritional Foods, Ltd. ("NFL"). The total shares recovered was 729,928. As payment for legal services, 243,066 restricted shares were issued on March 27, 1997 with a discounted market value for these shares of $1,145,358. This discounted value then became the cost of the net treasury stock ($2.35 per share) returned to the Company.

NOTE 3 - EARNINGS PER SHARE

Earnings and net loss per share is based on the weighted average number of common shares outstanding during the three months and six months periods ended June 30, 1997 and 1996. Using the modified treasury stock method, increased the weighted average number of common shares outstanding for the period ended June 30, 1997 by 4,310,723 shares, or a total number of weighted shares outstanding of 16,199,522. During the period ended June 30, 1996, no effect has been given to unexercised stock options or warrants because the effect would be antidilutive.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share", which simplifies the calculation of basic EPS and diluted EPS. The effective date is for accounting periods ending after December 15, 1997, with restatement for prior periods presented after December 15, 1997.

NOTE 4 - INCOME TAXES

Income taxes includes both deferred and currently payable taxes. Deferred income taxes result from temporary differences which consist of a different tax base for assets and liabilities than their reported amounts in the financial statements. The deferred tax asset of $1,014,414 consists principally of future tax deductions from the issuance of options, warrants and restricted stock. For the three months and six months periods ended June 30, 1997 an effective tax rate is provided for deferred and currently payable taxes at 40.5%. Since the Company was in a Net Operating Loss position at June 30, 1996, no taxes were provided for payment or recovery.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company maintains certain royalty agreements with the founders and developers, licensors, and consultants for the Cold-Eeze(R) product. The gross royalty is 13% of sales collected before certain deductions. Representative Agreements are in place for several Brokers and Distributors, both Nationally and Internationally. These agreements are sales performance based. In addition the Company has also issued incentive common stock purchase options to its Brokers, Distributors and Representatives. Additionally, there are employment agreements in place with certain officers of the Company that expire in 2005 or earlier, and provide for among other things, a minimum annual base compensation.

On March 17, 1997, an agreement with the manufacturer of the Cold-Eeze(R) product for the Company was entered for a period of three years. Also, the Company has contractual commitments for advertising amounting to approximately $2,600,000.

The Company is involved in certain legal actions and claims arising in the ordinary course of business. It is the opinion of management (based on advice of legal counsel) that such litigation and claims will be resolved without material effect on the Company's financial position. Included in the results of operations for the period ended June 30, 1997, are provisions for estimated costs to litigate the settlement of certain agreements and infringements of the Company's proprietary Cold-Eeze(R) product by certain competitors.

NOTE 6 - OTHER MATTERS

On January 2, 1997, the Board of Directors approved the change of the Company's fiscal year from September 30 to December 31 to reflect the fiscal year which has been generally adopted by the pharmaceutical industry. The audited statements for the transition period October 1, 1996 to December 31, 1996, will be audited by Nachum Blumenfrucht, CPA, and filed by the Company within Form 10-KSB for the calendar year ended December 31, 1997.

On January 29, 1997, the Company engaged the independent accounting firm of Coopers & Lybrand L.L.P. to audit the Company's financial statements for the calendar year 1997. The replacement of the previous certifying accountant, Nachum Blumenfrucht, CPA, was made by approval of the Board of Directors of the Company and with agreement of Mr. Blumenfrucht. This change was due to the dramatic expansion of business operations undertaken by the Company since the close of the prior fiscal year. There have been no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedure, nor any reportable event required to be disclosed.

No dealer, salesman or any other person is authorized to give any information or to make any representations in connection with this offering not contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Securities offered by this Prospectus or an offer by any person in any jurisdiction where such an offer or solicitation is not authorized or is unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that information herein is correct as of any time subsequent to its date.

TABLE OF CONTENTS

THE QUIGLEY CORPORATION

5,480,000 SHARES OF COMMON STOCK

PROSPECTUS

, 1997

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company's By-laws authorize indemnification of directors and officers as follows:

ARTICLE V - INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. The corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. No officer, director or shareholder may become surety on behalf of the corporation for any of its obligations under any circumstances whatsoever.

See Item 9(e) below for information regarding the position of the Commission with respect to the effect of any indemnification for liabilities arising under the Securities Act of 1933, as amended.

Section 78.751 of the Nevada General Corporation Law provides as follows:

"1. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent

of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of NOLO CONTENDERE or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

2. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter therein, he must be indemnified by the corporation against expenses, including attorneys' fees actually and reasonably incurred by him in connection with the defense.

4. Any indemnification under subsections 1 and 2, unless ordered by a court or advanced pursuant to subsection 5, must be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

(a) By the shareholders;

(b) By the board of directors by majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding;

(c) If a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(d) If a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

5. The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

6. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this section:

(a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, for either an action in his official capacity or an action in other capacity while holding his office, except that indemnification, unless ordered by a court pursuant to subsection 2 or for the advancement of expenses made pursuant to subsection 5, may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses which will be paid by the Company in connection with the securities being registered. With the exception of the SEC registration fee, all amounts shown are estimates.

SEC registration fee	$4,998.42
Legal fees and expenses (including Blue Sky)	25,000.00
Accounting Fees and Expenses	5,000.00
Miscellaneous	501.58
Total	$ 35,500.00

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

During the past three years, the following securities were sold by the Company without registration under the Securities Act. Except as otherwise indicted, the securities were sold by the Company in reliance upon the exemption provided by Section 4(2) of the Securities Act, among others, on the basis that such transactions did not involve any public offering and the purchasers were sophisticated with access to the kind of information registration would provide.

In December 1995, the Company initiated a 1 for 10 reverse stock split and changed the par value of its stock to $.001 per common share. In January 1997, the Company initiated a 2 for 1 stock split and changed the par value of its Common Stock to $.0005 per common share. All shares referred to below refer to post split amounts.

(a) On August 24, 1994, the Company issued 72,000 restricted shares to Dr. Robert Pollack in total repayment of a debt of $18,000. The debt was incurred over a period of fifteen months and included $820 worth of interest.

(b) On August 24, 1994, 1,134 restricted shares were issued to Robert Moore in payment of a debt owed to him of $1,000 for the installation of fixed assets.

(c) On August 24, 1994, 50,000 restricted shares were issued to Smith-Felver as payment for advertising services rendered to the Company.

(d) On September 26, 1994, the Company issued 20,000 restricted shares of Common Stock to Dr. John Godfrey in satisfaction of $8,750 owed by the Company to Dr. Godfrey. The amounts were owed for services rendered to the Corporation.

(e) On September 29, 1994, the Company issued 48,000 restricted shares to Dr. and Mrs. John Godfrey in full repayment of a loan owing to them in the amount of $12,000.

(f) On September 30, 1994, Ms. Lydia Pollack purchased 10,668 restricted shares of the Company for $4,000 in cash.

(g) During the period October 1, 1994 through September 30, 1995, various individuals purchased an aggregate of 334,667 shares of restricted Common Stock from the Company as follows:

NAME	NUMBER OF SHARES	PRICE
C. Witmer	10,000	$5,000
V. Taylor	2,000	1,000
J. Gennello	8,000	4,000
G. Eichhorn	6,000	3,000
S. Carey	3,000	1,500
K. McCullian	3,000	1,500
D. Wyeth	400	200
M. McCullian	10,000	5,000
T. Burke	4,000	2,000
D. Palmer	600	300
J. Krow	5,000	2,500
J. Hanson	4,000	2,000
G. Agular	3,000	1,500
C. Baldwin	6,000	3,000
E. Hesselson	2,000	1,000
E. Geyer	6,667	4,000
J. Gibbons	2,000	1,500
S. Macknin	5,000	2,500
J. Macknin	5,000	2,500
G. Snell	1,600	1,000
J. McIlhinney	4,000	2,000
M. Hanson	7,000	3,500
L. Snyder	1,000	500
R. Turner	206,000	181,000
P. Kaplan	20,000	10,000
R. Pollack	9,400	4,050

(h) During the period October 1, 1994 through September 30, 1995, various individuals were issued an aggregate of 176,342 restricted shares in return for goods and services rendered by the following individuals and entities: Dr. Riley (70,000 shares), S. Novick (4,000 shares), J. Godfrey (10,938 shares), M. Robbins (8,200 shares), R. Pollack (25,000 shares), Smith-Felver (20,000 shares), Lenape Valley (6,000 shares), M. Moreni (4,000 shares), S. Marcolini (10,000 shares), C. Bistrack (1,700 shares), T. MacAniff (12,000 shares), and Joel, Inc. (4,504 shares). The shares were issued in satisfaction of $110,214 owed by the Company to such individuals and entities.

(i) In February 1995, the Company sold an aggregate of 319,400 shares of Common Stock to accredited investors in a private

placement. The Company total consideration of $199,625 from the sale and paid commissions aggregating $13,750.

(j) On December 1, 1995, the Company entered into a marketing agreement with Pacific Rim Pharmaceuticals for developing a market for the Company's products in the Far East. Pacific Rim Pharmaceuticals was issued 300,000 options to purchase Common Stock at a per share exercise price of $ .50.

(k) On December 1, 1995, William Reilly and Thomas MacAniff received options to purchase 200,000 and 300,000 shares of the Common Stock of the Company, respectively. The options have a per share exercise price of $.75 and were granted for services rendered by Messrs. MacAniff and Reilly to the Company.

(l) On December 15, 1995, the Company issued an aggregate of 1,200,000 shares of Common Stock to the following individuals in consideration for the cancellation of accrued salaries, fees and expenses due to such individuals:

NAME:	NUMBER OF SHARES:
Guy Quigley	600,000
Charles Phillips	200,000
Eric Kaytes	40,000

Wendy Quigley	120,000
Robert L. Pollack	40,000
William Reilly	200,000

(m) On December 15, 1995, the Company issued an aggregate of 1,000,000 Class D warrants, each to purchase one share of the Company's Common Stock at a per share exercise price of $.50. The warrants were granted to the following individuals in consideration for services rendered to the Company by such individuals:

NAME:	NUMBER OF WARRANTS:
Guy Quigley	200,000
Charles Phillips	150,000
Eric Kaytes	60,000
Wendy Quigley	200,000
Robert L. Pollack	60,000
William Reilly	100,000
Marielle Reilly	100,000
Kariba Holdings	130,000

(n) In April 1996, the Company sold 94,000 shares of Common Stock in a private placement through Windsor Capital for gross proceeds of $58,750.

(o) In June 1996, the Company sold 40,000 shares of Common Stock to Mr. Washburn in a private sale for total consideration of $25,000.

(p) In June 1996, the Company issued 2,000 shares of Common Stock to Anthony Calabreze in connection with a private sale for an aggregate purchase price of $1,250,000.

(q) In June 1996 and September 1996, the Company issued an aggregate of 88,000 shares of Common Stock to A. Giordano in connection with the exercise of warrants previously granted to Mr.
Giordano for underwriting services.

(r) In June 1996, the Company issued 600,000 shares of Common Stock to Diversified Corporate Consultants in consideration of $300,000 and for future public relations and capital placement services.

(s) In August 1996 the Company issued an aggregate of 30,000 shares of Common Stock to A. Waterford Holdings in connection with the exercise of previously granted options.

(t) On October 1, 1996, the Company granted Diversified Consultants options to purchase an aggregate of 350,000 shares of Common Stock at a per share exercise price of $1.75. The Options were granted in connection with the execution of a marketing and shareholder relations agreement.

(u) On October 1, 1996, the Company granted Sands Brothers Ltd. options to purchase an aggregate of 800,000 shares of Common Stock at a per share exercise price of $1.75. The Options were granted in connection with entering into an investment banking agreement.

(v) On July 1, 1996, the Company granted 1,700,000 Class E warrants, each to purchase one share of the Company's Common Stock at a per share exercise price of $1.75. The warrants were granted to the following individuals in consideration for services rendered to the Company:

NAME:	NUMBER OF WARRANTS:
Guy Quigley	300,000
Charles Phillips	300,000
Eric Kaytes	50,000
Wendy Quigley	200,000
Robert L. Pollack	50,000
William Reilly	140,000
Marielle Reilly	100,000
Thomas MacAniff	60,000
Prophase Management	200,000
Kariba Holdings	300,000

(w) On November 5, 1996, the Company granted 350,000 Class F warrants, each to purchase one share of the Company's Common Stock at a per share exercise price of $2.50. The warrants were granted to the following individuals in consideration for services rendered to the Company:

NAME:	NUMBER OF WARRANTS:

Guy Quigley	75,000
Charles Phillips	75,000
George Longo	50,000
Eric Kaytes	25,000
Robert L. Pollack	25,000
William Reilly	50,000
Ted Karkus	50,000

(x) On May 6, 1997, the Company granted 650,000 Class G warrants, each to purchase one share of the Company's Common Stock at a per share exercise price of $10.00. The warrants were granted to the following individuals in consideration for services rendered to the Company:

NAME:	NUMBER OF WARRANTS:
Guy Quigley	140,000
Charles Phillips	85,000
George Longo	75,000
Eric Kaytes	35,000
Frank Merlino	10,000
William Reilly	50,000
Prophase Management	50,000
Thomas MacAniff	200,000
A. J. Robbins, MD	5,000

(y) On May 6, 1997, the Company issued 350,000 Class G warrants to purchase shares of the Company's Common Stock at a per share exercise price of $10.00. The warrants were issued as part of a settlement agreement with Sands Brothers Ltd.

ITEM 27. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits:

EXHIBIT NO.	
*3.1	Articles of Incorporation of the Company (as amended).
*3.2	Certificate to Increase the Number of Authorized Shares of the Company.
*3.3	Bylaws of the Company as currently in effect.
*5	Opinion of Olshan Grundman Frome & Rosenzweig LLP with respect to legality of the Common Stock.
*10.1	Stock Option Plan for Consultants, Advisors and Non-Employee Directors.
*10.2	Exclusive Representation and Distribution Agreement dated May 4, 1992 between the Company and Godfrey Science & Design, Inc. et al.
*10.3	Employment Agreement dated June 1, 1995 between the Company and Guy J. Quigley.
*10.4	Exclusive Master Broker Wholesale Distributor and Non-Exclusive National Chain Broker Agreement dated July 22, 1994 between the Company and Russell Mitchell.

**10.5	United States Exclusive Supply Agreement dated March 17, 1997 (portions of this exhibit are omitted and were filed separately with the Securities Exchange Commission pursuant to the Company's application requesting confidential treatment in accordance with Rule 406 of Regulation C as promulgated under the Securities Act of 1933).
*23.1	Consent of Olshan Grundman Frome & Rosenzweig LLP, included in Exhibit No. 5.

*23.2	Consent of Nachum Blumenfruct, CPA.
*25.0	Power of Attorney, included on the signature page to this Registration Statement.

- ---------------------------

* Previously filed.

** Filed herewith.

ITEM 28. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(1) File, during any period in which it offers or sales securities, a post-effective amendment to this registration statement to;

(i) Include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement;

(iii) Include any additional or changed material information on the plan of distribution.

(2) For determining liability under the Securities Act of 1933, treat each post-effective amendment as a new registration statement of the securities offered, and in the offering of such securities at that time to be the initial bona fide offering.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the small business issuer of expenses incurred or paid by a director, officer or controlling person of the small business issuer in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the small business issuer will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Doylestown, State of Pennsylvania, on this 24th day of September, 1997.

THE QUIGLEY CORPORATION

/S/ GUY J. QUIGLEY

Guy J. Quigley, Chief Executive Officer and President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ GUY J. QUIGLEY Guy J. Quigley	Chairman of the Board, President, Chief Executive Officer and Director	September 24, 1997
* George J. Longo	Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	September 24, 1997
* Eric H. Kaytes	Vice President, Secretary, Treasurer, and Director	September 24, 1997
*	Vice President, Chief Operating	September 24, 1997

Charles A. Phillips	Officer and Director	
- -------------------------- Dr. Robert L. Pollack	Director	September 24, 1997
* - -------------------------- A. Jerene Robbins, M.D.	Director	September 24, 1997

*BY: /S/ GUY QUIGLEY

GUY J. QUIGLEY
ATTORNEY-IN-FACT

CONFIDENTIAL PORTIONS OF THIS DOCUMENT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

UNITED STATES EXCLUSIVE SUPPLY AGREEMENT

This Agreement dated March 17, 1997, is made by and between The Quigley Corporation, a Nevada corporation with offices at 10 South Clinton Street, Doylestown, PA. 18901 (hereafter referred to as "Quigley"), and JOEL, Inc., a Pennsylvania corporation with offices at 31 North Spruce Street, Elizabethtown, PA. 17022 (hereafter referred to as "JOEL").

George Eby, III ("Eby") is the owner of a certain use patent for the use of zinc gluconate to reduce the duration of the common cold (Patent RE 33,465). John Godfrey ("Godfrey") is the owner of certain patents for flavoring for zinc supplements for oral use (Patent 4,684,528 and 4,758,439). Eby and Godfrey granted to Quigley the exclusive worldwide right to manufacture, distribute and sell zinc gluconate lozenges pursuant to certain license agreements with Eby dated August 24, 1996 and a certain Exclusive Representation and Distribution Agreement with Godfrey dated May 4, 1992.

JOEL has demonstrated that it is capable of producing the Product, as defined herein, utilizing the product formulation. including the Patents, all as more particularly set forth in Exhibit A hereto (collectively, the "Formula") . (Lozenges produced pursuant to the Formula and any revision thereto, are referred to herein individually as the "Lozenge" and collectively as the "Product" or "Lozenges".) The Product is currently marketed and sold by Quigley under the trademark COLD-EEZE (the "Trademark") . The Trademark is owned by Quigley. Quigley also plans to market and sell the Lozenges in bulk, or in packaging which may not use the Trademark.

Quigley desires JOEL to produce its total United States requirements for the Product and JOEL desires to undertake this requirement of this Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, Quigley and JOEL, in consideration of the mutual covenants and conditions hereinafter set forth, and intending to be legally bound, hereby agree as follows:

1. INCORPORATION OF RECITALS AND EXHIBITS. The above recitals and each Exhibit identified in this Agreement are made a part of this Agreement by such reference.

2. SERVICES AND SPECIFICATIONS. JOEL shall manufacture the Product in accordance with the Formula and in accordance with applicable laws, rules and regulations, Good Manufacturing Practices are promulgated by the U.S. Food and Drug Administration ("FDA") from time to time prevailing in the industry (collectively, the "Specifications").

3. EXCLUSIVE UNITED STATES SUPPLY. To enable JOEL to manufacture the Products pursuant to the terms and conditions of this Agreement, Quigley grants to JOEL a United States exclusivity to manufacture the Product using the Formula, which includes the Patents, as defined in the following sentence. The Patents shall include the patents listed in Exhibit A, including without limitation all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and any other pending and future patents necessary or useful to manufacture the Product (collectively called the "Patents"). In the event that JOEL is unable to meet the manufacturing demands of Quigley and with the written permission of Quigley, JOEL shall have the right to appoint approved third parties to manufacture the Product in accordance with the Formula; provided said approved third party executes a confidentiality agreement as set forth in paragraph 10, JOEL shall have the responsibility of such approved parties, as if JOEL was the manufacturer of the Product.

4. PRODUCTION. Because the Product is a new product, Quigley has not yet accurately forecast the number of Lozenges that it will require for the calendar year 1997. In addition, during calendar 1997, JOEL will be in the process of transitioning other business and expanding its production capabilities to exclusively produce the Product. For these reasons, JOEL cannot guarantee that it will be able to supply all of Quigley's total requirements in 1997. Therefore, for the calendar year 1997, JOEL shall have met its obligations under this Agreement if JOEL uses its best efforts to supply all of Quigley's requirements.

Beginning in January of 1998, JOEL agrees to supply all of Quigley's requirements for Product provided that throughout the term of this Agreement, Quigley shall provide JOEL with estimated annual forecasts and quarterly rolling forecasts which will allow JOEL to plan for Quigley's production and inventory requirements. Quigley's forecasts shall be based on a good faith analysis of the market for the Product as is ascertained from prior years sales. Quigley agrees that JOEL shall have met its obligations under this Agreement if JOEL meets Quigley's quarterly forecasts. Quigley shall provide its forecast for 1998 to JOEL on or before December 1, 1997.

Pursuant to paragraph 3 of this Agreement, in order to meet Quigley's requirements JOEL may contract with approved third parties to manufacture the Product. Within the United States marketplace, Quigley shall not produce itself, or acquire from an

approved third party, any Product during the term of this Agreement.

5. ORDERS FOR PRODUCT: INVENTORY. Product shall be held in inventory in JOEL's warehouse located at 500 North 15th Avenue, Lebanon, Pennsylvania, pending receipt of orders and shipping instructions from Quigley. Upon receipt of orders from Quigley, JOEL shall pack and ship Product in accordance with such order and shipping instructions. All shipping costs shall be borne by Quigley. JOEL shall provide Quigley with such shipping records attached to a copy of the packing list/invoice identifying the customer, P/O number, carrier and destination, along with any other relevant information and/or documentation as Quigley shall reasonably request to determine compliance with shipping instructions.

Within sixty (60) days of execution of this Agreement, JOEL shall notify Quigley of the maximum number of units of Packaged Product, as defined in paragraph 15 which it can store in inventory at its current warehouse. In no event may Quigley require JOEL to maintain inventory in excess of such number. Should it become necessary or desirable to maintain inventory levels in excess of such number, JOEL shall, within such time period as is reasonable under the circumstances, make arrangements for additional warehouse space, the costs of which shall be borne by Quigley.

6. QUIGLEY'S RESPONSIBILITIES. Quigley shall be responsible for all advertising, marketing, sales and delivery of the Product. Throughout the term of this Agreement Quigley, at its sole cost and expense, shall use its best efforts to diligently and continuously promote, develop and maintain a substantial, permanent and expanding business for the Product.

7. PAYMENT. Quigley shall pay JOEL according to the payment schedule set forth on Exhibit B. The parties acknowledge that the number of Lozenges per package and the type of packaging required by Quigley may vary, as more fully set forth in Exhibit B. The term "Unit" as used herein shall mean any one of the Product items listed on Exhibit B. JOEL shall submit daily invoices to Quigley identifying the number of Units of each Product items produced. In the event JOEL contracts with approved third parties to produce the Product, JOEL shall include on the daily invoices all Product items produced and shipped by such parties during the preceding week. Payment for Product produced by approved third parties shall be made by Quigley to JOEL in accordance with the payment schedule set forth on Exhibit B. JOEL shall be responsible for paying such approved third parties out of payments from Quigley. All invoices from JOEL shall be due and payable by Quigley in full within thirty (30) business days from the date of each invoice, subject to a two percent reduction for payments made within ten (10) days.

8. PRICE ADJUSTMENT . Within 60 days of execution of this Agreement, JOEL shall provide Quigley with a detailed list of JOEL's current cost for ingredients and other supplies, (the "Original Procurement Cost"). In the event JOEL's actual costs increase with reference to the Original Procurement Cost, then JOEL shall provide Quigley detailed data concerning its actual costs of procuring the ingredients and other supplies. The per Unit price payable to JOEL shall be increased by the total per Unit cost increase of all ingredients and other supplies. Such price adjustment shall be effective with respect to all invoices issued to Quigley thirty (30) days after notice of the procurement cost change is received by Quigley. In addition, in the event JOEL's total production costs increase by more than ten percent (10%) over JOEL's total production costs as of the date of this Agreement, the parties shall negotiate, in good faith, and mutually agree upon an increase in the price of the Product. In the event that the parties cannot agree to such an increase, JOEL shall have the right to seek arbitration and both parties will be subject to its findings. In the event of a market driven decrease in Quigley's wholesale prices, Quigley shall have the right to negotiate a reduced manufacturing cost from JOEL. In the event that the parties cannot agree to such a decrease, Quigley shall have the right to seek arbitration and both parties will be subject to its findings.

9. RISK OF LOSS; INSURANCE. Risk of loss to Product passes to Quigley when the manufacturing process is completed. Quigley shall be responsible for insuring all Product in the care, custody or control of JOEL and any other suppliers of Product, against loss or damage from perils covered by an

"all risk" property insurance policy in the amount of the market value of such Product. Additionally, Quigley shall carry and maintain, at all times and at Quigley's sole cost and expense, (a) Commercial General Liability coverage, including Product/Completed Operations, in the amounts of at least One Million Dollars ($1,000,000.00) any one occurrence and Two Million Dollars ($2,000,000.00) Products/Completed Operation Aggregate. Two Million Dollars ($2,000,000.00) policy General Aggregate; (b) property coverage for comprehensive perils to protect the interests of Quigley and JOEL as respects property of Quigley in the care, custody and control of JOEL to a limit of at least Ten Million Dollars ($10,000,000.00). JOEL and any other suppliers of Product shall be named as an additional named insured in the policies described in (a) and (b) above. Such policies shall be carried with insurance companies acceptable to JOEL and each shall provide that its terms and conditions shall not be altered, cancelled or changed until ten (10) days after termination or cancellation of this Agreement. A certificate of such insurance coverage shall be furnished to JOEL.

JOEL shall, at all times and at JOEL's sole cost and expense, carry and maintain (a) Commercial General Liability coverage, including Product/Completed Operations, in the amounts of at least

One Million Dollars ($1,000,000.00) any one occurrence and Two Million Dollars ($2,000,000.00) Products/Completed Operation Aggregate. Two Million Dollars ($2,000,000.00) policy General Aggregate; (b) property coverage for comprehensive perils to protect the interests of Quigley and JOEL as respects property of Quigley in the care, custody and control of JOEL to a limit of at least Ten Million Dollars ($10,000,000.00) and (c) such statutory worker's compensation insurance as is required by local law for JOEL's employees engaged in providing services hereunder. Quigley shall be named as an "additional insured" upon JOEL's Commercial General Liability policy described in (a) above and as "loss Payee" under the JOEL Property policy described in (b) above. Such policies shall be carried with insurance companies acceptable to Quigley and each shall provide that its terms and conditions shall not be altered, cancelled or changed until ten (10) days after termination or cancellation of this Agreement. A certificate of such insurance coverage shall be furnished to Quigley.

10. CONFIDENTIALITY. All business and technical information, whether in written or oral form and including, but not limited to the Formula, which Quigley may disclose to JOEL, or to any employee, agent or representative of JOEL, shall be received and retained by JOEL and its employees, agents and representatives as strictly confidential and, except as provided for herein, may not be disclosed to any third party. JOEL shall only use such information in connection with the production and packaging of Product, and shall not disclose the same to any person not having a need to know. JOEL shall inform each of its officers, employees or agents working with or otherwise having access to such information of his or her obligation to maintain the confidentiality of Quigley's confidential and proprietary information. Nothing in this paragraph shall prohibit JOEL from disclosing such information to any approved third party who is manufacturing the Product for JOEL, provided the approved third party has entered into a written confidentiality agreement with Quigley.

All business and technical information, whether in written or oral form and including, but not limited to, packaging, manufacturing processes, quality control standards, coding systems and all business information such as supplier lists, costs and the like, which JOEL may disclose to Quigley, or to any employee, agent or representative of Quigley, shall be received and retained by Quigley and its employees, agents and representatives as strictly confidential and, except as provided for herein, may not be disclosed to any third party. Quigley shall not disclose the same to any person not having a need to know. Quigley shall inform each of its officers, employees or agents working with or otherwise having access to such information of his or her obligation to maintain the confidentiality of JOEL is confidential and proprietary information.

Neither party shall have an obligation of confidentiality with respect to information which:

(a) was publicly available at the time of receipt from the disclosing party or subsequently becomes publicly available without breach of an obligation assumed or duty owed by the nondisclosing party; or

(b) was known and can be shown to have been known by the nondisclosing party at the time of receipt from the disclosing party and was not acquired on a confidential basis; or

(c) becomes known to the nondisclosing party on a non-confidential basis through a third party whose own acquisition and disclosure were independent of the nondisclosing party, not in breach of any obligation hereunder and not on a confidential basis; or

(d) is required by law, after prior notice is given to the disclosing party; or

(e) is approved for disclosure by the disclosing party in writing.

11. RETURN OF DOCUMENTS, ETC. All originals and copies (in whatever format) of written business and technical information and extracts thereof identified or reasonably identifiable as confidential or proprietary to Quigley or JOEL shall be and remain the exclusive property of the disclosing party at all times, and shall be returned to the disclosing party upon the termination of this Agreement or upon the disclosing party's request.

12. JOEL'S REPRESENTATIONS. JOEL represents and warrants that as of the date the Product is produced and packed by JOEL, such Product will meet the Specifications.

13. FORMULA OWNERSHIP. Quigley represents and warrants that it is the owner of the worldwide manufacturing, distribution and marketing rights to the Formula and has the authority to grant to JOEL the right to use the same in the manufacture of the Product for Quigley. Quigley has taken, or shall take such actions as are necessary to secure and protect the right to sell the Product in the United States.

14. APPROVED THIRD PARTY MANUFACTURING. In accordance with paragraph 3 of this Agreement, JOEL shall have the right to contract with approved third parties to manufacture the Product for Quigley, contingent upon approved third parties fulfilling paragraph 10 of this Agreement.

15. PACKAGING. JOEL shall be responsible for packaging the Product, and Quigley agrees that JOEL may contract with approved

third party suppliers for such packaging. The packaging material used with the Product, as well as every use of any Quigley trademarks, shall be subject to the prior written approval of Quigley. Quigley hereby approves the packaging, including the use of the Trademarks on such packaging, currently in use (the "Packaged Product"). JOEL shall not adhere any label or other printed material on Product which has not received prior written approval by Quigley. JOEL agrees that it shall include such trademark and copyright notices on the Product packaging as Quigley may designate.

16. INDEMNITY BY QUIGLEY. In the event of (i) consumer, customer, governmental agency or other third party complaints, demands, claims or legal actions alleging illness, injury, death or damage as a result of the consumption or use of any Product except for any claim arising from JOEL's failure to manufacture the Product according to the Specifications, (ii) claims or legal action alleging patent or copyright infringement, violations of any patent rights or copyrights or unfair competition or trade secrets or trademarks or other rights of any approved third party which arise out of or relate to the Product, Formula or packaging; or (iii) any other claim arising out of or related to JOEL's production, storage or use of the Product or Formula, except to the extent attributable to JOEL, Quigley shall indemnify, defend and hold JOEL harmless from and against any and all liability, loss or damage (including lost profits), cost or expense (including court costs and reasonable attorney's fees), arising out of, resulting from or in any way connected with such complaint, demand, claim, or legal action. Quigley shall assume full responsibility for, and pay the expense of, the investigation, defense, legal fees, settlement costs and payment of all such complaints, demands, claims and legal actions, provided that JOEL may, at its expense, participate in any legal action through counsel of its own choice. JOEL shall promptly notify Quigley of any such complaint, demand, claim or legal action and cooperate in the defense thereof.

17. INDEMNITY BY JOEL. In the event of consumer, customer, governmental agency, or third party complaints, demands, claims or legal actions alleging illness, injury, death or damage as a result of the consumption or use of any Product arising from JOEL's failure to manufacture Product according to Specifications, JOEL shall indemnify, defend and hold Quigley harmless from and against any and all liability, loss or damage (including lost profits), cost or expense (including court costs and reasonable attorney's fees), arising out of, resulting from or in any way connected with such complaint, demand, or claim. JOEL shall assume full responsibility for, and pay the expense of, the investigation, defense, legal fees, settlement costs and payment of all such complaints, demands, claims and legal actions, provided that Quigley may, at its expense, participate in any legal action through counsel of its own choice. Quigley shall promptly notify

JOEL of any such complaint, demand, claim or legal action and cooperate fully in the defense thereof.

18. BOOKS AND RECORDS. During the term of this Agreement, each party shall prepare, maintain and retain complete and accurate books and records relating to the respective party's obligation under this Agreement, including the production, storage, packaging, marketing, sale, purchase and distribution of the Product. All such books and records prepared, maintained or retained pursuant to this Agreement shall be made available to the other party for inspection upon reasonable notice and during regular business hours.

19. INSPECTION BY QUIGLEY . At any time while this Agreement remains in effect, Quigley shall have the right to send one or more of its authorized employees or representatives to observe and inspect, upon reasonable notice and during scheduled business and manufacturing hours, the Product manufacturing and packaging process, JOEL's plant and any other facilities utilized in providing the services, including the inventory and storage of Product.

20. TERM. This Agreement shall be effective as of the date set forth in the first paragraph of this Agreement and shall continue in effect for a period of three years, with yearly renewal thereafter, unless terminated by either party upon two (2) years written notice.

21. TERMINATION RIGHT. Either party may also terminate this Agreement in the following circumstances:

(a) Where the other party has failed to perform or meet any material term or condition hereof and has failed to correct the same within thirty (30) days after written notice of such failure by the non-breaching party, or if the breach is incapable of cure within thirty (30) days after notice, if the breaching party has not commenced efforts to correct the same within the thirty (30) day period; or

(b) If the other party files a petition in bankruptcy or is adjudicated a bankrupt, or if a petition in bankruptcy is filed against it which is not dismissed within thirty (30) days, or if such party becomes insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or discontinues its business or if a receiver is appointed who is not discharged within thirty (30) days.

22. EFFECT OF TERMINATION. Upon termination of this Agreement, the rights granted hereunder shall terminate and JOEL shall discontinue all use of the Formula. Also, upon termination, JOEL shall either: 1) deliver all completed Product to a location

designated by Quigley at Quigley's expense, or 2) make the Product available for pick-up by Quigley. In either case, Quigley shall pay JOEL for such completed Product.

23. FORCE MAJEURE. Either party shall be excused from performance and liability under this Agreement to the extent that such performance is prevented by an Act of God, strike or other labor dispute, war condition, civil disorder, embargo, fire, flood, accident or any other casualty beyond the reasonable control of such party.

24. NONCOMPETITION. JOEL agrees that, while this Agreement remains in effect and until termination of the Patents, it will not manufacture, process, or package any zinc-based lozenges, provided Quigley purchases all of its United States requirements from JOEL or approved third parties. Beginning on or before January 1, 1998, while this Agreement remains in effect JOEL shall not produce any other zinc lozenges for any third party, provided Quigley purchases all of its United States requirements from JOEL or approved third parties.

25. RIGHT OF FIRST OFFER. Quigley shall have a right of first offer to purchase JOEL's business as set forth herein. JOEL shall give Quigley written notice of JOEL's election to offer its entire business for sale to third parties. Quigley shall have thirty (30) business days after the receipt of said notice (the "Offer Period") to make a written offer (the "Offer") to JOEL which shall set forth the basic terms and conditions upon which Quigley would be willing to enter into a binding agreement for the purchase of JOEL's business. Upon JOEL's acceptance of the Offer, the parties shall negotiate in good faith for a period of not more than sixty (60) business days after such acceptance (the "Negotiation Period") in order to enter into a binding agreement for the sale of the business to Quigley in accordance with the terms and conditions of the accepted Offer. The right of first offer shall automatically expire and terminate upon the earlier of: (i) Quigley's failure to make an Offer within the Offer Period; (ii) JOEL's good faith rejection of the offer within the Offer period; or (iii) the failure or inability of Quigley and JOEL in good faith to enter into a binding purchase agreement within the Negotiation Period. Upon the

expiration of the Right of First Offer, JOEL shall be permitted to offer the business for sale to any third party and neither Quigley nor JOEL shall have any further rights or obligations under the terms of this paragraph, provided that the manufacture of the Products by a purchasing party shall require Quigley's permission and approval for such manufacture and such permission and approval shall not unreasonably be withheld.

26. RELATIONSHIP. The relationship between Quigley and JOEL is that of independent contractor. This Agreement shall not be construed as creating between Quigley and JOEL the relationship of principal and agent, joint venturers, co-partners or any other

similar relationship, nor shall JOEL be considered in any sense an affiliate or subsidiary of Quigley. Neither party shall have any authority to create or assume, in the other's name, any obligation, express or implied, or to act or purport to act as the other's agent or legally empowered representative for any purpose whatsoever. Neither party shall be liable to any third party in any way for any engagement, obligation, commitment, contract, representation, transaction, act or omission of the other except as expressly provided herein.

27. SEVERABILITY. In the event that any provision of this Agreement is declared invalid or contrary to any law, rule, regulation or public policy of the United States or any state, all of the remaining provisions hereof shall continue in full force and effect.

28. SURVIVAL OF REPRESENTATIONS. The provisions set forth in paragraphs 7, 10, 11, 16, 17, 24, and 19 of this Agreement, as well as all of the representations, warranties, indemnities and guarantees of JOEL and Quigley contained in this Agreement, shall survive the termination or cancellation of this Agreement.

29. GOVERNING LAW. This Agreement shall in all respects be governed by the laws of the Commonwealth of Pennsylvania. The parties further specifically agree that any action or proceeding arising out of or in connection with this Agreement shall be venued in the Federal District Court for the Middle District of Pennsylvania sitting in Harrisburg, or, if appropriate, the Court of Common Pleas for Dauphin County, Pennsylvania, and hereby consent to the jurisdiction of each of said courts or if appropriate, the Court of Common Pleas for Bucks County, Pennsylvania and hereby consent to the jurisdiction of each of said courts.

30. NOTICES. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be deemed to have been sufficiently given if in writing and delivered by hand or by telefax transmission (with a mandatory written confirmation, via a recognized overnight courier, as provided below) or sent by registered or certified mail (postage prepaid) or by express courier or express mail, fees prepaid, addressed as indicated below:

(a) If to Quigley:

The Quigley Corporation
10 South Clinton Street
Doylestown, PA. 18901
ATTN: Charles A. Phillips
Telephone No.: (215)345-0919
Fax No. (215)345-5920

With a copy to:

Thomas F. J. MacAniff, Esquire
Eastburn and Gray, P.C.
60 East Court Street
Post Office Box 1389
Doylestown, PA. 18901-4350
Telephone No.: (215)345-7000
Fax No. (215)345-9142

(b) If to JOEL:

JOEL, Inc.
31 North Spruce Street
Elizabethtown, PA. 17022
ATTN: David B. Deck
Telephone No.: (800)367-2441
Fax No. (717)367-4055

With a copy to:

Franklin A. Miles, Jr., Esquire
McNees, Wallace & Nurick
100 Pine Street
Post Office Box 1166
Harrisburg, PA. 17108 -1166
Telephone No.: (717)237-5287
Fax No. : (717)237-5300

Either party may, by notice as aforesaid, designate a different address for notices or other communications intended for it.

Any notice which is delivered in the manner provided herein (provided mandatory confirmation copies are sent) shall be deemed to have been duly given to the party to whom it is directed upon actual receipt by such party.

31. ASSIGNMENT. Neither party shall assign or transfer this Agreement or their rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld.

32. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the parties relating to the subject matter of this Agreement and supersedes and cancels any and all previous contracts, irrevocable corporate purchase orders, agreements or understandings between the parties with respect thereto. This Agreement may not be altered or amended except by a written instrument executed by duly authorized representatives of Quigley and JOEL. Unless expressly agreed by both parties, this Agreement shall not be altered or amended by any purchase order issued by

Quigley. No waiver hereunder shall be asserted or effective except upon a written instrument executed by the party against whom the waiver is asserted.

33. HEADINGS. The headings contained herein are inserted for convenience only and shall not be deemed to have any substantive meaning.

34. NO WAIVER. Any failure to either party to notify the other of a violation, default or breach of this Agreement or to terminate this Agreement on account thereof shall not constitute a waiver of such violation, default or breach, or a consent, acquiescence or waiver of any later violation, default or breach, whether of the same or a different character.

35. AUTHORIZATION: ACCEPTANCE. Each party hereto warrants and represents to the other that all necessary corporate actions and approvals have been taken and given, and that upon execution by its duly authorized representative, this Agreement shall be a binding obligation of such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written.

The Quigley Corporation

By: /S/ GUY J. QUIGLEY

Name: Guy J. Quigley
Title: President

JOEL, Inc.

By: /S/ DAVID B. DECK

Name: David B. Deck
Title: President

EXHIBIT A

JOEL, INC. PHARMALOZ AND SIMON DIVISION

SUBJECT: SPECIFICATION SHEET FOR QUIGLEY COLD EEZE CHERRY FLAVOR

RX:301

Sensory Tests	Action Limits	Stability Limits	Release Limits
Appearance	NMT 3*	NMT 3*	Oval lozenge with convex side
Color	NMT 3*	NMT 3*	Light brown
Odor	NMT 3*	NMT 3*	Sweet no off odors
Taste	NMT 3*	NMT 3*	Astringent with sweet undertones

Physical Properties

Shape			
Length			22.60mm + or - .75mm
width			17.00mm + or - .60mm
thickness			11.20mm + or - .93mm
Weight			4.50grams + or - .20grams
Moisture Content		NMT 2%	1.5% + or - .5%

Active Ingredient

Ionic zinc from Zincum Gluconicum 13.3 mg/lozenge			
	95.0% to 115.0% of Label Claim	90.0% to 120% of Label Claim	90.0% to 120% of Label Claim

Inactive Ingredient

Liquid Sucrose -2534.71 mg/lozenge	None	None	None
Corn Syrup - 1769.04 mg/lozenge	None	None	None
Glycine [text omitted]	____	____	____
Copper sulfate [text omitted]	____	____	____
Cherry flavor - 4.31 mg/lozenge	None	None	None

Product Imprinting - "Q" imprinted on two sides of lozenge — All lozenges manufactured at Pharmaloz Division must have "Q" imprinted on one side

Note: At present Simon Division product without "Q" imprinting on lozenges. Imprinting will be added after May 5, 1997.

Assay Testing for Active Ingredient Levels (Method:TI001-P)

Wrap and Packaging

Wrap style: Lozenges individually wrapped in bright red PVC film. Bright red PVC film contains "COLD-EEZE" in white lettering.

Package style: PRINTED BAG STYLE:
Bag material is an adhesive lamination of polypropylene film with an interiaminar coating of PVDC to enhance the oxygen barrier. All printing is trapped within layers of lamination. Bags are heat sealed and coded with packaging code on the front window panel. Lozenge count 18 per bag.

PRINTED BOX STYLE:
Clear cello bag packed in printed box. Clear bags are heat sealed and coded with packaging code on front pannel of bag. Lozenge count per bag packed in box - 18 lozenges

- ---

*LEGEND CODES FOR DETAILS ON PAGE 1

NMT -	Not More Than
NC -	No Change
1-	Very slight change; noticeable to trained laboratory personnel
2-	Definite Change; noticeable to trained laboratory personnel
3-	Change barely noticeable to consumer
4-	Definite change; noticeable to consumer
5-	Extreme Change

- ---

EXHIBIT A

JOEL, INC. PHARMALOZ AND SIMON DIVISION

- ---

SUBJECT: SPECIFICATION SHEET FOR QUIGLEY COLD EEZE CITRUS FLAVOR

- ---

RX:302

Ssnsory Tests	Action Limits	Stability Limits	Release Limits
Appearance	NMT 3*	NMT 3*	Oval lozenge with convex side
Color	NMT 3*	NMT 3*	Light brown

Odor	NMT 3*	NMT 3*	Sweet no off odors
Taste	NMT 3*	NMT 3*	Astringent with sweet undertones

Physical Properties
- -------------------

Shape			
Length			22.60mm + or - .75mm
width			17.00mm + or - .60mm
thickness			11.20mm + or - .93mm
Weight			4.50grams + or - .20grams
Moisture Content		NMT 2%	1.5% + or - .5%

Active Ingredient
- -----------------
Ionic zinc from Zincum Gluconicum
13.3 mg/lozenge

	95.0% to 115.0% of Label Claim	90.0% to 120% of Label Claim	90.0% to 120% of Label Claim

Inactive Ingredient
- -------------------

Liquid Sucrose -2534.71 mg/lozenge	None	None	None
Corn Syrup - 1769.04 mg/lozenge	None	None	None
Glycine - [text omitted]	[ ]	[ ]	[ ]
Copper Sulfate [text omitted]	[ ]	[ ]	[ ]
Lime Oil - 4.93 mg/lozenge	None	None	None
Lemon Oil - 2.13 mg/lozenge	None	None	None
Product Imprinting - "Q" imprinted on two sides of lozenge			All lozenges manufactured at Pharmaloz Division must have "Q" imprinted on one side

Note: At present Simon Division product without "Q" imprinting on lozenges. Imprinting will be added after May 5, 1997.

Assay Testing for Active Ingredient Levels (Method:TI001-P)
- --
Wrap and Packaging
- ------------------

Wrap style: Lozenges individually wrapped in bright red PVC film. Bright red PVC film contains "COLD-EEZE" in white lettering.

Package style: PRINTED BAG STYLE:
Bag material is an adhesive lamination of polypropylene film with an interiaminar coating of PVDC to enhance the oxygen barrier. All printing is trapped within layers of lamination. Bags are heat sealed and coded with packaging code on the front window panel. Lozenge count 18 per bag.

PRINTED BOX STYLE:
Clear cello bag packed in printed box. Clear bags are heat sealed and coded with packaging code on front

pannel of bag. Lozenge count per bag packed in box - 18 lozenges

*LEGEND CODES FOR DETAILS ON PAGE 1

NMT -	Not More Than
NC -	No Change
1-	Very slight change; noticeable to trained laboratory personnel
2-	Definite Change; noticeable to trained laboratory personnel
3-	Change barely noticeable to consumer
4-	Definite change; noticeable to consumer
5-	Extreme Change

EXHIBIT A

JOEL, INC. PHARMALOZ AND SIMON DIVISION

SUBJECT: SPECIFICATION SHEET FOR QUIGLEY COLD EEZE TROPICAL PUNCH FLAVOR

RX:303

Ssnsory Tests	Action Limits	Stability Limits	Release Limits
Appearance	NMT 3*	NMT 3*	Oval lozenge with convex side
Color	NMT 3*	NMT 3*	Light brown
Odor	NMT 3*	NMT 3*	Sweet no off odors
Taste	NMT 3*	NMT 3*	Astringent with sweet undertones

Physical Properties

Shape		
Length		22.60mm + or - .75mm
width		17.00mm + or - .60mm
thickness		11.20mm + or - .93mm
Weight		4.50grams + or - .20grams
Moisture Content	NMT 2%	1.5% + or - .5%

Active Ingredient
- -----------------

Ionic zinc from Zincum Gluconicum 13.3 mg/lozenge

	95.0% to 115.0% of Label Claim	90.0% to 120% of Label Claim	90.0% to 120% of Label Claim

Inactive Ingredient
- -------------------

Liquid Sucrose -2534.71 mg/lozenge	None	None	None
Corn Syrup - 1769.04 mg/lozenge	None	None	None
Glycine - [text omitted]	[ ]	[ ]	[ ]
Copper Sulfate [text omitted]	[ ]	[ ]	[ ]
Tropical Punch Flavor - 3.81 mg/lozenge	None	None	None
Product Imprinting - "Q" imprinted on two sides of lozenge	All lozenges manufactured at Pharmaloz Division must have "Q" imprinted on one side		

Note: At present Simon Division product without "Q" imprinting on lozenges. Imprinting will be added after May 5, 1997.

Assay Testing for Active Ingredient Levels (Method:TI001-P)
- --

Wrap and Packaging
- ------------------

Wrap style: Lozenges individually wrapped in bright orange cello.

Package style:

PRINTED BAG STYLE:
Bag material is an adhesive lamination of polypropylene film with an interiaminar coating of PVDC to enhance the oxygen barrier. All printing is trapped within layers of lamination. Bags are heat sealed and coded with packaging code on the front window panel. Lozenge count 18 per bag.

PRINTED BOX STYLE:
Clear cello bag packed in printed box. Clear bags are heat sealed and coded with packaging code on front pannel of bag. Lozenge count per bag packed in box - 18 lozenges

- --

*LEGEND CODES FOR DETAILS ON PAGE 1

NMT -	Not More Than
NC -	No Change
1-	Very slight change; noticeable to trained laboratory personnel
2-	Definite Change; noticeable to trained laboratory personnel
3-	Change barely noticeable to consumer
4-	Definite change; noticeable to consumer
5-	Extreme Change

- --

EXHIBIT A

JOEL, INC. PHARMALOZ AND SIMON DIVISION

SUBJECT: SPECIFICATION SHEET FOR QUIGLEY COLD EEZE PLUS CHERRY FLAVOR

RX:304

Ssnsory Tests	Action Limits	Stability Limits	Release Limits
Appearance	NMT 3*	NMT 3*	Oval lozenge with convex side
Color	NMT 3*	NMT 3*	Light brown
Odor	NMT 3*	NMT 3*	Sweet no off odors
Taste	NMT 3*	NMT 3*	Astringent with sweet undertones

Physical Properties

Shape		
Length		24.97mm + or - .75mm
width		18.84mm + or - .60mm
thickness		9.64mm + or - .93mm
Weight		4.50grams + or - .20grams
Moisture Content	NMT 2%	1.5% + or - .5%

Active Ingredient

Ionic zinc from Zincum Gluconicum 13.3 mg/lozenge			
	95.0% to 115.0% of Label Claim	90.0% to 120% of Label Claim	90.0% to 120% of Label Claim

Inactive Ingredient

Liquid Sucrose - 2585.52 mg/lozenge	None	None	None
Corn Syrup - 1905.12 mg/lozenge	None	None	None

Glycine [text omitted]	[ ]	[ ]	[ ]
Copper sulfate [text omitted]	[ ]	[ ]	[ ]
Cherry flavor - 4.98 mg/lozenge	None	None	None

Product Imprinting - "Q" imprinted on two sides of lozenge — All lozenges manufactured at Pharmaloz Division must have "Q" imprinted on one side

Assay Testing for Active Ingredient Levels (Method:TI001-P)
- ---

Wrap and Packaging
- ------------------

Wrap style: Lozenges individually wrapped in bright red PVC film. Bright red PVC film contains "COLD-EEZE" in white lettering.

Package style: PRINTED BAG STYLE:
Bag material is an adhesive lamination of polypropylene film with an interiaminar coating of PVDC to enhance the oxygen barrier. All printing is trapped within layers of lamination. Bags are heat sealed and coded with packaging code on the front window panel. Lozenge count 30 per bag.

PRINTED BOX STYLE:
Clear cello bag packed in printed box. Clear bags are heat sealed and coded with packaging code on front pannel of bag. Lozenge count per bag packed in box - 18 lozenges

- --

*LEGEND CODES FOR DETAILS ON PAGE 1

NMT -	Not More Than
NC -	No Change
1-	Very slight change; noticeable to trained laboratory personnel
2-	Definite Change; noticeable to trained laboratory personnel
3-	Change barely noticeable to consumer
4-	Definite change; noticeable to consumer
5-	Extreme Change

- --

EXHIBIT A

JOEL, INC. PHARMALOZ AND SIMON DIVISION

SUBJECT: SPECIFICATION SHEET FOR QUIGLEY COLD EEZE PLUS CITRUS FLAVOR

RX:305

Ssnsory Tests	Action Limits	Stability Limits	Release Limits
Appearance	NMT 3*	NMT 3*	Oval lozenge with convex side
Color	NMT 3*	NMT 3*	Light brown
Odor	NMT 3*	NMT 3*	Sweet no off odors
Taste	NMT 3*	NMT 3*	Astringent with sweet undertones
Physical Properties			
Shape			
Length			24.970mm + or - .75mm
width			18.84mm + or - .60mm
thickness			9.64mm + or - .93mm
Weight			4.50grams + or - .20grams
Moisture Content	NMT 2%		1.5% + or - .5%
Active Ingredient			
Ionic zinc from Zincum Gluconicum 13.3 mg/lozenge	95.0% to 115.0% of Label Claim	90.0% to 120% of Label Claim	90.0% to 120% of Label Claim
Inactive Ingredient			
Liquid Sucrose - 2585.52 mg/lozenge	None	None	None
Corn Syrup - 1905.12 mg/lozenge	None	None	None
Glycine - [text omitted]	[ ]	[ ]	[ ]
Copper sulfate [text omitted]	[ ]	[ ]	[ ]
Lime Oil - 7.52 mg/lozenge	None	None	None
Lemon Oil - 5.44 mg/lozenge	None	None	None

Assay Testing for Active Ingredient Levels (Method:TI001-P)

Wrap and Packaging
- ------------------

Wrap style: Lozenges individually wrapped in clear cello.

Package style:

PRINTED BAG STYLE:
Bag material is an adhesive lamination of polypropylene film with an interiaminar coating of PVDC to enhance the oxygen barrier. All printing is trapped within layers of lamination. Bags are heat sealed and coded with packaging code on the front window panel. Lozenge count 30 per bag.

PRINTED BOX STYLE:
Clear cello bag packed in printed box. Clear bags are heat sealed and coded with packaging code on front pannel of bag. Lozenge count per bag packed in box - 18 lozenges

- --

*LEGEND CODES FOR DETAILS ON PAGE 1

NMT -	Not More Than
NC -	No Change
1-	Very slight change; noticeable to trained laboratory personnel
2-	Definite Change; noticeable to trained laboratory personnel
3-	Change barely noticeable to consumer
4-	Definite change; noticeable to consumer
5-	Extreme Change

- --

EXHIBIT B

PRICE SCHEDULE ON QUIGLEY PRODUCTS

COLD-EEZE(TM) CHERRY - 18 LOZENGES PER BOX; 12 BOXES PER CASE; 12 CASES PER MASTER CASE. (13.3 MG IONIC ZINC)
$________.

COLD-EEZE(TM) CITRUS - 18 LOZENGES PER BOX; 12 BOXES PER CASE; 12 CASES PER MASTER CASE. (13.3 MG IONIC ZINC)
$_______.

COLD-EEZE(TM) CHERRY - 18 LOZENGES PER BAG; 24 BAGS PER CASE;

$_______.   (13.3 MG IONIC ZINC)

COLD-EEZE(TM) CITRUS - 18 LOZENGES PER BAG; 24 BAGS PER CASE;
$_______.   (13.3 MG IONIC ZINC)

COLD-EEZE(TM) TROPICAL FRUIT - 18 LOZENGES PER BAG; 24 BAGS PER CASE;
$_______.   (13.3 MG IONIC ZINC)

COLD-EEZER PLUS CHERRY - 30 LOZENGES PER BAG; 56 BAGS PER CASE;
$_______.   (14.2 MG IONIC ZINC)

COLD-EEZER PLUS CITRUS - 30 LOZENGES PER BAG; 56 BAGS PER CASE;
$_______.   (14.2 MG IONIC ZINC)

COLD-EEZER PLUS CHERRY - 60 LOZENGES PER BAG; 28 BAGS PER CASE;
$______.   (14.2 MG IONIC ZINC)

COLD-EEZER PLUS CITRUS - 60 LOZENGES PER BAG; 28 BAGS PER CASE;
$______.   (14.2 MG IONIC ZINC)

COLD-EEZE(TM) CHERRY - 3000 LOZENGES PER CARTON
$______.   (13.3 MG IONIC ZINC)

COLD-EEZE(TM) CITRUS - 3000 LOZENGES PER CARTON
$______.   (13.3 MG IONIC ZINC)

COLD-EEZE(TM) TROPICAL FRUIT - 3000 LOZENGES PER CARTON
$______.   (13.3 MG IONIC ZINC)

PRICES EFFECTIVE FEBRUARY 1, 1997