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NANOPIERCE TECHNOLOGIES INC
Form 10QSB/A
April 13, 2004

FORM 10-QSB/A
(Amendment No. 1)

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

(Mark One)

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

For the quarterly period ended December 31, 2003

OR

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

Commission file number 33-19598-D

NANOPIERCE TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

84-0992908

(I.R.S. employer
identification number)

370 17th Street, Suite 3640
Denver, Colorado 80202

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: (303) 592-1010

Not applicable

(Former name, former address or former fiscal year, if changed since last
report)

Indicate by check mark whether the issuer (1) has filed all reports required to
be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes No
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As of February 16, 2004 there were 86,058,435 shares of the registrant's sole
class of common shares outstanding.

Transitional Small Business Disclosure Format Yes No
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EXPLANATORY NOTE ON AMENDMENT

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This Amendment has been filed to make minor clarifying revisions to Items 1 and 2 of Part I of the Quarterly Report Form 10-QSB for the registrant for the fiscal quarter ended December 31, 2003 that was filed with the Securities and Exchange Commission on February 17, 2004 (the "Original Filing Date"). This Amendment continues to speak as of the Original Filing Date, and the registrant has not updated the disclosures contained herein to reflect any events that occurred at a date subsequent to such date.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PART I - FINANCIAL INFORMATION

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
NanoPierce Technologies, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of NanoPierce Technologies, Inc. and subsidiaries as of December 31, 2003, the related condensed consolidated statements of operations and comprehensive loss for the three-month and six-month periods ended December 31, 2003 and 2002, the condensed consolidated statement of changes in shareholders' equity for the

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six-month period ended December 31, 2003, and the condensed consolidated statements of cash flows for the six-month periods ended December 31, 2003 and 2002. These interim condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

GELFOND HOCHSTADT PANGBURN, P.C.

Denver, Colorado

February 13, 2004

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NANOPIERCE TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheet
December 31, 2003
(Unaudited)

Assets	

Current assets:	
Cash and cash equivalents	\$ 26,111
Prepaid expenses	6,785
Assets of discontinued operations (Note 2)	3,501

Total current assets	36,397

Property and equipment:	
Office equipment and furniture	66,356
Leasehold improvements	138,776

	205,132
Less accumulated depreciation	(177,190)

	27,942

Other assets:	
Deposits and other	13,518
Intellectual property rights, net of accumulated amortization of \$584,315	215,685
Patent and trademark applications, net of accumulated	

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amortization of \$110,652	446,165
Investments in affiliates (Notes 4 and 5)	381,051

	1,056,419

 Total assets	 \$ 1,120,758
	=====

Liabilities and Shareholders' Equity

Current liabilities:	
Accounts payable	\$ 526,892
Accrued liabilities	12,843
Notes payable, related parties (Note 6)	175,000
Liabilities of discontinued operations (Note 2)	374,361

Total liabilities (all current)	1,089,096

Commitments and contingencies (Notes 5, 8 and 10)

Shareholders' equity (Note 7):	
Preferred stock; \$0.0001 par value; none issued and outstanding; 5,000,000 shares authorized	
Common stock; \$0.0001 par value; 200,000,000 shares authorized 66,023,969 shares issued and outstanding	6,602
Additional paid-in capital	21,671,345
Accumulated other comprehensive income	184,233
Accumulated deficit	(21,830,518)

Total shareholders' equity	31,662

 Total liabilities and shareholders' equity	 \$ 1,120,758
	=====

See notes to condensed consolidated financial statements.

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NANOPIERCE TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2003	2002	2003	2002
	-----	-----	-----	-----
Revenues	\$ 3,398	9,227	28,449	9,227
	-----	-----	-----	-----
Operating expenses:				
Research and development	6,398	92,876	53,053	184,787
General and administrative	284,055	535,259	694,338	1,165,981

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Selling and marketing	15,529	67,458	39,709	134,411
	<u>305,982</u>	<u>695,593</u>	<u>787,100</u>	<u>1,485,179</u>
Loss from operations	(302,584)	(686,366)	(758,651)	(1,475,952)
Other income (expense):				
Interest income	4,781	1,368	8,199	4,948
Equity losses of affiliates	(19,833)		(19,833)	
Interest expense	(2,493)	0	(2,790)	-
	<u>(17,545)</u>	<u>1,368</u>	<u>(14,424)</u>	<u>4,948</u>
Loss from continuing operations	(320,129)	(684,998)	(773,075)	(1,471,004)
Discontinued operations, income (loss) from operations of subsidiary	18,097	(170,507)	16,177	(403,226)
Net loss	<u>\$ (302,032)</u>	<u>(855,505)</u>	<u>(756,898)</u>	<u>(1,874,230)</u>
Basic and diluted loss per share:				
Loss from continuing operations	(*)	(0.01)	(0.01)	(0.02)
Loss from discontinued operations	(*)	(-)	(-)	(0.01)
Net loss per share, basic and diluted	<u>\$ (*)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding	<u>66,023,929</u>	<u>60,593,585</u>	<u>65,912,263</u>	<u>59,117,467</u>