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NANOPIERCE TECHNOLOGIES INC

Form 10QSB

May 16, 2005

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FORM 10-QSB

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 March 31, 2005

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

84-0992908

(State or other jurisdiction of
incorporation or organization)

(I.R.S. employer
identification number)

370 17th Street, Suite 3640
Denver, Colorado 80202

(Address of principal executive offices)

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)

Check whether the issuer (1) has filed all reports required to be filed by
Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 during the past
12 months (or for such shorter period that the registrant was required to file
such reports), and (2) has been subject to such filing requirements for the past
90 days. Yes No
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As of May 13, 2005 there were 91,259,033 shares of the registrant's sole class
of common shares outstanding.

Transitional Small Business Disclosure Format Yes No

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Nanopierce Technologies, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of Nanopierce Technologies, Inc. and subsidiaries as of March 31, 2005, the related condensed consolidated statements of operations and comprehensive loss for the three-month and nine-month periods ended March 31, 2005 and 2004, the condensed consolidated statements of cash flows for the nine-month periods ended March 31, 2005 and 2004, and the condensed consolidated statement of changes in shareholders' equity for the nine-month period ended March 31, 2005. These

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interim condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 standards of the Public Company Accounting Oversight Board (United States), 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.

/s/ GHP HORWATH, P.C.

Denver, Colorado
May 12, 2005

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NANOPIERCE TECHNOLOGIES, INC. AND SUBSIDIARIES Condensed Consolidated Balance Sheet March 31, 2005 (Unaudited)

Assets	

Current assets:	
Cash and cash equivalents	\$ 42,615
Accounts receivable, net	9,168
Notes receivable, net (Note 3)	314,000
Prepaid expenses	3,759

Total current assets	369,542

Property and equipment:	
Office equipment and furniture	66,356
Less accumulated depreciation	(48,698)

	17,658

Other assets:	
Advances receivable (Note 3)	225,000
Deposits and other	19,296
Investments in affiliates (Note 4)	189,751

	434,047

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Total assets	\$ 821,247 =====
Liabilities and Shareholders' Equity	

Current liabilities:	
Accounts payable	\$ 159,463 -----
Total liabilities (all current)	159,463 -----
Commitments and contingencies (Notes 4 and 7)	
Shareholders' equity (Note 6):	
Preferred stock; \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	
Common stock; \$0.0001 par value; 200,000,000 shares authorized 91,259,033 shares issued and outstanding	9,126
Additional paid-in capital	23,857,572
Accumulated other comprehensive income	122,855
Accumulated deficit	(23,327,769) -----
Total shareholders' equity	661,784 -----
Total liabilities and shareholders' equity	\$ 821,247 =====