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NANOPIERCE TECHNOLOGIES INC
Form 10QSB
February 14, 2005

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 December 31, 2004

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 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 X No

As of February 11, 2005 there were 91,259,033 shares of the registrant's sole
class of common shares outstanding.

Transitional Small Business Disclosure Format Yes No X

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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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 December 31, 2004, the related condensed consolidated statements of operations and comprehensive loss for the three-month and six-month periods ended December 31, 2004 and 2003, the condensed consolidated statements of cash flows for the six-month periods ended December 31, 2004 and 2003, and the condensed consolidated statement of changes in shareholders' equity for the six-month period ended December 31, 2004. These 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

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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
February 4, 2005

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NANOPIERCE TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheet
December 31, 2004
(Unaudited)

Assets

Current assets:

Cash and cash equivalents	\$ 272,031
Accounts receivable, net	3,748
Note receivable (Note 3)	314,000
Note receivable, related party (Note 3)	35,000
Prepaid expenses	2,474

Total current assets	627,253

Property and equipment:

Office equipment and furniture	66,356
Less accumulated depreciation	(46,885)

	19,471

Other assets:

Advances receivable (Note 3)	150,000
Deposits and other	19,367
Investments in affiliates (Note 4)	254,670

	424,037

Total assets	\$ 1,070,761
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Liabilities and Shareholders' Equity

Current liabilities:	
Accounts payable	\$ 121,605
Note payable (Note 5)	15,096

Total liabilities (all current)	136,701

Commitments and contingencies (Notes 4 and 7)	
Shareholders' equity (Note 6):	
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 91,259,033 shares issued and outstanding	9,126
Additional paid-in capital	23,857,572
Accumulated other comprehensive income	122,927
Accumulated deficit	(23,055,565)

Total shareholders' equity	934,060

Total liabilities and shareholders' equity	\$ 1,070,761
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