#### NANOPIERCE TECHNOLOGIES INC

Form 10OSB May 16, 2005

#### FORM 10-QSB

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

(Mark One)

[X] 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 PURUSANT 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

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(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 X No

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 X

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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

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 Accounts receivable, net Notes receivable, net (Note 3) Prepaid expenses	\$ 42,615 9,168 314,000 3,759
Total current assets	 369,542
Property and equipment: Office equipment and furniture Less accumulated depreciation	66,356 (48,698)
	 17,658
Other assets:	
Advances receivable (Note 3)	225,000
Deposits and other Investments in affiliates (Note 4)	19,296 189,751
	 434,047

Total assets	\$ 821,247
Liabilities and Shareholders' Equity	
Current liabilities: Accounts payable	\$ 159 <b>,</b> 463
Total liabilities (all current)	 159 <b>,</b> 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 Additional paid-in capital Accumulated other comprehensive income Accumulated deficit	9,126 3,857,572 122,855 3,327,769)
Total shareholders' equity	 661,784
Total liabilities and shareholders' equity	821 <b>,</b> 247