FORM SB-2/A

Optional form for registration of securities to be sold to the public by small business issuers [amend]

Filing Date: **2001-02-13**
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FILER

BIO PULSE INTERNATIONAL INC

CIK:**1102939**| IRS No.: **870634278** | State of Incorp.:**NV** | Fiscal Year End: **1231**
Type: **SB-2/A** | Act: **33** | File No.: **333-52410** | Film No.: **1536330**
SIC: **8300** Social services

Mailing Address
10421 SOUTH JORDAN GATEWAY
SUITE 500
SALT LAKE CITY UT 84095

Business Address
10421 SOUTH JORDAN GATEWAY
SALT LAKE CITY UT 84095
8015230101

As filed with the Securities and Exchange Commission on February 9, 2001.

REGISTRATION NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549
FORM SB-2/A-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BIOPULSE INTERNATIONAL, INC.
(Name of Small Business Issuer in its Charter)

Nevada		87-0634278
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

10421 South Jordan Gateway, Suite 500, South Jordan, Utah 84095
(801) 523-0101
(Address and Telephone Number of Registrant's Principal Place of Business)

Shirrell Hughes, 3230 E. Flamingo Road, Suite 156, Las Vegas, Nevada 89121
(800) 992-4333
(Name, Address and Telephone Number of Agent for Service)

Copies to:
Ronald L. Poulton, Esq., Poulton & Yordan, 136 East South Temple,
Suite 1700-A
Salt Lake City, Utah 84111
(801) 355-1341

Approximate Date of Proposed Sale to the Public: As soon as practicable 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, 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 any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. [X]

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

<TABLE>
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Calculation of Registration Fee

Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (1)
<S>	<C>	<C>	<C>	<C>
Common Stock Held By Selling Securityholders	1,908,636	$7.56(1)	$14,429,288	$3,809
Common Stock Underlying Series B Convertible	965,148	$7.56(1)	$7,296,519	$1,926

Preferred Stock(2)				
Common Stock Underlying Outstanding Options and Warrants(3)	723,618	$7.56(1)	$5,470,552	$1,444
Common Stock Issuable Under Private Equity Credit Agreement	4,182,330	$7.56	$31,618,415	$8,347
Total	7,779,732		$58,814,774	$15,527

(1) Estimated solely for the purposes of calculating the registration fee based on Rule 457(c). The price represents the average of the high and low price as reported on the OTCBB on February 1, 2001.
(2) Shares of common stock issuable by us from time to time upon the conversion of series B convertible preferred stock previously issued to the Selling Securityholders.
(3) Shares of common stock issuable by us from time to time upon exercise of warrants and stock options previously issued to the Selling Securityholders.

We hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until we 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 this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.

BioPulse International, Inc.
Cross-Reference Sheet
Pursuant to Rule 404(a)

Item Number and Heading	Heading in Prospectus
1. Front of the Registration Statement and Outside Front Cover Page of Prospectus. . .	Facing pages; Front Cover Page
2. Inside Front and Outside Back Cover Pages of Prospectus	Inside Front and Outside Back Cover Pages of Prospectus
3. Summary Information and Risk Factors.	Prospectus Summary; Risk Factors
4. Use of Proceeds	Prospectus Summary; Use of Proceeds; Description of Business;
5. Determination of Offering Price	Cover Page; Prospectus Summary; Risk Factors; Determination of Offering Price
6. Dilution.	Dilution; Comparative Data
7. Selling Security Holders.	Selling Securityholders
8. Plan of Distribution.	Front Cover Page; Plan of Distribution
9. Legal Proceedings	Legal Matters
10. Directors, Executive Officers, Promoters and Control Persons	Directors, Executive Officers, Promoters and Control Persons
11. Security Ownership of Certain Beneficial Owners and Management	Security Ownership of Certain Beneficial Owners and Management
12. Description of the Securities . . .	Description of Securities

13.	Interest of Named Experts and Counsel	Interest of Named Experts and Counsel
14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Disclosure of Commission Position on Indemnification for Securities Act Liabilities
15.	Organization Within Last Five Years.	Organization Within Last Five Years
16.	Description of Business	Description of Business
17.	Management's Discussion and Analysis or Plan of Operation Of Operation.	Management's Discussion and Analysis
18.	Description of Property	Description of Property
19.	Certain Relationships and Related Transactions.	Related Party Transactions
20.	Market for Common Equity and Related Stockholder Matters	Front Cover Page; Risk Factors; Shares Eligible for Future Sale
21.	Executive Compensation.	Executive Compensation
22.	Financial Statements.	Financial Statements
23.	Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.	Changes In and Disagreement with Accountants on Accounting and Financial Disclosure

</TABLE>

BioPulse International, Inc.

7,779,732 Shares of Common Stock for Resale
by the Selling Securityholders

We are registering currently issued and outstanding shares and shares issuable upon conversion or exercise of currently outstanding preferred stock, options and warrants held by the Selling Securityholders, as follows:

- 1,908,636 shares of issued and outstanding common stock held by third parties. We will not receive any proceeds from the sale of these shares.
- 965,148 shares of common stock issuable upon the exercise of currently issued and outstanding series B convertible preferred stock. We sold the series B convertible preferred stock for $3,000,000. We will receive no additional proceeds upon the conversion of the preferred shares, nor from the resale of the underlying common shares.
- 723,618 shares of common stock issuable upon the exercise of currently issued and outstanding options and warrants. Although we will receive the exercise price of any outstanding options and warrants which are exercised up to a maximum of $4,584,522, there can be no assurance that any of the options or warrants will be exercised.
- 4,182,330 common shares which may be issued to Hunts Drive LLC., pursuant to certain private equity credit agreement, whereby we may obtain additional funding of up to $10,000,000 from Hunts Drive. No common shares will be issued to Hunts Drive under this

agreement if we do not seek additional funding.

All of the funds we receive, if any, will be used for general working capital purposes.

The shareholders named in this prospectus may offer and sell these shares at any time using a variety of different methods. The actual number of shares sold and the prices at which they are sold will depend upon the market price at the time of those sales; therefore, we have not included in this prospectus information about the price to the public of the shares or the proceeds to the selling shareholders.

Our common stock is quoted on the OTC Bulletin Board under the symbol "BIOP." On February 1, 2001, the last reported price for our common stock on the OTC Bulletin Board was $7.56 per share.

You should carefully consider the section titled "Risk Factors" beginning on page 9 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Date Of This Prospectus Is _____, 2001

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Prospectus Summary

The Company

We have acquired and are developing proprietary technologies in various aspects of alternative medicine and biotechnology that we believe will advance the early detection and treatment of cancer and several other diseases. Our goal is two-fold: early detection using our cancer screening test and effective treatment through immunotherapy and other holistic approaches.

To date, none of our technologies have proven effective, been submitted for or received FDA approval for marketing in the United States.

Our goal is to become a leader in applying biotechnology to the early detection and treatment of cancer. The key components of our business strategy are to:

- commercialize our Thymidine Kinase - 1 or TK1 cancer screening technologies;
- extend our TK1 technology to other uses in treatment;
- commercialize our cancer vaccine and other immunotherapies;
- integrate our treatments with promising alternative treatments; and
- continue making scientific and technological advances in applied biotechnology.

We believe the technologies which we have acquired and are developing will allow us to offer a more accurate, less invasive method of cancer screening. Moreover, we think the cancer treatments we are developing are novel treatment alternatives for cancers that are not adequately addressed at the current time.

To achieve our goals we need to engage in the following additional research and development:

The Offering

Securities Being Registered for Resale By Selling Securityholders:	1,908,636 shares of our currently held by the Selling Securityholders. We will receive no proceeds from the sell of these shares;
	965,148 shares of common stock upon the conversion of currently issued and outstanding series B convertible preferred stock held by a Selling Securityholder. We sold the series B convertible preferred stock for $3,000,000. We will receive no additional proceeds from the conversion of the preferred shares or the sale of the underlying common shares.
	723,618 shares of common stock underlying issued and outstanding options and warrants. Although we will receive the exercise price of any outstanding options and warrants which are exercised up to a maximum of $4,584,522, there can be no assurance that any of the options or warrants will be exercised.

	4,182,330 shares of common stock and stock underlying warrants that may be issued to Hunts Drive, LLC, pursuant to certain private equity credit agreement, whereby we may seek additional funding up to $10,000,000. No common shares will be issued to Hunts Drive if we do not seek additional funding.
	For additional details on the securities being offered hereunder see the section titled "Securities Covered by this Prospectus."
Use of Proceeds:	All proceeds we receive will be used for general working capital purposes.
Offering Price:	We anticipate that all of the securities offered hereunder will be sold at the prevailing market price at the time of such sales, at prices related to such prevailing market price, at negotiated prices, or at fixed prices.
Principal Executive Offices:	BioPulse International, Inc. 10421 South Jordan Gateway, Suite 500 South Jordan, Utah 84095 Telephone No: (801) 523-0101
Summary Selected	The following is a summary of our consolidated Financial statements, which

Financial Data: are included elsewhere in this prospectus, and should be read in conjunction with those financial statements.

	For the Three Months Ended October 31,		For the Years July 31,	
	2000	1999	2000	1999
	(unaudited)	(unaudited)		
Statement of Operations Data:				
Net sales	$1,159,680	$228,208	$3,107,636	$289,623
Gross profit	761,321	43,142	1,944,038	109,753
Profit/(Loss) from operations	81,518	(234,904)	155,031	(243,435)
Net Profit/(Loss)	$81,518	(234,904)	155,031	(243,435)
Share data:				
Profit/Loss per common shares				
- basic	.01	(.04)	.02	(.07)
diluted	.01	(.04)	.02	(.07)

Weighted average number of common shares outstanding				
- basic	7,464,110	6,073,862	6,825,610	3,073,862
diluted	8,626,443	6,073,862	6,825,610	3,073,862

	As of October 31, 2000	As of July 31, 2000
	(unaudited)	
BALANCE SHEET DATA:		
Cash	$ 104,189	$ 42,055
Total current assets	464,543	298,936
Total assets	2,162,812	1,150,145
Total current liabilities	1,054,886	298,717
Stockholders' equity (deficit)	1,107,926	851,428

Risk Factors

An investment in the securities offered hereby involves a high degree of risk. Prospective investors should carefully consider the following risk factors, in addition to the other information set forth elsewhere in this Prospectus, including the Consolidated Financial Statements and Notes, prior to making an investment.

Our technologies and treatments have not been proven effective and may never be commercially viable.

Our technologies and treatments are in the early stages of development and testing. To date, none of our technologies or treatments have been proven effective. The development of novel technologies and treatments is highly uncertain and subject to a number of significant risks. Technologies and treatments that appear to be promising at early stages of development may not reach the market for a number of reasons. Such

technologies and treatments may be found to be ineffective, may fail to comply with regulatory requirements, may be uneconomical, may fail to achieve market acceptance or may be precluded from commercialization by proprietary rights of third parties.

We are a development stage company and we may not be able to commercialize any of our new products or services or continue to earn a profit.

We are a development stage company that earned a profit for the first time during our fiscal year ended July 31, 2000. Since our TK1 cancer screening tests are still in development, we do not expect to have any material revenue from the sale of our cancer test products and services until late 2001. Revenue from our other products and services is earned primarily outside the United States, and we do not expect any material U.S. revenue from these product lines until we obtain appropriate regulatory approval in 2002 or later. We cannot assure that we will ever commercialize our cancer test products or services, or that we will be able to earn substantial revenues from our other products or services.

If our cancer test clinical studies do not prove the superiority of our technologies, we may never sell our cancer test products and services.

In the fourth quarter of 2001, we intend to initiate a blinded multi-center clinical trial for our cancer test that will include several thousand patients with average risk profiles. The results of this clinical trial may show that tests using our technologies are not superior to existing screening methods. In that event, we may have to devote significant financial and other resources to further research and development of this or new technology. In addition, we may experience delays in the commercialization of tests using our technologies. It is possible that commercialization of our technologies may never occur.

If our clinical studies for our other products do not prove the superiority of our technologies, our revenues may decline and we may be unable to sell our products and services in the United States and other markets.

Our clinical studies with our other products and services have been small and included high-risk patients. The results from these earlier studies may not represent the results we may obtain from future studies, including planned clinical trials in the United States, which will include substantially more samples and average-risk patients. Consequently, we may not be able to sell these products and services in the United States or in other markets.

We may be unable to establish the superiority of our cancer screening products if we are unable to recruit a sufficient number of patients for our planned U.S.-based clinical trials.

We intend to conduct several U.S.-based clinical trials of our cancer screening products. This testing will require testing of thousands of average-risk patients. If we are unable to enroll the required number of average-risk patients, we will be unable to validate the superiority of our technologies, which would make it difficult to sell our products and services. We cannot guarantee that we will be able to recruit patients on a timely basis, if at all.

If Medicare and other third-party payors, including managed care organizations, do not provide adequate reimbursement for our products and services, most clinical reference laboratories will not use our products or license our technologies to perform cancer screening tests.

Most clinical reference laboratories will not perform cancer screening tests using our products and licensing our technologies unless they are adequately reimbursed by third-party payors such as Medicare and managed care organizations. There is significant uncertainty concerning third-party reimbursement for the use of any test incorporating new technology such as ours. Reimbursement by a third-party payor may depend on a number of factors, including a payor's determination that tests using our products and technologies are sensitive for cancer, not experimental or investigational, medically necessary, appropriate for the specific patient and cost-effective. To date, we have not secured any reimbursement approval for tests using our products and technologies from any third-party payor, nor do we expect any such approvals in the near future.

Reimbursement by Medicare will require approval by the Secretary of

Health and Human Services, or HHS. The Federal Budget Act of 1997 provides for reimbursement of new technologies such as ours, but only with action of the Secretary of HHS. We cannot guarantee that the Secretary of HHS will act to approve tests based on our technologies on a timely basis or at all. In addition, the assignment of a current procedural terminology code facilitates Medicare reimbursement. The process to obtain this code is lengthy and we cannot guarantee that we will receive a current procedural terminology code on a timely basis, or at all.

Since reimbursement approval is required from each payor individually, seeking such approvals is a time-consuming and costly process. If we are unable to obtain adequate reimbursement from Medicare and managed care organizations, our ability to generate revenue and earnings from the sale of our products or licenses to our technologies will be limited.

We will not be able to commercialize our technologies if we are not able to lower costs through automating and simplifying key operational processes.

Currently, cancer screening tests using TK1 are expensive because they are labor-intensive and use highly complex and expensive reagents. To price our products and services competitively, we will need to substantially reduce the costs of tests using our monoclonal antibody technology through significant automation of key operational processes and other cost saving procedures. If we fail to sufficiently reduce costs, tests using our technologies either may not be commercially viable or may generate little, if any, profitability.

Our inability to establish strong business relationships with leading clinical reference laboratories to perform cancer screening tests using out technologies will limit our revenue growth.

A key step in our strategy is to sell reagents and license our proprietary technologies to leading clinical reference laboratories that perform cancer screening tests. We currently have no business relationships with these laboratories and have limited experience in establishing such business relationships. If we are unable to establish appropriate business relationships, we will have limited ability to obtain revenues beyond revenue we can generate from our limited in-house capacity to process tests.

Our failure to convince medical practitioners to order tests using our technologies will limit our revenue and profitability.

If we fail to convince medical practitioners to order tests using our technologies, we will not be able to sell our products or license our technologies in sufficient volume for us to generate profits. We will need to make leading medical practitioners aware of the benefits of tests using our technologies through published papers, presentations at scientific conferences and favorable results from our clinical studies. Our failure to be successful in these efforts would make it difficult for us to convince medical practitioners to order cancer screening tests using our technologies for their patients.

If we fail to obtain the support of key scientists and research institutes it may be difficult to establish tests using our technologies as a standard of care for cancer screening, which may limit our revenue growth and profitability.

To make tests using our technologies the standard of care for cancer screening we need to establish relationships with leading scientists and research institutions. If these scientists and research institutions determine that cancer screening tests using our technologies are not superior to available cancer screening tests or that alternative technologies would be more effective in the early detection of cancer, we could encounter difficulty establishing tests using our technologies as a standard of care for cancer screening, which would limit our revenue growth and profitability.

We may experience limits on our revenue and profitability if only an insignificant number of people decide to be screened for cancer.

Even if our technologies are superior to alternative cancer screening technologies, adequate third-party reimbursement is obtained and medical practitioners order tests using our technologies, an insignificant number of people may decide to be screened for cancer. Despite the availability of current cancer screening methods and the recommendation of the American Cancer Society that Americans age 40 and above be routinely screened for colorectal, breast, prostate and other cancers, many of these individuals decide not to complete cancer screening tests. If only an insignificant portion of the population decides to complete cancer screening tests, this would limit our revenue and profitability.

If we fail to obtain the approval of the U.S. Food and Drug Administration, ("FDA"), or to comply with other FDA requirements, we may not be able to market our products and services in the United States and we may be subject to stringent approval guidelines.

We are subject to extensive regulation by the FDA under the Federal Food, Drug and Cosmetic Act and regulations thereunder, including regulations governing the development, marketing, labeling, promotion, manufacturing and export of our products. Failure to comply with these requirements can lead to stringent sanctions, including withdrawal of products from the market, recalls, refusal to authorize government contracts, product seizures, civil money penalties, injunctions and criminal prosecution.

If we are required to engage in extended, expensive clinical testing, we may be financially unable to continue operations.

We may take longer to complete our clinical trials than we project, or we may not be able to complete them at all. Clinical testing is very expensive, can take many years, and the outcome is uncertain. Given our current financial condition, we would likely have to seek additional funding to continue operations if extended and expensive clinical testing is required. There is no guarantee that we can obtain additional funding If we are unable to complete clinical testing, we will be unable to obtain FDA approval to market our products in the United States

Even if we complete clinical trials there is no guarantee we will obtain FDA approval to market our products in the United States.

The data collected from our clinical trials may not be sufficient to support approval by the FDA of any of our cancer vaccine or other products. Even if we complete our clinical trials, the FDA may not ultimately approve any of our product candidates for commercial sale. If we cannot obtain FDA approval our ability to operate profitably would be severely impaired.

Other companies may develop and market methods for detecting and treating cancer that may make our technologies less competitive, or even obsolete.

The market for cancer screening and treatment is large, estimated at more than 100 million at risk Americans, with approximately one million new cases of cancer being diagnosed per year. These markets have attracted competitors, some of which have significantly greater resources than we have.

Currently, we face competition from alternative procedure-based detection technologies such as mammograms, PSA-based tests and colonoscopy; screening tests such as the fecal occult blood test marketed by Beckman Coulter, Inc.; and the stool-based DNA test being developed by Exact Sciences, Inc. In addition, competitors, including Bayer Corporation, diaDexus, Inc., Matritech, Inc. and Millennium Predictive Medicine, Inc., are developing serum-based tests, a screening test based on the detection of proteins or nucleic acids produced by cancer. Several competitors, including BioMira, Dendreon, Entremed, Antigenics, Medimmune, and Medarex, are involved with researching and developing cancer vaccines, anti-angiogenesis products, cytokine products, and immune-stimulants.

These and other companies may also be working on additional methods of detecting and treating cancer that have not yet been announced. We may be unable to compete effectively against these competitors either because their tests are superior or because they may have more expertise, experience, financial resources and business relationships.

The loss of Jonathan Neville, Loran Swensen, Neil Riordan and Kim O'Neill could adversely affect our business.

Our success depends largely on the skills, experience and performance

of key members of our senior management and advisory team, including Jonathan Neville, our CEO, Loran Swensen, our President, and Neil Riordan and Kim O'Neill, members of our Advisory Board. The experience and efforts of each of these persons will be critical to us as we continue to develop our technologies and our testing process as we attempt to transition from a development stage company to a company with commercialized products and services. If we lose one or more of these key individuals, with their particular expertise, we may be unable to retain individuals with comparable skills and sufficient expertise to complete development, testing and commercialization of our products, which would adversely impair our ability to continue as a going concern.

If we are unable to protect our intellectual property effectively, we may be unable to prevent third parties from using our technologies, which would impair our competitive advantage.

We rely on patent protection as well as a combination of trademark, copyright and trade secret protection, and other contractual restrictions to protect the proprietary technologies we use, all of which provide limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. If the holders of the intellectual property we rely on are unable to protect those intellectual property rights, we may be unable to prevent third parties from using these technologies. This could enable competitors to compete more effectively against us.

As of December 15, 2000, we had licensed intellectual property rights to two issued patents in the United States, three pending patent applications in the United States, and several issued and pending foreign applications. We cannot assure you that any of the currently pending or future patent applications will result in issued patents. We also cannot predict how long it will take for such patents to be issued. Further, we cannot assure you that other parties will not challenge any patents issued to us, or that courts or regulatory agencies will not hold these patents to be invalid or unenforceable.

In addition to patents, we rely on contractual restrictions to protect our technology. We require third parties to sign confidentiality agreements. Nevertheless, we cannot guarantee that these measures will be effective in protecting our intellectual property rights. We cannot guarantee you that the patents will be broad enough to provide any meaningful protection nor can we assure you that our competitors may not develop more effective technologies, designs or methods to test for cancer or to treat cancer using cancer vaccines or using other similar technology without infringing upon intellectual property rights or that one of our competitors might not design around our proprietary technologies.

We may be subject to substantial costs and liability or be prevented from selling our screening tests for cancer or selling or providing our cancer treatments as a result of litigation or other proceedings relating to patent rights.

Third parties may assert infringement or other intellectual property claims against our licensors or us. There may be third-party patents, patent applications and other intellectual property relevant to our potential products that may block or compete with our products or processes. Even if third-party claims are without merit, defending a lawsuit may result in substantial expense to us and may divert the attention of management and key personnel. In addition, we cannot assure you that we would prevail in any of these suits or that the damages or other remedies if any, awarded against us would not be substantial. Claims of intellectual property infringement may require us to enter into royalty or license agreements with third parties that may not be available on acceptable terms, if at all. These claims may also result in injunctions against the further development and use of our technology, which would have a material adverse effect on our business, financial condition and results of operations.

Also, patents and applications licensed by us may become the subject of interference proceedings in the United States Patent and Trademark Office to determine priority of invention, which could result in substantial cost to us, as well as a possible adverse decision as to the priority of invention of the patent or patent application involved. An adverse decision in an interference proceeding may result in the loss of rights under a patent or patent application subject to such a proceeding.

If our current licenses with Aidan, Incorporated or Brigham Young University were terminated, it is doubtful we could develop viable

technologies.

We license certain technologies from Aidan, Incorporated and Brigham Young University (BYU) that are key to our technologies. The Aidan license is critical to the development of cancer vaccines, anti-angiogenesis, immune stimulants, and cytokines. The Aidan license, which relates to cancer vaccines, anti-angiogenesis, immune stimulants, and cytokines, is an exclusive license. Aidan may terminate the license if we fail to pay amounts due, submit certain reports or breach any other material term of the license agreement. The BYU license is the basis of our monoclonal antibody associated with TK1 and methodologies relating to the antibody in connection with our products and services. This license runs through 2004, with options to renew for annual 5 year extensions. BYU may terminate the license if we fail to pay specified minimum royalties. If either Aidan or BYU were to terminate the licenses, we would incur significant delay and expense to change a portion of our testing and/or treatment methods. Moreover, we cannot guarantee that we would even be able to successfully change these methods or that we could do so in a cost effective manner that would allow us to continue as a viable business.

Changes in healthcare policy could subject us to additional regulatory requirements that may delay the commercialization of our tests and increase our costs.

Healthcare policy has been a subject of discussion in the executive and legislative branches of the federal and many state governments. We are developing a staged commercialization strategy for our cancer screening tests and cancer treatments based on existing healthcare policies. Changes in healthcare policy, if implemented, could substantially delay the use of our tests and treatments, increase costs, and divert management's attention. We cannot predict what changes, if any, will be proposed or adopted or the effect that such proposals or adoption may have on our business, financial condition and results of operations.

Our shares are thinly traded and a market for our securities may not sufficiently materialize after the offering to allow investors to sell their securities.

At present, our shares are shares are thinly traded on the Over-the-Counter Bulletin Board and the Third Market Segment of the Frankfurt Stock Exchange. There is no assurance that a sufficient trading market will develop, or, if developed, that it will be sustained to allow investors in this offering to resell the securities offered herein should he or she desire to do so. Therefore, any investment in our securities may be very non-liquid.

Forward-Looking Statements

This prospectus contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. When used in this prospectus, the words "expects," "anticipates," "estimates," "intends" and similar expressions are intended to identify forward looking statements. These statements include, but are not limited to, statements under the captions "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus.

These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The cautionary statements made in this prospectus should be read as being applicable to all related forward-looking statements wherever they appear in this prospectus.

Securities Covered by this Prospectus

The 7,779,732 common shares covered by this prospectus are shares being registered for resale by the Selling Securityholders.

Currently issued and outstanding common shares

The 1,908,636 currently issued and outstanding common shares covered by this prospectus are held by various Selling Securityholders. We will receive no proceeds from the sale of any of these shares by the Selling

Securityholders.

Common shares underlying the series B convertible preferred stock

Pursuant to certain securities purchase agreement we sold 3,000 shares of series B convertible preferred stock to Hunts Drive, LLC., for $3,000,000. The preferred shares may be converted at any time. To date we have received no conversion notices from Hunts Drive.

Under the terms of the securities purchase agreement, Hunts Drive may convert each share of series B convertible preferred stock to $1,000 worth of shares of our common stock. The conversion price of our common stock upon receipt of a notice of conversion shall be equal to the lesser of $9.75 or eighty percent (80%) of the average of the three lowest closing bid prices of the common stock during the 20 day trading immediately prior to the conversion date.

In accordance with the securities purchase agreement and as a hedge against fluctuations in the price of our common shares, we are required to register 200% of the number of common shares Hunts Drive would receive if it had delivered a conversion notice on February 1, 2001, to convert all 3,000 shares of our series B convertible preferred shares. Based on the price of our common stock, Hunts Drive would have been entitled to receive 482,574 common shares. Therefore, we are registering 965,148 common shares to underly future conversions of the preferred shares held by Hunts Drive.

We will not receive additional proceeds from the conversion of the outstanding series B convertible preferred stock or the sale of the underlying common stock.

Common shares underlying currently issued and outstanding options and warrants

We are hereby registering for resale 723,618 shares of common stock issuable upon the exercise of currently outstanding options and warrants held by third parties. These options and warrants were issued in several transactions.

We are registering for resale an outstanding option to purchase up to 200,000 common shares with an exercise price of $2.75. This option was granted on August 3, 2000 and expires on August 3, 2010. If the entire option were exercised, we would receive $550,000.

We have outstanding warrants to purchase up to 184,300 common shares with an exercise price of $8.40 per share. These warrants were granted on January 24, 2001 and expire on January 24, 2006. If all of these warrants were exercised, we would receive $1,548,120.

We also have outstanding warrants to purchase up to 150,000 common shares with an exercise price of $8.53 per share. These warrants were granted on January 24, 2001 and expire on January 24, 2006. If all of these warrants were exercised, we would receive $1,279,500.

Finally, we have outstanding warrants to purchase up to 189,318 common shares with an initial exercise price equal to the lesser of $6.375 per share and the average closing price for the five trading days immediately prior to the effective date of this registration statement, if this registration statement is declared effective on or before February 19, 2001. If we do not have an effective registration statement in place prior to February 20, 2001, the exercise price shall be adjusted to fifty percent of the lesser of $6.375 and the average closing price for the five trading days immediately preceding the effective date of this registration statement. If all of these warrants were exercised, we would receive $1,206,902.

Although we will receive the exercise price of any or all outstanding options and warrants which are exercised , up to a maximum total of $4,584,522, there can be no assurance that any of the options or warrants will be exercised. Any funds we receive will be used to supplement working capital.

Common shares issuable pursuant to certain private equity credit agreement

We recently entered into certain Private Equity Credit Agreement with Hunts Drive, whereby they have granted us an equity line of credit for up to $10,000,000. Pursuant to this agreement, we may deliver put notices to

Hunts Drive from time to time requiring them to purchase shares of our common stock, up to purchases equaling $10,000,000.

The price per share of common stock put to Hunts Drive shall be equal to the closing bid price on the date of the put notice, less 15% of the average of our three lowest closing bid prices during the 10 consecutive trading days following the put date.

Pursuant to this agreement, Hunts Drive will also be issued warrants to purchase an additional 750 common shares for each 10,000 shares put to Hunts Drive. The total number of additional shares Hunts Drive could receive pursuant to these warrants is 750,000. These warrants shall have a five year term from the date of grant. The exercise price of the warrants shall be equal to 105% of the average of our three lowest closing bid prices during the 10 consecutive trading days following the put date.

In accordance with the terms of this agreement, and as a hedge against fluctuations in the price of our common stock, we are required to register 200% of the number of put shares and warrant shares issuable to Hunts Drive if we were to request the maximum commitment amount of $10,000,000, on February 1, 2001. Therefore, we are hereby registering for resale 4,182,330 common shares.

The private equity credit agreement provides that the maximum put amount for a single put shall equal the lesser of (a) $500,000, or (b) 125% of the weighted average daily volume for the 20 trading days prior to the put date. The minimum put amount is $75,000. Unless the Company obtains the requisite approval of its shareholders in accordance with the corporate laws of the State of Nevada and the applicable rules of the principal market, we may not issue shares pursuant to any put which is in excess of (i) 19.9% of the then outstanding common stock on the date of the put, less (ii) (A) the aggregate amount of shares of common stock previously issued under the private equity credit agreement, plus (B) the aggregate amount of shares which have been previously issued as of the date of the put, in connection with prior conversions, and would then be issuable assuming Hunts Drive converted all the then unconverted shares of the series B convertible preferred stock purchased by Hunts Drive, plus (C) the number of shares deliverable to Hunts Drive if it exercised all of its warrants.

Nothing under the agreement requires us to use the equity line of credit. No warrants or shares will be issued to Hunts Drive if we do not put shares to Hunts Drive.

Use of Proceeds

We will receive no proceeds from the shares being offered by the selling securityholders under this prospectus. We will receive some funds if the warrants and/or options are exercised, up to a maximum total of $4,584,522. We also could receive up to an additional $10,000,000 if we decide to put shares of our common stock to Hunts Drive pursuant to the private equity credit agreement. If we do sell additional shares to Hunts Drive pursuant to said agreement, we may also receive additional proceeds if Hunts Drive exercises the warrants it receives pursuant to the private equity credit agreement. Any proceeds will be used for general working capital purposes.

Dividend Policy

We have not paid, nor declared, any dividends since our inception and we do not intend to declare any such dividends in the foreseeable future. Our ability to pay dividends is subject to limitations imposed by Nevada law. Under Nevada law, dividends may be paid to the extent that a corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

The present intention of management is to utilize all available funds to develop our products and technologies.

Capitalization

This table should be read in conjunction with our financial statements and the related notes, which are included elsewhere in this prospectus, as well as Management's Discussion and Analysis of Financial Conditions and Results of Operations.

The following table sets forth our capitalization as of October 31, 2000:

<TABLE>

	October 31, 2000 (UNAUDITED)
<S>	<C>
Stockholders' equity	
Preferred stock, $ 0.001 par value; 10,000,000 shares authorized; -- 0 issued and outstanding.....	
Common stock, $ 0.001 par value; 100,000,000 shares authorized;	
7,464,610 shares issued and outstanding.....	7,464
Paid-in capital	1,226,934
Less Subscriptions Receivable.....	(119,586)
Accumulated deficit.....	(6,886)
Total stockholders' equity.....	1,107,926
Total capitalization.....	27,059,211

</TABLE>

Market for Common Equity and Related Stockholder Matters

Our common stock is listed on the Over-the-Counter Bulletin Board ("OTCBB"), under the symbol "BIOP." The Company is also listed on the Third Market Segment of the Frankfurt Stock Exchange under the symbol "BPZ." The Company has applied, but has not yet been approved for listing on the American Stock Exchange ("AMEX").

As of January 30, 2001, we had 245 shareholders holding 9,298,246 shares of common stock. Of the issued and outstanding common stock 2,481,611 are free trading, the balance are restricted sock as that term is used in rule 144. We have never declared a dividend on our common stock.

The following quotations, as provided by the National Quotation Bureau, LLC., represent prices between dealers and do not include retail markup, markdown or commission. In addition, these quotations do not represent actual transactions.

<TABLE>
<CAPTION>

	Closing Bid		Asking Bid	
	High	Low	High	Low
<S>	<C>	<C>	<C>	<C>
1998-1999				
First Quarter				
(Aug 1-Oct 31)	----	----	100.00	100.00
Second Quarter				
(Nov 1-Jan 31)	----	----	100.00	100.00
Third Quarter				
(Feb 1-Mar 16)	0.01	0.01	1	.25
(Mar 17-Apr 30)	Unpriced			
Fourth Quarter				
(May 1-July 31)	4.75	2	5.50	2.3125

1999-2000				
First Quarter				
(Aug 1-Oct 31)	7.875	4	9.50	5
Second Quarter				
(Nov 1-Jan 31)	9	4.50	10.75	6.50
Third Quarter				
(Feb 1-Apr 30)	6	3	9.75	5
Fourth Quarter				
(May 1-July 31)	3.75	2	6.50	3
2000-2001				
First Quarter				

(Aug 1-Oct 31)	4	2.75	5	3.375
Second Quarter				
(Nov. 1-Dec. 11)	11.50	3.75	11.5626	4

</TABLE>

On November 19, 1998, a 400 to 1 reverse split took place on our outstanding shares. The Closing Bid and Ask prices have been appropriately adjusted.

Changes in and Disagreements With Accountants

Jones, Jensen & Company were previously the principal accountants for BioPulse International, Inc., f/k/a International Sensor Technologies, Inc. On November 10, 1999, we terminated the engagement of Jones, Jensen & Company and appointed Crouch Bierwolf & Chisholm as our independent auditor and certifying accountant. Our Board of Directors approved the decision to change accountants.

Jones, Jensen & Company's report with respect to BioPulse International, Inc. balance sheets for the fiscal years ended July 31, 1998 and 1997 and the related statements of operations, stockholder's equity (deficit), and cash flows for the years ended July 31, 1998, 1997 and 1996 and from inception of July 13, 1984 through July 31, 1998 did not contain an adverse opinion or a disclaimer of opinion and was not qualified as to uncertainty, audit scope or accounting principles, but was modified as to going concern.

In connection with the audit of our financial statements for the fiscal years ended July 31, 1998 and July 31, 1999 and the interim period through November 10, 1999 preceding the date of the Jones, Jensen & Company termination, there were no disagreements, as that term is defined in Item 304 of Regulation S-B, with Jones, Jensen & Company on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures which, if not resolved to the satisfaction of Jones, Jensen & Company would have caused Jones, Jensen & Company to make reference to the matter in their report. Jones, Jensen & Company did not advise us regarding any "reportable events" as defined in Item 304 (a)(1)(iv)(B) of Regulation S-B.

No change in accountants has occurred since November 10, 1999.

Management's Discussion and Analysis

Overview

BioPulse started operations in January 1999.

As is typical with most new businesses, there is a period of time before the business is profitable. The market needs to be developed, employees trained, policies and procedures fine-tunes and the company needs to become known by and earn its reputation with its potential customers and clients. During the first half of the fiscal year ended July 31, 2000, BioPulse was still going through the startup process.

Since inception, BioPulse has been refining its operations and developing its market. BioPulse has advertised in periodicals targeted potential patients, rented booths at trade shows, developed a good reputation through results and by satisfied patients. BioPulse's fees started low and have increased as its market develops and as demand for its treatments has increased. BioPulse has introduced new treatments to offer its patients and expand its market.

From January 1999, BioPulse has managed a clinic in Tijuana, Mexico through a management contract with a Mexican Doctor. BioPulse is entitled to all revenues and is responsible for all expenses of the clinic. BioPulse has the authority to hire and fire employees of the clinic including doctors and nurses and makes all non-medical treatment decisions. BioPulse operates its clinic to provide care to patients that is not available elsewhere and desires to make these treatments available in the United States. More than 90% of operating revenues and expenses and profits were generated by the Mexican operations and support thereto in all periods discussed below.

BioPulse has conducted research and development, in that records of the patients it treats contain data that can be used to determine the

effectiveness of its treatments and the doctors are modifying the treatments based on the lessons they have learned from the treatment of the patients. This limited research and development has been integrated into the patient care given to paying patients and there have not been any material research and development costs, to date, that were distinguishable from patient care. All costs of patient care have been expensed in the period in which they were incurred.

BioPulse has an outpatient clinic at its office in Utah. The revenues and expenses generated by this clinic are not material.

BioPulse has an affiliation with a clinic in Germany. During fiscal year 2000, BioPulse sold equipment, provided training for its staff, oversight and sent patients to the clinic. In the 4th quarter of fiscal year 2000, several key staff members left the German clinic left and we have not sent any patients to the clinic since that time. The German clinic is responsible for its own expenses. We receive a fee for patients referred to the clinic. During fiscal year 2000, BioPulse earned $395,000 in revenues in connection with the German Clinic. It is not been determined when, if ever, BioPulse will resume sending patients to the German Clinic.

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Revenues

Revenues of $3,107,636 from clinic operations for the year ended July 31, 2000 increased $2,818,013 over the same period ended in 1999. The primary reason for the increase was the shorter period of operations (7months) in the year ended in 1999. There were approximately 3.5 times the number of patient days in the year ended in 2000 compared to 1999. In addition, the standard fee for treatment increased 2.75 times in the year ended in 2000 compared to 1999. Furthermore, in fiscal year 2000, the contract in the German clinic generated $395,000 which did not occur in 1999.

Revenues for the quarter ended October 31, 2000 were $1,159,680 compared to $228,208 for the quarter ended October 31, 1999; an increase of 500%. Revenues from the dendritic cell vaccine for the quarter ended October 31, 2000 were $226,000 (the first quarter they were available). The other factors that are responsible for the increase in revenue were that the standard fee for treatment and the patient days were each approximately double those of the quarter ended October 31, 1999.

Costs and Expenses

During fiscal year 2000, BioPulse moved its Tijuana Mexico Clinic operations from its location in the Grand Hotel to a larger and more functional facility in the back of the Corona Hotel. BioPulse and entered into a lease and advanced the funds to make building improvements to the area to occupied by the clinic offices and treatment rooms. BioPulse receives credit against its future rent obligations for the funds advanced for the building improvements and the amounts that will be credited against future rent obligations are capitalized as prepaid rent. Rent expense has increased during fiscal year 2000 as a result of moving into the new facilities. Patients stay in hotel rooms adjacent to the treatment rooms and offices.

During fiscal year 2000 and the quarter ended October 31, 2000, BioPulse has acquired additional medical equipment to enhance its ability to treat its patients. I addition BioPulse acquired licenses to new technology. These new acquisitions have increased depreciation and amortization expense in the period and will have a more significant effect in 2001 and beyond.

BioPulse has added new personnel at its Mexico clinic and significantly increased the pay level of its clinic employees to attract and retain the best personnel at the clinic. Salaries for fiscal year 2001 are expected to be twice that of fiscal year 2000.

Year Ended July 31, 2000 compared to 1999

Direct patient treatment costs increased 647% in the fiscal year 2000 over fiscal year 1999 primarily due to increased patient days. Gross profit increased to 63% of revenues in 2000 from 38% in 1999 primarily due to the increases in basic fees.

General and administrative costs increased $1,435,819 or 50% in fiscal year 2000 over 1999 because of increased medical and clinic operations, salaries, clinic and administrative office rent, travel, professional fees and advertising/promotion and a general increase in all other elements of expense because of the longer period of operations in 2000.

Quarters ended July 31, 2000 compared to 1999

Direct patient treatment costs increased 295% in fiscal year over 2000 fiscal year 1999 primarily due to increased patient days. Gross profit increased to 66% of revenues in 200 from 41% in 1999 primarily due to the increases in basic fees.

General and administrative costs increased $401,757 or 245 % in quarter ended October 31, 2000 over 1999 because of increased medical and clinic operations salaries, clinic and administrative office rent, and travel.

Significant Elements of Income or Loss That Do Not Arise From Continuing

Operations

There are no significant elements of income or loss that do not arise from continuing operation during the current fiscal year.

Liquidity and Capital Resources

During the quarter ended October 31, 2000, BioPulse used cash of $18,087 in its operations. The primary reason for the negative operating cash flow was an increase in accounts receivable and a decrease in unearned revenue which offset the net income for the quarter primarily from clinic operations. We expect operating cash flow to be generally positive for the rest of fiscal year 2001 since it is management's intention to adjust clinic operating cash requirements in line with clinic revenues.

In the first quarter of fiscal 2001, equipment and technology acquisitions were financed with equity and short-term notes so that there was a net increase in cash of $62,134.

In January, 2001, BioPulse completed a private placement of 3,000 shares of convertible preferred stock to a single investor at $1,000 per share. Net proceeds were approximately $2.4 million after costs of the issue. By the end of January, 2001, we had paid off the balances of short-term notes.

In the first quarter of 2001, BioPulse acquired rights to several biological technologies applicable to the detection, prognosis and treatment of various cancers, with the intent of developing these technologies for use in its clinics and eventually for commercial sale abroad and in the United States. To retain our rights to these technologies, we have incurred various commitments for up-front and performance expenditures. The net proceeds from the January 2001 private placement will be sufficient to meet these obligations, including the milestones required for TK1 development.

Although the clinic in Mexico is self-sustaining, and there has been modest revenue from dendritic cell vaccine treatments, clinic expansion and the accelerated development of the full potential of all the biologic technologies recently acquired will require additional financing.

Known Trends

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

Material Commitments for Capital Expenditures and Capital Resources

BioPulse has no material commitments for capital expenditures. BioPulse is seeking additional equity to finance expansion at an greater pace than can be financed from current operations.

Seasonal Aspects

BioPulse has experienced lower patient occupancy during late fall and early winter months than during other times of the year.

Business

Overview

At BioPulse, we are seeking to develop and market treatments complementary with the body's natural processes that build and restore the body's immune system. In our view, the accelerating trend toward alternative treatments is merging with rapid advances in biotechnology. We hope BioPulse will become one of the leading companies at the convergence of these two trends.

We manage clinical studies of certain of our products and conduct research and development of alternative and biotechnology medicine. We have acquired the right to use and develop proprietary technologies and procedures in various aspects of alternative medicine and biotechnology that we believe will assist in the early detection and monitoring of cancer through our TK1 cancer test and the treatment of cancer through immunotherapy treatments which are designed to stimulate or supplement the body's immune system, and other host non-toxic approaches as discussed in greater detail below.

Industry Background

Growing Trend Toward Alternative Medicine.

Health care is one of the largest industries in the world, accounting for over 10% of the gross national product of the United States. Pharmaceutical companies alone spend several billion dollars per year in marketing.

However, certain factors, such as frustration with the traditional medical care system in the United States and the inability to receive certain treatments here that are available elsewhere in the world, have led to a fast-growing industry of "alternative medicine." The "alternative medicine" industry includes a broad spectrum of products and services, ranging from chiropractic and herbal remedies to acupuncture and aromatherapy.

While the term "alternative medicine" includes a broad spectrum of products and services, its meaning has actually changed over time. For example, many herbal supplements that years ago were produced only by specialized manufacturers and sold primarily through health food stores are now produced by major pharmaceutical companies and sold in ordinary grocery stores. In addition, practices that are considered alternative in the United States, such as acupuncture, are considered more traditional in other countries, such as China.

The fluid nature of these classifications has led many industry observers to adopt the term "integrative medicine" to describe the combination of alternative and traditional medical procedures.

Many Americans already use alternative medicine each year. A number of major pharmaceutical companies have recognized this trend by introducing herbal supplement lines to complement their prescription drug programs. The United Stated government is also responding. For the year 2000, the National Institutes of Health elevated its Office of Alternative and Complementary Medicine to a full-fledged center, like the National Cancer Center, and its budget has jumped from approximately $25 million to $75 million within the last three years. The American Cancer Society also spends approximately $3 million to $4 million on research and education about alternative medicine, compared with virtually nothing just five years ago.

For most Americans, the alternative medicine marketplace is crowded and confusing. There are innumerable products and services that claim to have medical benefits. A study published in the Journal of the American Medical Association concluded that 42% of U.S. adults have used some form of untested therapy.

We believe that there is a tremendous opportunity to become one of the principal brand names for reliable alternative medicine, particularly with regard to cancer and other serious diseases.

Cancer Industry Background.

Cancer includes diverse diseases that share the characteristic of abnormal cells that proliferate uncontrollably and spread throughout the body, forming collections of tumor cells called metastases. The American Cancer Society estimates that approximately 1.2 million new cases of cancer will be diagnosed in the United States in 2000. Cancer causes over 550,000 deaths annually, making it the second leading cause of death in the United States.

The National Institutes of Health estimates overall annual costs for cancer at $107 billion; $37 billion for direct medical costs (total of all health expenditures), $11 billion for indirect morbidity costs (cost of lost productivity due to illness), and $59 billion for indirect mortality costs (cost of lost productivity due to premature death). Treatment of breast, lung, and prostate cancers account for over half of the direct medical costs.

Traditional treatments for cancer include surgery, radiation and

chemotherapy. These traditional treatments have well-known adverse side effects such as hair loss, decreased function of various organs and substantially impaired immune systems leading to susceptibility to other diseases. The side effects of these treatments, combined with relatively low success rates for most cancers, has led some to question these methods of treatment.

In addition, we believe that the dissatisfaction with traditional cancer treatments has led to experimentation with an assortment of alternative treatments, including many offered at cancer clinics in Mexico, Europe, and Asia. The American Cancer Society estimates that as many as 75% of cancer patients use some sort of alternative medicine, in addition to traditional treatments such as chemotherapy. Anecdotal reports of success from these alternative treatments have circulated, but, to our knowledge, no comprehensive studies have been made.

Many medical authorities accept the proposition that successful management of cancer involves three distinct activities: prevention, early detection, and effective treatment. Prevention involves, among other things, lifestyle changes that include eliminating smoking and other cancer-causing activities, and adoption of an improved diet, and a regular exercise regimen. We plan to focus primarily on the development of products and procedures designed to permit early detection and effective treatment of cancer.

Early detection is important because for most cancers the earlier treatment is rendered the greater the likelihood of success. For example, some studies show that when breast cancer is detected while still localized and before metastatic spread, the five-year survival rate is 97% or better. If the cancer spreads regionally before treatment, the five-year survival rate drops to around 75%. If there is distant metastasis, the five-year survival rate drops to 20%.

The American Cancer Society and the National Cancer Institute recommend that the approximately 74 million Americans age 50 and above undergo regular cancer screening tests for breast, colorectal, prostate, and other cancers. We believe that many people do not undergo regular screening tests because of the cost, inconvenience, and invasiveness of the currently available procedures and the relatively unreliable results for certain of these tests.

Effective treatment of cancer historically has meant a reduction in tumor size or, ideally, complete remission of the cancer. The adverse side effects of traditional treatments discussed above have led many companies to research new treatments that can accomplish remission without otherwise harming the patient. Many of the promising treatments are in the field of immunotherapy. The basic premise of these treatments is that the body's own immune system can fight cancer. This premise is shared by many of the alternative treatments, although the methodologies differ substantially. We view this as a convergence between alternative and biotechnical treatments.

History

BioPulse International, Inc., was incorporated in the state of Nevada on July 13, 1984 originally under the name Universal Financial Capital Corp. and changed its name in September 1985 to International Sensor Technologies, Inc. International Sensor Technologies, Inc. incurred heavy losses, had no revenue from operations and, subsequently, experienced five years of inactivity. On January 12, 1999, its name was changed again to BioPulse International, Inc.

Immediately prior to changing its name to BioPulse International, Inc, International Sensor Technologies, Inc., acquired BioPulse, Inc. Jonathan Neville, Loran Swensen and Dr. Robert Morrow founded BioPulse, Inc., as a Utah corporation in June 1998. From the time it was formed, until the time of its acquisition, the primary operations of BioPulse, Inc., were related to developing its business plan, researching alternative medical treatments and technologies and investigating clinics in Mexico. At the time of the acquisition, BioPulse, Inc., had approximately $75,000 worth of liabilities and no material assets. Similarly, International Sensor Technologies, Inc., had no liabilities and no significant assets. The acquisition of BioPulse was negotiated at arms length between Jonathan Neville, Loran Swensen and Dr. Robert Morrow on behalf of BioPulse, Inc., and Briton McConkie and Stephen Fey on behalf of International Sensor. At the time of the acquisition, International Sensor changed its name to BioPulse

International, Inc., and issued 3,200,000 restricted common shares to the shareholders of BioPulse, Inc., in exchange for all of the issued and outstanding shares of BioPulse, Inc. Of those shares, Jonathan Neville received 1,089,200 shares, Loran Swensen received 1,004,200, and Dr. Morrow received 317,000. The shareholders of International Sensor received 800,000 shares. Mr. Fey and Mr. McConkie each received 336,500 shares of that common stock.

During 1998 and 1999, our operations consisted of evaluating a variety of available alternative treatments with a focus on treatments that might be effective in rebuilding the body's natural immune system to fight cancer and other degenerative diseases. We also entered into an agreement with a foreign clinic in Mexico for which a locally licensed staff was recruited and in which we have implemented certain selected alternative treatments discussed below.

During 2000, we began expanding the scope of the treatments we were evaluating to include developments in biotechnology. We believe that recent advances in biochemistry and microbiology have the potential to explain the observable benefits of alternative medicine so these treatments can be optimized. At the same time, we are of the opinion that developments in biotechnology and immunotherapy hold the promise of new treatments that are consistent with the alternative medicine philosophy of improving overall health by working with the body's natural systems to fight disease.

Our Business Strategy

Our approach of combining alternative medicine techniques with the latest biotechnology advances is designed to capitalize on the convergence of traditional and alternative medicines while addressing the patients' desire for less damaging treatments.

Our business strategy objective is to continue to enhance the management of an operating clinic that provides up-to-date alternative and biotechnology cancer treatments, and rely on our management and operational experience to develop and test leads for new cancer diagnostic and therapeutic products. We believe that our TK1 test, which is described below, may enable the early detection and monitoring of cancer. In addition, to the TK1 test, we are developing therapeutic treatments designed to help the body's natural immune system to fight cancer, including our continued development of therapies using the following types of products as discussed below:

Dendritic cell "cancer vaccines" using broad-spectrum tumor antigens;
Angiogenesis, the formation of new blood vessels inhibitors, including PGM, a substance usually capable of stimulating an immune response;
Immune stimulants such as MPGC;
Broad-spectrum cytokines -- a class of immunotregulatory substances secreted by cells of the immune system.

The key elements of our approach are to:

1. Develop improved diagnostics for early detection of cancer.

2. Discover and develop improved therapies and diagnostics directed at enhancing natural immune resistance.

3. Offer promising therapies as quickly as possible, anywhere in the world where we believe such therapies are permitted, through qualified and licensed health care providers and modern medical facilities.

4. Form collaborations with other research companies and operating clinics to accelerate product development and adoption of our products.

We plan to implement these elements through our clinic operations, our biotechnology product line and our alternative medicine protocols.

Clinic Operations

To date, most of our revenues have been derived from our relationship with a clinic in Tijuana, Mexico. In December 1999, we entered into a clinic management agreement with Dr. Omar Sanchez, a surgical oncologist, under which we provide clinic management services for Dr. Sanchez's clinic in Tijuana, Mexico. Dr. Sanchez's clinic offers a comprehensive alternative treatment program that includes certain of the alternative

treatments described below. The clinic's entire medical staff is locally licensed. The clinic has 40 rooms for resident patients, three group treatment rooms, a pharmacy, a laboratory, a surgery room and several offices for doctors and administration. During 2000, the clinic began administering patient treatments using many of the biotechnology treatments discussed below.

As part of our clinic management services, we provide technical know-how, equipment and supplies, and certain financial and logistical services to Dr. Sanchez's clinic. Under the clinic management agreement, we retain all funds generated from the clinic's operations.

The technical know-how that we provide includes information and training regarding the procedures related to our cancer vaccines, the PGM angiogenesis inhibitor, the MPGC immune stimulant and the various cytokine mixtures and preparations.

Equipment that we provide includes any laboratory or medical equipment necessary to administer the clinic's treatment program. The type of equipment that we provide from time to time includes liquid nitrogen containers, sterile hoods, centrifuges, incubators, environmental monitoring equipment and other related lab equipment. We do not manufacture or assemble any equipment. Supplies that we provide from time to time include common laboratory supplies and various reagents and solutions required for laboratory processes.

The BioPulse-managed clinic in Tijuana has drawn patients from around the world, including Mexico and the United States. We plan to work with Dr. Sanchez to expand his clinic to provide additional laboratory facilities, as well as develop additional clinics in Mexico and other countries.

We have an association with a German clinic that began in November 1999. Currently, the clinic is not utilizing our protocols. We anticipate re-evaluating this association within the next six months to determine whether to proceed forward or to seek association with another clinic in Germany. We have had preliminary discussions with clinics in other countries, including Australia, China and Costa Rica, who are interested in participating in our clinical studies. At this time we have no firm commitments or agreements with clinics in any of these countries.

Our Biotechnology Product Line

We have not yet sought approval of the United States Food and Drug Administration, or other regulatory approval for any of our products, including our cancer vaccine, anti-angiogenesis, cytokine or immune-stimulant products. We will not be able to commercialize any of our potential products in the United States until we obtain FDA approval, so any delay in obtaining, or inability to obtain, FDA approval could substantially harm our business.

We are conducting studies of the "cancer vaccines" and other biotechnology products discussed below on a fee-for-services basis at the BioPulse-managed clinic in Mexico. Participants apply to participate in the studies. The doctors who are supervising the study review the applications. Once accepted, participants receive an explanation of the procedures, including the potential risks, and sign informed consent forms. Participants are free to withdraw from these studies at any time.

The fee-for-services program reduces the cost of conducting clinical studies of the products. However, from time to time, we accept participants who are unable to pay, and in many cases, the cost of the treatment for a particular participant may exceed the fee. However, the fees generated typically cover the cost of the studies so that we do not expect to run a deficit in conducting these patient studies. The primary budgetary impact on us is in purchasing the equipment necessary for diagnostics and treatment. This equipment includes blood analysis machines, patient monitoring equipment, incubators, sterile hoods, centrifuges, other equipment required to prepare and store the vaccines and other laboratory supplies. We expect to purchase additional diagnostic equipment as funds become available either through operations or through

future debt or equity financing.

TK1 Cancer Screening Test.

We consider existing tests for the early detection of cancer to be invasive, expensive and not sufficiently reliable. We also believe that commercially available methods of monitoring the progress of patients during cancer treatment are inadequate.

We believe that our TK1 test may enable early detection and monitoring of several types of common cancers in an efficient and cost effective manner. In addition, we believe that the TK1 test, once we have finalized development of a kit using the Enzyme-Linked Immunosorbent Assay (ELISA) format, would require only a small blood sample and could also be incorporated into a standard blood test panel. The ELISA format is a fundamental tool of clinical immunology, based on the principle of antibody-antibody interaction. A kit using this format provides easy visualization of results, detecting the presence and amount of TK1, and can be completed without the expense and other problems of using radioactive materials. For these reasons, we believe that medical practitioners may order our cancer screening tests, if and when available, as part of a regular screening program for the early detection of various cancers, for use in assessing the progress of patients undergoing cancer treatment, and for use in determining prognosis post-treatment.

The TK1 test was originally developed at Brigham Young University (BYU) and is being further developed by Covance Research Products, Inc., in Denver, Pennsylvania. We licensed the intellectual property rights to the TK1 test from BYU under a license agreement that is discussed in greater detail below. We are collaborating closely with BYU to monitor Covance's efforts. We have the responsibility to supply enough antigen to prepare the proposed calibrator lost, to supply at least two cell lines that make the monoclonal antibodies suitable for use in the proposed ELISA sandwich assay for TK1, to supply enough purified monoclonal antibody from at least the clones to be used in the proposed ELISA sandwich assay for TK1 to permit the start of initial assay development and calibrator stability

studies without waiting for the production of additional antibody, human serum samples with known TK1 levels and a vector with the human TK1 gene inserted for use in the bacterial expression systems or the Raji cell line suitable for use in the production of human TK1. We are providing these requirement in conjunction with BYU.

The remaining research and development necessary to complete the product, which is being done primarily by Convance with our assistance and the assistance of BYU, include cell culture, cloning and freezing; antibody production, purification and labeling; calibrator definition, design, evaluation, test lot production, and stability testing; assay design and optimization; sensitivity; precision; and testing on patient samples. We estimate that this process will continue through December 2001 at a cost to us of approximately $200,000.

Biotechnology Cancer Treatments.

We believe immunotherapy may overcome many of the limitations of current cancer therapies by enabling the immune system to recognize and destroy cancerous cells both at the site of origin and at sites of metastases. We believe this may be feasible through either alternative methods or biotechnology methods, but we believe the best approach is an integrative approach relying on both methods.

An immunotherapy treatment that we are researching is the "cancer vaccine," for which we have licensed the intellectual property rights, including the right to make, sell and use, from Aidan, Incorporated. We also have licenses from Aidan for the intellectual property rights, including the right to make, sell and use, to additional cancer treatments that we believe may complement the cancer vaccines. Among these are a patented anti-angiogenesis product that can be administered clinically, an immune-stimulant product made from bacterial cell wall extracts that we believe may act as a vaccine adjuvant adjuvants enhance the immune system response to antigens -- and a proprietary mixture of cytokines that we believe may act as adjuvants.

We plan to retain commercial rights for our products in the United States and many parts of the world, although we may collaborate with other companies in some areas.

1. Cancer Vaccine.

A new approach to cancer therapy takes advantage of the potential of dendritic cells to activate the immune system to attack tumor cells. This process is referred to in both scientific and popular media as a "cancer vaccine." These are therapeutic, as opposed to preventative, vaccines. The feasibility of the cancer vaccine approach has been tested in in vitro studies (studies done in an artificial environment) and in animal and human studies. Approval for phase I and phase II human clinical trials of dendritic cell therapy has been granted to several companies and institutions by the FDA. We have not yet applied for or received regulatory approval to begin clinical trials of our dendritic cell therapy, or "cancer vaccine."

Dendritic immune cells are specialized antigen-presenting cells found in trace numbers in the blood stream and in lymph and non-lymph tissues in the human body. They play a crucial role in the initiation of the immune response, including activation of cytotoxic T lymphocytes. They derive their name from the branch-like structures (dendrites) on their cell membranes, on which they present antigen.

The method of treatment in the protocol we have licensed from Aidan is, briefly, as follows: Monocytes are isolated from patient blood and converted into dendritic cells using cytokines. The dendritic cells are then exposed in vitro to tumor antigens. These "programmed" dendritic cells are then re-infused into the patient intravenously, through the blood, and intradermally, through the skin. The re-infused cells may come in contact with lymphocytes and may induce an immune response toward the tumor antigen.

We believe that an important element in the success of a cancer vaccine is the tumor-associated antigen that is exposed to the dendritic cells in vitro. Tumor associated antigens are being discovered yearly. Identification, purification, and characterization of these antigens are costly and time consuming. To date, no tumor-associated antigen with 100% specificity and sensitivity has been identified.

We understand that Aidan, Inc., found that dendritic cells pulsed with a high molecular weight isolate of antigen-containing, autologous tumor, without identification, purification, or characterization of tumor associated antigens, can effectively induce T lymphocyte mediated cytotoxicity of human tumor cells in vitro. Based on studies conducted by Aidan, we believe that an in vivo immune response against tumor cells can be elicited by infusion of autologous dendritic cells that have been primed (pulsed) with high molecular weight autologous tumor isolates.

We understand that Aidan also found that dendritic cells pulsed with a high molecular weight isolate of autologous urine, without identification, purification, or characterization of tumor associated antigens, can induce T lymphocyte mediated cytotoxicity of human tumor cells in vitro as effectively as dendritic cells pulsed with a target cell membrane derived antigen. Based on Aidan's research, we believe that an in vivo immune response against tumor cells can be elicited by infusion of autologous dendritic cells that have been primed (pulsed) with high molecular weight extracts of autologous human urine.

2. PGM, Angiogenesis inhibitor.

A healthy body controls blood vessel development through a process of stimulating or inhibiting angiogenesis. Normally, the inhibitors dominate the stimulators so angiogenesis does not occur. Excessive angiogenesis is noted in cancer and such other diseases as diabetic blindness, rheumatoid arthritis, and psoriasis. The new blood vessels feed the diseased tissues and destroy normal tissue because the diseased cells produce abnormal amounts of angiogenic stimulants or growth factors, overwhelming the natural inhibitors. These new blood vessels also allow tumor cells to escape into the blood system and find their way to other organs. This migration is known as tumor metastases.

In 1971, Judah Folkman hypothesized that controlling angiogenesis, the growth of new blood vessels, could be a feasible anti-tumor strategy. Anti-angiogenesis therapies help the body fight tumors by halting new blood vessel growth. This may help starve the tumor and prevent metastases.

Because of an anecdotal report of complete remission in a case of human ovarian carcinoma after consumption of an extract of the ubiquitous plant Convolvulus arvensis, Aidan tested extracts of this plant for anti-angiogenesis and immune stimulating effects. Convolvulus arvensis is well known to contain toxic alkaloids. Aidan developed a method to process the plant to minimize the alkaloids while preserving the anti-angiogenic and immune stimulating effects.

The extract is primarily comprised of proteoglycan molecules and has been named PGM. We understand that Aidan has shown that the extracted plant product does have anti-angiogenic and immune system stimulating effects on human tumor cell lines. Aidan currently offers PGM in both clinical preparations and oral preparations for consumer use as a food supplement. Aidan's studies showed that the clinical preparations were more effective. We have licensed the right to use clinical preparations from Aidan on an exclusive basis. We also distribute the oral preparations to participants in clinical studies as determined by doctors. The trademark name for the commercial product containing PGM is "C-statin ." A U.S. patent covering PGM was issued in July 2000.

3. MPGC, Immune stimulant.

MPGC is a preparation, created from a bacterial cell wall extract, that we believe to be capable of stimulating conversion of inactive immune cells into active immune cells. We believe that MPGC may also acts as a powerful vaccine adjuvant. Like PGM, Aidan currently offers MPGC in both clinical preparations and oral preparations for consumer use as a food supplement. Aidan's studies showed that the clinical preparations were more effective. We have licensed the clinical preparations from Aidan on an exclusive basis. We distribute the oral preparations to patients at the clinic in Mexico as determined by attending physicians.

We understand that Aidan's studies also show that PGM and MPGC are more effective when used in combination than when used separately. This synergy is the subject of continued research by us and Aidan.

4. Cytokine mixture.

Cytokines are a family of small, intercellular regulatory proteins that mediate a variety of immunologic and nonimmunologic biological functions. Cytokines are grouped by function and include: interleukins; tumor necrosis factors; lymphotoxins; interferons; colony-stimulating factors; chemokines; and miscellaneous cytokines.

Cytokines produced by other companies have been used successfully in cancer treatment. For example, recombinant interleukin 2 (Proleukin, Chiron Corporation, Emeryville, CA) has received approval for human use in the treatment of metastatic renal cell carcinoma and malignant melanoma. Its use results in complete responses of 7% and 6% of patients, respectively. Recombinant interferon alfa-2B (Intron A, Shering Corporation, Kenilworth, NJ) has received approval for human use for the treatment of hairy cell leukemia, malignant melanoma, follicular lymphoma, and Kaposi's sarcoma.

Cytokines are produced by a variety of cell types. Both lymphocytes and monocytes produce several cytokines in response to immune challenge. Cells naturally produce several cytokines simultaneously. Several studies have suggested that synergistic anti-tumor effects occur when cytokines are used in combination as opposed to the use of single cytokine therapy.

One of the reasons that the normal immune system does not respond to cancer is that dendritic cells naturally found in proximity to tumors are unable to effectively present antigen to T cells. These dendritic cells lack costimulatory molecules on their cellular surface, including CD 80 and CD 86, which are necessary for T cell activation. They also lack CMRF-44 and CD 83, which are markers indicating the maturity of the dendritic cells. We believe that inducing the expression of CD 80 and CD 86 may be of therapeutic advantage in the treatment of malignancies.

Aidan has developed and licensed to us a method for using a monocyte conditioned medium (MCM) to convert inactive, ineffective dendritic cells into active, migrating, effective dendritic cells. In addition, the MCM contains cytokines that may have direct anti-tumor activities. Aidan's pilot clinical trial showed that the MCM induced rapid tumor cell death.

Our Alternative Medicine Protocols.

We consider all of our treatment methodologies currently to be in clinical experimental status, and so inform all participants in our studies. In all cases, our approach is to assist and enhance the body's natural immune system in the context of whole body-mind healthiness. A major thrust of our plan of operations is to develop thorough long-term clinical studies of the results of our treatment methodologies and any products we may develop. We then plan to obtain regulatory approval for these treatments as necessary to allow further commercialization.

One of the treatments being studied in the clinic in Mexico is the use of insulin-induced hypoglycemic therapy (IHT) as an aggressive cancer treatment. This therapy uses a regulated level of insulin and other medications to induce a hypoglycemic state in the patient that allows the attending physician to regulate blood oxygen levels, body temperature, and pH levels. This enables the attending physician to create an environment that we believe is intolerable to fast-growing cancer cells. Patients are continually monitored by a physician and a registered nurse throughout the procedure using standard hospital monitoring equipment and medicine to maintain safety.

In addition to IHT, the clinic in Mexico also studies other alternative treatments that we believe may prove beneficial to cancer patients such as targeted nutritional programs and cleansing procedures.

Regulatory Environment

The nature of medical care makes the industry one of the more heavily regulated sectors. In the United States, a variety of governmental agencies have jurisdiction over health care products and services. For examples, each state has licensing boards that regulate the ability of individuals to work as physicians, nurses, or other health care providers. The FDA regulates the use of drugs within the United States. The Federal Trade Commission (FTC) regulates certain aspects of the practice of medicine, including advertising and marketing. Other countries have comparable regulatory frameworks. We have a policy of obtaining all required permits, licenses, and bonds to operate our facilities and sell our products and services. We have retained counsel to assist us in understanding and complying with these various regulations both in the United States and abroad.

On February 2, 2001, we received a letter from the FTC's Western Region notifying us that they are conducting an inquiry into our advertising of health care products and treatments. The purpose of the inquiry is to determine whether we have engage in unfair or deceptive acts or practices, including whether we can substantiate claims we have made relating to treatments for cancer and other diseases. The FTC's Western Region has advised us that neither this notification, nor the existence of this inquiry should be viewed as an accusation by the FTC or its staff of any wrongdoing.

We expect that the TK1 test will be our first product that will go through the FDA process and we are taking steps to begin generating the necessary data and other requirements to successfully obtain FDA approval. We may need to obtain additional funding through grants, debt or equity financing or corporate partnerships to complete the steps necessary for FDA approval. We intend to develop our TK1 technology in three ways: (i) perform cancer screening services in our own laboratories: (ii) license our intellectual property and sell our reagents that target TK1 to leading clinical reference laboratories to allow them to perform their own screening tests, using their own methods and equipment; and (iii) package our technologies in the form of diagnostic test kits that clinical laboratories can use to conduct screening services. The FDA treats each of these alternatives differently.

Providing testing services directly.

The FDA does not actively regulate most laboratory tests that have been developed and used by the laboratory conducting the test. The FDA,

however, does regulate reagents, such as ours, that react with a biological substance to identify a specific chemical substance. These regulations provide that most such reagents, which the FDA refers to as analyte specific reagents, are exempt from the FDA's premarket review requirements.

If the FDA were to decide to regulate in-house developed laboratory tests, decide to require premarket approval or clearance of our analyte specific reagents, or conclude that licensing our intellectual property constitutes no-compliant labeling, the commercialization of our products and services could be delayed, halted or prevented. In addition, the FDA could impose penalties on us or seek other enforcement actions. Similarly, if the FDA were to determine that our blood collector requires premarket approval or clearance, the sale of our products and services could be delayed, halted or prevented and the FDA could impose penalties on us or seek other enforcement action.

Finally, our reagents will be subject to a number of FDA requirements, including a requirement to comply with the FDA's quality system regulation that establishes extensive regulations for quality control and manufacturing procedures. Failure to comply with these regulations could subject us to enforcement action. Adverse FDA action in any of these areas could significantly increase our expenses and limit our revenue and profitability.

Licensing our technology.

Reagents generally do not require FDA approval or clearance if they are sold to clinical laboratories licensed by the government to perform high complexity testing and are labeled in accordance with FDA requirements, including a statement that their analytical and performance characteristics have not been established. A similar statement would also be required on all advertising and promotional materials relating to analyte specific reagents such as ours. Laboratories are also subject to restrictions on the labeling and marketing of tests that have been developed using analyte specific reagents. The analyte specific reagent regulatory category is relatively new and its boundaries are not well defined, and there has been some discussion within the government of changing the analyte specific reagent regulation. It is unclear whether any such changes would affect our tests.

We believe that our in-house testing and the analyte specific reagents we intend to sell to clinical reference laboratories do not require FDA approval or clearance. We cannot be sure, however, that the FDA will not assert that our tests or one or more of our reagents require premarket approval or clearance. In addition, we cannot be sure that the FDA would not treat the licensing of the intellectual property we rely on as labeling that would subject the reagent to premarket approval or clearance and other FDA regulation. Moreover, we cannot be sure that the FDA will not change its position in ways that could negatively affect our operations.

Any diagnostic test kits that we may sell would require FDA approval or clearance before they could be marketed. There are two review procedures by which a product may receive such approval or clearance. Some products may qualify for clearance under a premarket notification, or 510(k) procedure, in which the manufacturer provides to the FDA a premarket notification that it intends to begin marketing the product and demonstrates to the FDA's satisfaction that the product is substantially equivalent to a legally marketed product, which means that the product has the same intended use as, is as safe and effective as, and does not raise questions of safety and effectiveness different from a legally marketed device. A 510(k) submission for an in vitro diagnostic device generally must include manufacturing and performance data, and in some cases, it must include data from human clinical studies. Marketing may commence when FDA issues a clearance letter.

If a medical device does not qualify for the 510(k) procedure, the FDA must approve a premarket approval application ("PMA") before marketing can begin. PMA applications must demonstrate, among other maters, that the medical device is safe and effective. A PMA application is typically a complex submission, usually including the results of preclinical and extensive clinical studies. Before the FDA will approve a PMA, the manufacturer must pass an inspection of its compliance with the requirements of the FDA's quality system regulations.

We believe that our TK1 diagnostic test kit may require PMA approval. The PMA process is lengthy and costly, and we cannot be sure that the FDA will approve PMAs for our products in a timely fashion, or at all. FDA requests for additional studies during the review period are not uncommon, and can significantly delay approvals. Even if we were able to gain approval of a product for one indication, changes to the product, its indication, or its labeling would be likely to require additional approvals.

Physicians who order our TK1 cancer screening test will need to obtain blood serum from patients. This blood serum will have to be transported to a laboratory. Tissue transport and storage containers are also medical devices regulated by the FDA although they generally have been exempt by regulation from the FDA's premarket clearance or approval requirement. We believe that our blood serum container falls within the exemption, but we cannot be sure that the FDA will not assert that our container is not exempt and seek to impose a premarket clearance or approval requirement.

Regardless of whether a medical device requires FDA approval or clearance, a number of other FDA requirements apply to its manufacturer and to those who distribute it. Device manufacturers must be registered and their products listed with the FDA. Certain adverse events and product malfunctions must be reported to the FDA. The FDA also regulates the product labeling, promotion, and in some cases, advertising, of medical devices. Manufacturers must comply with the FDA's quality control system regulation that establishes extensive requirements for quality control and manufacturing procedures. Thus, manufacturers and distributors must continue to spend time money and effort to maintain compliance. Failure to comply can lead to enforcement action. The FDA periodically inspects facilities to ascertain compliance with these and other requirements.

To the extent that we perform cancer screening tests in our own laboratories in the United States, we will be subject to federal and state laws and regulations regarding the operation of clinical laboratories. The federal Clinical Laboratory Improvement Act and laws of certain states, impose certification requirements for clinical laboratories, and establish standards for quality assurance and quality control. Clinical laboratories are subject to inspection by regulators and possible sanctions for failing to comply with applicable requirements,. Sanctions available under the Clinical Laboratory Improvement Act include prohibiting a laboratory from running tests, requiring a laboratory to implement a corrective plan, and imposing civil money penalties. If we fail to meet the requirements of the Clinical Laboratory Improvement Act or other federal or state law, we could be stopped from providing services and incur significant expense, thereby limiting our revenue and profitability.

All of our potential cancer vaccine, anti-angiogenesis, cytokine and immune-stimulant products, as well as our cell processing and manufacturing activities, are subject to comprehensive regulation by the FDA in the United States and by comparable authorities in other countries. The process of obtaining FDA and other required regulatory approvals, including foreign approvals, is expensive and often takes many years and can vary substantially based upon the type, complexity and novelty of the products

involved. Because our cancer vaccines and our other products are novel, regulatory agencies do not have experience with them. This may lengthen the regulatory review process, increase our development costs and delay or prevent commercialization of our cancer vaccines and our other products. To our knowledge, no cancer vaccine using dendritic cell technologies has been approved for marketing in the United States. Consequently, there is no precedent for the successful commercialization of our cancer vaccine products. Our other products differ in many respects from other anti-angiogenesis cytokine and immune-stimulant products that have gone through the FDA process, so we do not know whether the FDA will treat our products in the same way. In addition, we have had only limited experience in filing and pursuing applications necessary to gain regulatory approvals, which may impede our ability to obtain timely approvals from the FDA. We have not yet sought FDA or other regulatory approval for our cancer vaccine, anti-angiogenesis, cytokine or immune-stimulant products. We will

not be able to commercialize any of our potential products in the United States until we obtain FDA approval, and so any delay in obtaining, or inability to obtain, FDA approval would harm our business.

If we violate regulatory requirements at any stage, whether before or after marketing approval is obtained, we may be fined, forced to remove a product from the market and experience other adverse consequences including delay, which could materially harm our financial results. Additionally, we may not be able to obtain the labeling claims necessary or desirable for the promotion of our products. We may also be required to undertake post-marketing trials. In addition, if we or others identify side effects after any of our vaccines or other products are on the market, or if manufacturing problems occur, regulatory approval may be withdrawn and reformulation of our vaccines additional clinical trials, changes in labeling of our vaccines, and additional marketing applications may be required.

An investigational new drug application must become effective before human clinical trials may commence in the United States. The investigational new drug application is automatically effective 30 days after receipt by the FDA, unless before that time the FDA requests an extension to review the application, or raises concerns or questions about the conduct of the trials as outlined in the application. In the latter case, the sponsor of the application and the FDA must resolve any outstanding concerns before clinical trials can proceed. However, the submission of an investigational new drug application may not result in the FDA authorizing us to commence clinical trials in any given case.

Preclinical studies involve laboratory evaluation of product characteristics and animal studies to assess the efficacy and safety of the product. The FDA regulates preclinical studies under a series of regulations called the current Good Laboratory Practices regulations. If the sponsor violates these regulations, the FDA, in some cases, may invalidate the studies and require the sponsor replicate those studies.

If testing of a particular product does not yield successful results, then we will be unable to commercialize that product. We must demonstrate that our products are safe and effective in humans through extensive preclinical and clinical testing. We may experience numerous unforeseen events during, or as a result of, the testing process that could delay or prevent commercialization of our products, including different or unexpected results in later clinical trials, risk to participating subjects or patients, undesirable side effects, or other problems that would preclude regulatory approval or limit the commercial use of the products if approved.

Moreover, we may take longer to complete our clinical trials than we project, or we may not be able to complete them at all. Clinical testing is very expensive, can take many years, and the outcome is uncertain. The data collected from our clinical trials may not be sufficient to support approval by the FDA of any of our cancer vaccines or other products. The FDA may not ultimately approve any of our product candidates for commercial sale. If we fail to adequately demonstrate the safety and efficacy of a cancer vaccine or any other product, this would delay or prevent regulatory approval of that product, which could prevent us from achieving profitability in that product line.

Competitive Environment

The market for alternative clinics consists primarily of owner-operated medical clinics that specialize in one form of treatment or another. Many of these clinics attract Americans who cannot get the type of medical treatment they desire in the United States. The largest number of alternative clinics are in Europe and Mexico, although they are found in many other countries. The majority of the alternative treatments offered at the clinic in Mexico are similar to those offered at many other clinics and are well-known in literature discussing alternative medicine.

We operate in a highly competitive environment and focus on highly competitive areas of product development. Our competitors include, among others, major pharmaceutical companies and biotechnology companies, including those that focus on cancer detection and treatments. Academic institutions, governmental agencies and other public and private research organizations are also conducting research activities and seeking patent protection and may commercialize products on their own or through joint ventures.

Many existing and potential competitors have substantially greater scientific research and product development capabilities, as well as greater financial, marketing and human resources than we do. In addition, many biotechnology firms have formed collaborations with large, established pharmaceutical companies to support research, development and commercialization of products that may be competitive with ours.

Our competitive position also depends on our ability to develop effective proprietary products, obtain the necessary regulatory approvals as discussed above, implement production and marketing plans, including collaborations with other companies with greater marketing resources than ours, obtain patent protection and secure sufficient capital resources.

There are many companies that are developing cancer tests based on tissue samples. To our knowledge, none of these are using a similar TK1 approach. We believe most are using a form of DNA testing to detect proteins or nucleic acids that are produced by various cancers. There are also many companies that are developing cancer vaccines and related immunotherapies. Many of these companies are seeking a specific antigen that they can patent or otherwise protect. Others are developing specialized equipment to improve the procedures. Most of these companies, including us, have proprietary methods for preparing the dendritic cells and the antigens for presentation to the patient's immune system. Many biotechnology companies are also researching angiogenesis inhibitors.

Marketing

We engage in a variety of marketing efforts, including advertising in magazines, participation in trade shows and maintenance of a web page that describes our research and development efforts and refers to clinical trials that use our treatments. We have continuing dialog with industry leaders and specialists, and we have participated in radio call-in shows and discussions. We are currently implementing a program of informing physicians, chiropractors and other alternative health car practitioners about our activities. When required regulatory approvals are obtained, we intend to market our any approved products directly or through co-marketing or licensing agreements and strategic alliances with pharmaceutical or biotechnology companies.

Principal Suppliers

Principal suppliers of equipment and supplies for BioPulse-affiliated clinics include Merit Pharmaceuticals, Bayer Diagnostics and Beckman Coulter, Inc. Equipment and supplies are provided to us by these companies on an as-ordered basis.

Intellectual Property

Our Patent And Trademark Policy.

It is our policy to seek patent protection in the United States and in foreign countries. Primarily because of differences among patent laws in various jurisdictions, the scope of, and hence the protection afforded by, any patents we may receive may vary from jurisdiction to jurisdiction even though they relate essentially to the same subject matter.

The patent position of firms in the our industry generally involves highly complex legal and other issues, resulting in both an apparent inconsistency regarding the breadth of claims allowed in United States patents and general uncertainty as to their legal interpretation and enforceability. Accordingly, there can be no assurance that patent applications owned from time to time by us or our licensees will result in patents being issued or that, if issued, the patents will afford competitive protection. Further, there can be no assurance that products or processes developed by us or our licensees will not be covered by third party patents, in which case continued development and marketing of those products or processes could require a license under such patents.

There can be no assurance that if a legal action were to be brought against us on the basis of any third party patents, such action would be resolved in our favor. Such an unfavorable result against us could result in monetary damages and injunctive relief. Further, even a favorable result could cause expenditure of substantial monetary and other resources in connection with our defense against any such action.

Granted Patents And Pending Applications.

We have licenses, described below, for 5 patents (issued and pending) related to the cancer screening test, anti-angiogenesis, cancer vaccines, cytokines, and immune stimulants. This technology has been discussed generally above. As U.S. patent applications are maintained in secrecy by the U.S. Patent and Trademark Office until patents issue and because publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain that the parties from whom we has licensed inventions were the first creators of the inventions that we have licensed or that such creators were the first to file patent applications for those inventions.

In December 2000, we entered into an Exclusive License and Bailment Agreement with Brigham Young University which granted us exclusive, worldwide (subject to an option agreement between the University and E. Excel Laboratories, Inc. which covers rights in the countries of Japan, China, Taiwan, Korea, Malaysia, Indonesia, Philippines and Singapore) right and license to develop, manufacture, sell and otherwise transfer the in vitro serum diagnostic TK and TK1 tests and related products, subject to the University's right to use the licensed technology for continuing research and non-commercial academic uses in exchange for $800,000. Under this license agreement, we paid the University an initial license issue fee and must pay additional royalty payments based upon adjusted gross sales of the licensed products, improvements or processes. In addition, we are obligated to pay certain minimum royalty payments in calendar year 2003 and each year thereafter. This agreement terminates on the fifth anniversary of effective date, subject to our right to extend this Agreement for additional five year periods by giving written notice to the University. The University has the right to terminate the agreement in the event of any uncured breach by us, including the failure to meet certain performance milestones, or our financial inability to perform our obligations under the Agreement.

Pursuant to this agreement, we must meet certain performance requirements including: developing a serum ELISA diagnostic kit for the detection of TK-1 isoenzyme by December 31, 2001; completing clinical trials to validate the clinical usefulness of the in vitro serum diagnostic ELISA test by June 30, 2002; and submitting applications for U.S.F.D.A. approval for the in vitro serum diagnostic ELISA test by December 31, 2002, and thereafter vigorously pursue approval of the application. If we believe we will be unable to meet develop a functional test, we may notify BYU and terminate the agreement. Upon receipt of such notice, BYU shall refund $700,000 of the license fee.

In August 2000, we entered into a sublicensing agreement with Aidan which granted us an exclusive (excepting experimental use in the United States), worldwide sublicense to use and exploit certain products and procedures, including MPGC, PGM, dendritic cell therapy, cytokines and different forms of cancer antigens. This license does not include the rights related to the oral forms of MPGC and PGM. Under this sublicense agreement, we must pay certain license fees to Aidan. In addition, we granted Aidan an option to purchase 1,500,000 shares of our common stock, subject to vesting upon the occurrence of certain conditions. This sublicensing agreement shall expire upon the last to expire of any patents obtained with respect to this licensed products, subject to Aidan's right to terminate the sublicensing agreement in the event of any uncured breach of the agreement or our insolvency.

Trade Secrets And Technological Know-How.

While we generally will pursue a policy of seeking patent protection to preserve proprietary technology as appropriate, we also have and will continue to rely on trade secrets, unpatented proprietary information and continuing technological innovation to develop and maintain our competitive position. There can be no assurance, however, that others will not independently develop substantially equivalent proprietary information and technology or otherwise gain access to such or equivalent trade secrets, proprietary information or technology or that we can meaningfully protect

its rights to such secrets, proprietary information and technology.

The majority of the alternative treatments offered at the clinic in Mexico are comparable to those offered at many other clinics and are well-known in the literature. We have developed some proprietary protocols that may be beneficial to patients, but these have limited value in the marketplace.

Environmental Law Costs and Effects

Compliance with currently existing federal, state and local regulations pertaining to the discharge of materials into the environment or otherwise relating to the protection of the environment is not anticipated to have an impact on our capital expenditures, earning and competitive position.

Employees

As of January 31, 2001, we had 7 full-time administrative employees. We consider our relations with these administrative employees to be good. None of the our current administrative employees is covered by a collective bargaining agreement. We also have approximately 50 employees at the Mexico clinic. We consider our relations with these employees to be good. To our knowledge, these employees are not covered by a collective bargaining agreement.

Consultants

Liviakis Financial Communications, Inc.

On or about October 13, 2000, we entered into a one year consulting agreement with Liviakis Financial Communications, Inc. In exchange for 1,550,000 restricted common shares, Liviakis Financial agreed to consult and assist us in developing and implementing appropriate plans and means for presenting us to the financial community and creating a foundation for subsequent financial public relations efforts; introduce us to the financial community; consult and assist in communicating appropriate information to the financial community; advise us as to relations with stockholders, brokers, dealers, analysts, other investment professionals, and with financial public relations in general; perform functions associated with stockholder and public relations, including responding to telephone inquiries and preparing press releases with our involvement; disseminate information to the public pursuant to our approval; assist us in meetings with investment professionals; and otherwise advise us as to public relations and financial relations.

In addition to the 1,550,000 restricted common shares, Liviakis Financial shall also receive a 2.5% finder's fee for any introduction to a lender or equity investor that leads to us obtaining additional funding.

Roth Capital Partners, Inc.

On December 20, 2000, we entered into a Private Placement Engagement Agreement with Roth Capital Partners, Inc. to act as an exclusive financial advisor and placement agent for private placements of our securities on a best efforts basis for six months. Upon closing of each placement, Roth will receive a cash payment of 9% of the aggregate purchase price of the securities placed plus warrants to purchase BioPulse common stock equal to 10% of the number and the price of the securities placed.

The scope of Roth's duties under the agreement consist of analyses, advice and co-ordination of efforts customary for this type of placement. In addition, Roth may advise us regarding merger and acquisition transactions presented to us during the term of their engagement.

Property and Facilities

We currently lease approximately 5,514 square feet of space in South Jordan, Utah. We pay $8,730.50 per month for the space. The lease runs through 2003. In January 2001, we entered into a lease with a five year term for approximately 17,000 square feet of space in San Diego, California. The monthly rent for this space is approximately $15,000. We expect to move our executive offices to San Diego and sublease the space in South Jordan.

The Company is committed to an operating lease for approximately 6,000 square feet of clinic and office space in Tijuana, Mexico. The lease requires the payment of $11,000 per month adjusted each March 1st by the U.S. consumer price index, and expires February 28, 2005.

Reports to Security Holders

We file annual, quarterly and current reports with the Securities and Exchange Commission ("SEC"). The public may read and copy any materials filed by us with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We are an electronic filer and the SEC maintains an Internet site that will contain reports, proxy and information statements, and other information that we have filed with the SEC which may be viewed at http://www.sec.gov.

Management

The following table sets forth the name, age, and position of each executive officer and director and the term of office of each director of the Corporation.

<TABLE>
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Name	Age	Position	Director or Officer Since
<S>	<C>	<C>	<C>
Jonathan Neville	46	CEO & Director	January 1999
Loran Swensen	43	President & Director	January 1999
John M. Allen	55	Chief Financial Officer	February 2001
Martha D. Rodririguez	46	Vice President	August 2000
Jan Morse	39	Secretary	September 1999
Michael L. Jones	48	Treasurer	January 2000
Anthony Jessop	60	Director	January 2001
Reid Jilek, Ph.D.		Director	January 2001

</TABLE>

Our directors hold office until each annual meeting of stockholders or until their successors are elected or appointed. Thereafter, at each annual meeting of stockholders the successors to the directors will be elected to serve from the time of election and qualification until the next annual meeting following election. Officers serve at the will of the Board of Directors.

The following sets forth certain biographical information relating to our Officers and Directors:

Jonathan Neville, Chief Executive Officer, Director. Mr. Neville is a graduate of Brigham Young University where he earned a B.S. in Agricultural Economics, an M.S. in Agribusiness, and a J.D. After graduating, he clerked for H. Vern Payne, Chief Justice of the New Mexico Supreme Court. He then spent five years in the U.S. Air Force as a Judge Advocate General. He became General Counsel for Genesis Seed Corporation in 1986, a national turf seed producer and distributor. In 1991, he co-founded Tempus Entertainment, Inc. After selling his interest in Tempus in 1993, he co-founded Multi-Dimensional Studios in 1994, a leading producer of 3D computer animation and videos. He has advised a variety of other startups and small companies, including Advanced Technologies Group, Inc. He co-founded BioPulse, Inc., in 1998 with Mr. Swensen and Mr. Morrow. Since 1980 he has written in 30 volumes of the Legalines series for Harcourt Brace Jovanovich.

Loran Swensen, President, Director. Mr. Swensen has been an entrepreneur since 1980 when he started his own company, Alternate Energy Corp., where he developed high insulating security windows. Mr. Swensen sold the business in 1981 and developed Home Based Business News. In 1984, Mr. Swensen co-founded three companies, Enhanced Simulation where he co-developed and patented a rotating motion simulator for the amusement industry, Multi-Dimensional Studios where he co-developed the MDS 3D EFX Thunder Theater and 3D movies, and Advanced Technology Group where he co-developed the Realeyes 3D box. In 1985, Mr. Swensen founded Swensen Research Company where he developed Brain Neuro-Simulators which were sold throughout the medical industry.

John M. Allen, Chief Financial Officer. From 1999 to 2001, Mr Allen was the Chief Financial Officer for Oversea Systems, LLC, a provider of hardware and software and internet solutions for capturing and linking data and images. Mr. Allen was responsible for finance functions in the U.S., Europe and the Far East and for analyzing and assessing the company's growth potential in those markets. He was also oversaw the management of the company's U.S. facilities, human resources, purchasing and materials. From 1987 to 1999, Mr. Allen served as the Controller for XOMA Corporation, a boipharmaceutical developer and manufacturer of therapeutic drugs. At XOMA, Mr. Allen oversaw financial planning, analysis and reporting, cost accounting, budgeting, forecasting, project costing and accounting operations. Mr. Allen has also worked as an Audit Senior, CPA at Deloitte & Touche, and holds MBA in finance and accounting from University of California, Berkeley.

Martha D. Rodriquez, Vice President. Ms. Rodriquez graduated from Escuela de Enfermera del I.M.S.S. with her RN in 1997. She received her LPN from La Universidad Autonoma de Baja California in 1978. She also graduated from Universidad Ivero Americana in 1988. From 1994 through 1996 Ms. Rodriquez was the Head Nurse for Clinica Ban-Her in Tijuana, Mexico. From 1996 to 1998 she was self-employed as a freelance surgical nurse. Ms. Rodriguez joined BioPulse International, Inc., in January 1999. She has served as Head Nurse and Medical Director for the BioPulse Tijuana Clinic. In August 2000, she became a Vice President and our Administrative Director of Mexican Clinics.

Jan Morse, Secretary. Ms. Morse is the Secretary and current Director of Operations at the BioPulse International, Inc. corporate offices. Her duties include overseeing the running of the BioPulse business offices, managing staff, payroll and book keeping. From 1997 to the present, Ms. Morse worked at Multi-Dimensional Studios as Executive assistant and Director of Operations. Before joining Multi-Dimensional Studios, Ms. Morse worked as a customer service representative with U.S. West. Ms. Morse attended Southern Utah State College (now Southern Utah University) from 1979 to 1981.

Michael L. Jones, Treasurer. Mr. Jones is a graduate of Brigham Young University in Business Management and attended Graduate School at California State University, Northridge in accounting. He worked in public accounting for over 15 years and was vice president of the accounting firm of Tanner & Co. He served three terms as chairman of the Utah Association of CPAs Taxation Committee. He was listed by Money Magazine as one of America's Best Tax Practitioners. He served for five years as Treasurer of the Utah Republican Party. Mr. Jones has also worked as a management consultant and computer consultant.

Anthony Jessop, Director. Mr. Jessop founded Jessop International Group, Ltd. and served as its president from 1991 to 2000. Jessop International acts as a financial advisor with particular emphasis in corporate financing and investor relations. From 1975-1991, Mr. Jessop worked for a number of New York Stock Exchange firms including, Hayden Stone, Delafield and Delafield, E.F. Hutton, John Muir, Bankers Trust, Rooney Pace, Grady Hatch and First Hanover Securities. His primary responsibility was institutional sales. Mr. Jessop is a graduate of the University of New Brunswick.

Reid Jilek, Ph.D., Director. From 1994 to 2000, Dr. Jilek has served as a Senior Partner at Asia Pacific Alliance Company. At Asia Pacific, Dr.

Jilek has been responsible for setting up preclinical and clinical research programs for North American pharmaceutical and biotechnology companies in Asia. He has also been involved in forming alliances, joint ventures and partnering arrangements between U.S. and Asian companies. Dr. Jilek has over ten years experience in the biomedical and pharmaceutical industry. In 1974 Dr. Jilek received a B.S. in microbiology from Southern Illinois University. In 1975 he recieved an M.S. in zoology from the same university. In 1977 he earned an M.S. in physiology from the University of Illinois. In 1980 he received a Ph.D. in pathology from Ohio State University. In 1981 he received an M.S. in biomedical engineering from the University of Virginia. In 1986 he received a B.S. in electrical engineering from McGill University in Montreal, Canada.

Compensation of Directors and Executive Officers

Summary Compensation Table

<TABLE>
<CAPTION>

					Long Term Compensation			
		Annual Compensation			Awards		Payouts	
Name and Principal Position	Year	Salary	Bonus $	Other Annual Compen-sation	Restr-icted Stock Awards	Options /SARs	LTIP Payout	All Other sation
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Jonathan Neville	2000	60,000	-0-	-0-	-0-	-0-	-0-	-0-
CEO, Director	1999	60,000	-0-	-0-	-0-	-0-	-0-	-0-
	1998	-	-	-	-	-	-	-
Loran Swensen	2000	60,000	-0-	-0-	-0-	-0-	-0-	-0-
President, Director	1999	60,000	-0-	-0-	-0-	-0-	-0-	-0-
	1998	-	-	-	-	-	-	-

Martha D. Rodriguez	2000	24,900	-	-	-	-	-	-
Vice President	1999	6,700	-	-	-	-	-	-
	1998	-	-	-	-	-	-	-
Jan Morse	2000	24,000	-0-	-0-	-0-	-0-	-0-	-0-
Secretary	1999	24,000	-0-	-0-	-0-	-0-	-0-	-0-
	1998	-	-	-	-	-	-	-
Michael L. Jones	2000	49,400	-0-	-0-	-0-	-0-	-0-	-0-
Treasurer	1999	-	-	-	-	-	-	-
	1998	-	-	-	-	-	-	-
Stephen R. Fey	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Chairman of Board	1999	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Director(1)	1998	-0-	-0-	-0-	-0-	-0-	-0-	-0-
F. Briton McConkie	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Director(1)	1999	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1998	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Robert Morrow	2000	36,000	-0-	-0-	-0-	-0-	-0-	-0-
Director(2)	1999	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	1998	-	-	-	-	-	-	-

</TABLE>

(1) Resigned as a director in February 2001.
(2) Resigned as a director in January 2001.

Option Grants In Current Fiscal Year

The following table sets forth each grant of stock options to a Named Executive Officers and Directors. These stock grants are subject to

approval by the shareholders at the next shareholder meeting. No stock appreciation rights have been granted during the current fiscal year.

<TABLE><CAPTION>

	Individual Grants			
	Number of Securities Underlying Options Granted	Percent of Options Granted To Employees During Current Fiscal Year	Exercise Price ($/Share)	Expiration Date
<S>	<C>	<C>	<C>	<C>
Jonathan Neville	68,026	1.9%	$3.23	10/11/2005
	831,974	22.8%	$2.94	12/31/2009
Loran Swensen	68,026	1.9%	$3.23	10/11/2005
	831,974	22.8%	$2.94	12/31/2009
Martha D. Rodriguez	15,000	0.4%	$2.94	12/31/2009
Jan Morse	50,000	1.4%	$2.94	12/31/2009
Michael L. Jones	150,000	4.1%	$2.94	12/31/2009
Stephen R. Fey	550,000	15.1%	$2.94	12/31/2009
F. Briton McConkie	550,000	15.1%	$2.94	12/31/2009
Robert Morrow	250,000	6.9%	$2.94	12/31/2009

</TABLE>

We did not issue any options to our officers, directors or employees during the fiscal years ended July 31, 1998, 1999 or 2000.

Employment Contracts and Termination of Employment and Change in Control Arrangement

Except as disclosed in this prospectus, we have paid no other compensation directly or and none has accrued to any other officer or director to date. Compensation of officers and directors is determined by our board of directors and is not subject to shareholder approval.

We have no retirement, pension, or benefit plan at the present time, however, the board of directors may adopt plans as it deems to be reasonable under the circumstances.

In the last three years, no executive officer has received any amounts in connection with an executive officer's resignation, retirement, or other termination. No executive officer received any amounts in the last three years in connection with a change in our control or a change in the executive officer's responsibilities after a change in control.

Principal Stockholders

The following table sets forth the name and the number of our common stock, owned of record or beneficially, by each person who owned of record, or was known by us to own beneficially, more than 5% of the our common stock ("Principal Shareholders"), and the name and share holding of each officer and director, and all officers and directors as a group:

<TABLE>
<CAPTION>

Title of Class	Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percentage of Class
<S>	<C>	<C>	<C>
Common	Loran Swensen (3) 10070 Chattle Cir. S. Jordan, Utah 84095	1,904,200(6)	18.67%
Common	Jonathan Neville (3) 1089 Ridgetop Corp. Drive S. Jordan, Utah 84095	1,989,200(7)	19.50%

Common	John M. Allen (3) 951 Cerrito St.	0	*

	Albany, California 94706		
Common	Jan Morse (3) 1311 West Kodiak Way South Jordan, Utah 84095	60,000(8)	*
Common	Maria D. Rodriguez (3) 416 West San Ysidro Blvd., #L583 San Ysidro, California 92173	15,000(9)	*
Common	Michael L. Jones (3) 818 South Shirley Rae Farmington, Utah 84025	100,000(10)	1.06%
Common	Anthony Jessop (2) P.O. Box CB12013 Nassau, Bahamas	0	*
Common	Reid Jilek (2) 5567 Calumet Avenue La Jolla, California 92037	0	*
Common	John Liviakis (12) 495 Miller Avenue, Third Floor Mill Valley, California 94941	1,253,500	13.13%
Common	Neil Riordan (13) Aidan, Incorporated 621 S. 48th Street, Suite 111 Tempe, Arizona 85281	900,000(14)	8.82%
Common	Leonard Panzer (15) Kauser Partners, L.P. 570 Taxter Road, Suite 570 Elmsford, New York 10523	542,954(16)	5.72%
Common	David Simms (17) Hunts Drive, LLC. P.O. Box 972 Road Town Tortola, British Virgin Islands	5,357,778(18)	36.56%
Common	Stephen R. Fey Ivy Lane Row Provo, UT 84604	886,500(4)	9.00%

Common	F. Briton McConkie 4014 Splendor Way Salt Lake City, UT 84124	886,500(5)	9.00%
Common	Robert Morrow 6814 E. 300 N Huntsville, UT 84317	567,600(11)	5.94%
Common	Officers, Directors and Nominees as a Group: (8 people)	4,068,400	36.12%
Total:		14,463,232	75.88%

</TABLE>

* Does not exceed one percent of the class.

(1) The term "beneficial owner" refers to both the power of investment (the right to buy and sell) and rights of ownership (the right to received distributions from the company and proceeds from sales of the shares). Inasmuch as these rights or shares may be held by more than one person, each person who has a beneficial ownership interest in share is deemed to be the beneficial owner of all the shares. Therefore, the chart indicates that several persons may be deemed the beneficial owners of the same shares because there is shared power or investment or share rights of ownership.

(2) Directors of the Company.

(3) Officers of the Company.

(4) This figure includes an option, which may become exercisable within the next 60 days, to purchase up to 550,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(5) This figure includes an option, which may become exercisable within the next 60 days, to purchase up to 550,000 additional shares of common stock. This grant of this option is subject to shareholder approval.

(6) This figure includes 1,004,200 shares held by the Lynda Swensen Family Trust. Lynda Swensen is the mother of our President Loran Swensen. Mr. Swensen is the beneficiary of the trust. Mr. Swensen may be deemed to be the beneficial owner of the shares held by the Trust. This figure also includes an option, which may become exercisable within the next 60 days, granted to Mr. Swensen to purchase up to 900,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(7) This figure includes an option, exercisable within the next 60 days, to purchase up to 900,000 additional shares of common stock.

(8) This figure includes an option, which may become exercisable within the next 60 days, to purchase up to 50,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(9) This figure includes an option, which may become exercisable within the next 60 days, to purchase up to 15,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(10) This figure includes an option, exercisable within the next 60 days, to purchase up to 100,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(11) This figure includes an option, which may become exercisable within the next 60 days, to purchase up to 250,000 additional shares of common stock. The grant of this option is subject to shareholder approval.

(12) This figure includes 1,193,500 common shares held of record by Mr. Liviakis and 60,000 shares held of record by Liviakis Financial Communications, Inc. Mr. Liviakis may be deemed to be the beneficial owner of the shares held by Liviakis Financial Communications, Inc.

(13) Mr. Riordan is the president of Aidan, Incorporated, and may be deemed to be the beneficial owner of these shares.

(14) This figure includes an option, exercisable within the next 60 days, to purchase up to 900,000 additional shares of common stock.

(15) Mr. Panzer is the Managing Partner of Kauser Partners, L.P., and may be deemed to be the beneficial owner of these shares.

(16) This figure includes an option, exercisable within the next 60 days, to purchase up to 189,318 additional shares of common stock.

(17) Mr. David Simms has voting control and investment power over the shares held by Hunts Drive, LLC., and may be deemed to be the beneficial owner of these shares.

(18) Hunts Drive currently owns 3,000 shares of series B convertible preferred stock. which are convertible to common stock within the next 60 days. The above listed figure includes the up to 965,148 common shares Hunts Drive may recieve upon conversion. This figure also includes the warrants to purchase up to 210,300 common shares. The warrants are exercisable within 60 days. Finally, this figure includes up to 4,182,330 shares of common stock and stock underlying warrants that may be issued to Hunts Drive, LLC, pursuant to certain private equity credit agreement, whereby we may seek additional funding up to $10,000,000. The securities issuable under the private equity credit agreement could be issuable within 60 days.

Change in Control

To the knowledge of the management, there are no present arrangements or pledges of our securities that may result in a change in control.

Related Party Transactions

Jonathan Neville, Loran Swensen current officers and directors, and former director, Dr. Robert Morrow, were promoters of BioPulse, Inc. When BioPulse, Inc. was acquired by International Sensor Technologies, Inc., Mr. Neville received 1,089,200 shares, Mr. Swensen received 1,004,200 shares, and Dr. Morrow received 317,600 shares of BioPulse International in exchange for their interests in BioPulse, Inc. Mr. Fey and Mr. McConkie, former directors of the Company each received 336,500 shares for their interests in International Sensor Technologies, Inc.

During the fiscal year ended July 31, 1999, we received a loan for $90,000 from an officer, a loan for $90,000 from a corporation under common ownership, and a loan for $10,628 from a shareholder. Each of these loans were paid in full by October 31, 1999. Also during the quarter ended October 31, 1999, we loaned $74,620 to a corporation under common ownership. Currently the outstanding balance on this loan is $19,032.

On or about October 13, 2000, we entered into a one year consulting agreement with Liviakis Financial Communications, Inc. In exchange for 1,550,000 restricted common shares, Liviakis Financial agreed to assist and advise us in matter relating to stockholder and investor relations, relations with brokers, dealers, analysts and other investment professionals, and to help us in developing and implementing presentational materials. To date, Liviakis Financial has introduced us to individuals in the financial community, including stockbrokers, institutions and analysts, handled incoming investor calls from shareholders, brokers and investment professionals, assisted us in preparing and packaging investor relations materials, helped us prepare and disseminate press releases, assisted in media relations, and set up investment conference calls. Liviakis Financial introduced us to and assisted in the negotiations with Kauser Partners, L.P. Liviakis Financial also introduced us to and engaged an investment banking relationship with Roth Capital Partners, Inc. We anticipate Liviakis Financial will continue to provide similar services through the remainder of the contract term.

It is our understanding that Liviakis Financial was founded in 1985 as a full service investor relations firm, providing services principally to micro through mid-cap public companies listed on the Nasdaq, American, New York Stock and OTCBB Exchanges. The services provided by Liviakis Financial include financial community and media relations, editorial services and interactive communications, as well as administrative, consulting and advisory services. The overall purpose of Liviakis Financial is to enhance its corporate clients' recognition in the financial community, the media and among shareholders.

To the Company's knowledge, none of the principals of Liviakis Financial hold any licenses, certifications or registrations.

Description of Securities

We are presently authorized to issue one hundred and ten million (110,000,000) shares, which shall be divided into one hundred million (100,000,000) of common stock having a par value of $.001 each; two million (2,000,000) shares of Series A Preferred Stock having a par value of $.001; two million (2,000,000) shares of Series B Preferred Stock having a par value of $.001; two million (2,000,000) shares of Series C Preferred Stock having a par value of $.001: two million (2,000,000) shares of Series D Preferred Stock having a par value of $.001; two million (2,000,000) shares of Series E Preferred Stock.

Common Stock

The holders of common stock are entitled to equal dividends and

distributions, per share, with respect to the common stock when, as and if declared by the Board of Directors from funds legally available therefor. Upon liquidation, dissolution or winding up, and after payment of creditors and preferred stockholders, if any, the assets will be divided pro-rata on a share-for-share basis among the holders of the shares of common stock. All shares of common stock now outstanding are fully paid, validly issued and non-assessable. Each share of common stock is entitled to one vote with respect to the election of any director or any other matter upon which shareholders are required or permitted to vote. Holders of our common stock do not have cumulative voting rights, so that the holders of more than 50% of the combined shared voting for the election of directors may elect all of the directors, if they choose to do so and, in that event, the holder of the remaining shares will not be able to elect members to the board of directors.

Preferred Stock

The rights of the our Series A, C, D, and E preferred stock shall be determined by the Board of Directors. At the present time, there are no issued and outstanding shares of Series A, Series C, Series D or Series E preferred stock.

We do have 3,000 shares of Series B Convertible Preferred Stock issued and outstanding. The Series B Convertible Preferred Stock has a liquidation value of $1,000. The holders of Series B Convertible Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor prior to, and in preference to, any declaration or payment of any dividend on our common stock, at a rate of seven percent per annum of the amount of the liquidation value, which is payable upon converson based upon a 360 calendar day year. At our discretion, dividends shall be paid in cash or in shares of common stock which has been appropriately registered with the Securities and Exchange Commission. The holders of our Series B Convertible Preferred Shares shall, at any time after issuance, have the right to convert any whole preferred shares into that number of fully paid nonassessable shares of common stock which is determined per share of preferred stock by dividing $1,000 by the Conversion Price. The Conversion price shall be the lesser of $9.75 or

eighty percent (80%) of the average of the three lowest closing bid prices of the common stock during the 20 day tradings immediately prior to the conversion date. For so long as we have not received a notice of conversion for such shares, we may redeem shares of our Series B Preferred Stock. If we serve notice on the holders within 120 days of January 24, 2001 the redemption price shall be equal to 120% of the liquidation value, plus all accrued but unpaid dividends on such shares. If we serve notice of redemption after 120 days, but within 180 days of January 24, 2001, the redemption price shall equal 125% of the liquidation value, plus all accrued, but unpaid dividends on such shares. If notice of redemption is served on or after the 180th day, the redemption price shall equal130% of the liquidation value, plus all accrued, but unpaid dividends on such shares. If we deliver notice of redemption pursuant to the foregoing sentence, the holders shall retain their conversion rights with respect to up to a maximum of 100% of the number of shares subject to the redemption.

Transfer Agent and Registrar

We have appointed Interwest Transfer Company, 1981 E. 4800 S., Salt Lake City, Utah 84117, as the transfer agent and registrar for our securities.

Selling Securityholders and Plan of Distribution

An aggregate of up to 7,779,732 shares of our common stock may be offered and sold pursuant to this prospectus by the selling securityholders. We are registering these shares on behalf of the selling securityholders. We will pay all costs, expenses and fees in connection with this registration, except that the selling stockholders will pay underwriting discounts and selling commissions, if any. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

The following table shows certain information as of the date of this prospectus regarding the number of common shares, and warrants and options to purchase our common stock beneficially owned by each selling shareholder

and the number of shares each selling shareholder is including for sale in this prospectus.

<TABLE>
<CAPTION>

Selling Securityholder	Beneficial Ownership of Common Stock before Offering (1)		Number Offered By Selling Securityholder	Beneficial Ownership of Common Stock After Offering (2)	
	Number	Percent		Number	Percent
<S>	<C>	<C>	<C>	<C>	<C>
Kauser Partners, L.P.	353,636	3.73%	353,636	0	*
Kauser Partners, L.P.	189,318(3)	2.00%	189,318	0	*
Aidan, Incorporated	200,000(4)	2.11%	200,000	0	*
Paul Kessler	5,000	*	5,000	0	*
John Liviakis	1,193,500	12.84%	1,193,500	0	

Liviakis Financial Communications, Inc.	60,000	*	60,000	0	*
Anthony Altavilla	148,250	1.56%	148,250	0	*
Jens Dalsgaard	148,250	1.56%	148,250	0	*
Hunts Drive, LLC	210,300(3)	2.21%	210,300	0	*
Hunts Drive, LLC	965,148(5)	9.40%	965,148	0	*
Hunts Drive, LLC	4,182,330(6)	31.02%	4,182,330	0	*
Roth Capital Partners, Inc.	100,500(3)	1.07%	100,500	0	*
Anthony Soich	11,100(3)	*	11,100	0	*
Carbon Mesa Partners	12,400(3)	*	12,400	0	*

</TABLE>

* Less than 1%.

(1) Beneficial ownership is determined in accordance with the rules and regulations of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the date of this Prospectus are deemed outstanding.
(2) Assumes that all shares offered for sale in this prospectus are sold.
(3) Represents shares of common stock issuable upon exercise of outstanding warrants.
(4) Represents shares of common stock issuable upon exercise of outstanding options.
(5) Represents the shares of common stock issuable upon conversion of the series B convertible preferred shares.
(6) Represents the common shares that may be issued to Hunts Drive, LLC, pursuant to certain private equity credit agreement, whereby we may seek additional funding up to $10,000,000.

The selling securityholders listed above, who are not individuals, have provided us with additional information regarding the individuals who exercise control over the selling shareholder. The proceeds of any sale of shares pursuant to this prospectus will be for the benefit of each of the individuals that control the selling entity. The following is a list of the selling securityholders and the individual who exercises control of the entity:

- Kauser Partners, L.P. - controlled by Mr. Leonard Panzer.
- Hunts Drive, LLC - controlled by Mr. David Simms.
- Aidan, Incorporated - controlled by Mr. Neil Riordan.
- Liviakis Financial Communications, Inc. - controlled by Mr. John Liviakis.
- Roth Capital Partners, Inc. - controlled by Mr. Gordon Roth.
- Carbon Mesa Partners - controlled by Mr. Michael Rosenblum.

The selling securityholders may sell their shares at various times in one or more of the following transactions:

(1) on the OTC Bulletin Board (or any other exchange on which the shares may be listed);
(2) in the over-the-counter market;
(3) in negotiated transactions other than on such exchange; by pledge to secure debts and other obligations;
(4) in connection with the writing of non-traded and exchange-traded call options, in hedge transactions, in covering previously established short positions and in settlement of other

transactions in standardized or over-the-counter options; or

(5) in a combination of any of the above transactions.

The selling securityholders may sell their shares at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices or at fixed prices. The selling securityholders may sell shares directly or may use broker-dealers to sell their shares. The broker-dealers will either receive discounts or commissions from the selling securityholders, or they will receive commissions from purchasers of shares. This compensation may be in excess of customary commission.

The selling securityholders may also sell all or a portion of their shares under Rule 144 under the Securities Act of 1933, or may pledge shares as collateral for margin accounts. These shares could then further be resold pursuant to the terms of such accounts.

If we are notified by the selling securityholders that any material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file a supplement to this prospectus, if required, under Rule 424(b) under the Securities Act, disclosing the following:

(1) the names of the selling securityholders and of the participating broker-dealer(s);
(2) the number of shares involved;
(3) the price at which such shares were sold;
(4) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable;
(5) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus; and
(6) other facts material to the transaction.

The selling securityholders may be entitled under agreements entered into with us to indemnification from us against liabilities under the Securities Act.

In order to comply with certain state securities laws, if applicable, these shares of common stock will not be sold in a particular state unless they have been registered or qualified for sale in that state or any exemption from registration or qualification is available and complied with.

Legal Proceedings

To the knowledge of our officers and directors, neither BioPulse International nor any of its officers or directors is a party to any material legal proceeding or litigation and such persons know of no material legal proceeding or litigation contemplated or threatened. There are no judgments against the us or our officers or directors. None of the officers or directors has been convicted of a felony or misdemeanor relating to securities or performance in corporate office.

Interest of Named Experts and Counsel

None of the experts named herein was or is a promoter, underwriter, voting trustee, director, officer or employee of BioPulse International. Further, none of the experts was hired on a contingent basis and none of the experts named herein will receive a direct or indirect interest in BioPulse International.

Legal Matters

Certain legal matters will be passed upon for us by Poulton & Yordan, of Salt Lake City, Utah. On October 12, 2000, Poulton & Yordan was granted an option to purchase up to 20,000 shares of restricted common stock, with an exercise price of $2.94 per share. This option expires on December 31, 2009.

Accounting Matters

The financial statements included in this prospectus and elsewhere in the registration statement have been audited by Crouch, Bierwolf & Associates, Certified Public Accountants, located in Salt Lake City, Utah, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

Additional Information

We file annual, quarterly, and special reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). You may read and copy any materials filed by us with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We file our reports electronically with the SEC and the SEC maintains an internet site that will contain reports and other information regarding us which may be viewed at http://www.sec.gov.

We have filed a registration statement on Form SB-2 with the SEC covering the shares of common stock being offered by means of this prospectus.

Disclosure of Commission's Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons for 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 Act and is, therefore, unenforceable.

In the event that any 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 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 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.

Part II Information Not Required in Prospectus

Indemnification of Directors and Officers

There are no provisions in the Nevada corporation law or the Articles of Incorporation of the Registrant requiring the corporation to indemnify any of the Registrant officers and directors. The articles of incorporation of the registrant provide for indemnification as follows:

1) No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any action taken or an failure to take any action as a director, except as provided in this Article.

2) The limitation of liability contemplated in this Article shall not extend to (a) the amount of a financial benefit received by a director to which he is not entitled, (b) an intentional infliction of harm on the corporation or the shareholders, (c) an intentional violation of criminal law, or (d) unlawful distributions.

3) Any repeal or modification of this Article by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our officers and directors pursuant to the provisions of our Certificate of Incorporation, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Other Expenses of Issuance and Distribution

The following table sets forth our estimates (other than the SEC registration fee) of the expenses in connection with the issuance and distribution of the shares of common stock being registered:

SEC registration fee.	$ 15,527
Legal fees and expenses	$ 50,000
Accounting fees and expenses.	$ 20,000
Miscellaneous expenses.	$ 4,473
Total:	$ 90,000

All of these expenses except for the SEC registration fee are estimated. None of these expenses are being paid by the selling stockholders.

Recent Sales of Unregistered Securities

On April 6, 1999, 2,000,000 common shares were issued to sophisticated investors in a private placement pursuant to an exemption from registration provided by section 3(b) of the 1933 Securities and Exchange Act and provisions of Regulation D, Rule 504 promulgated under the 1933 Act ("Regulation D"). We received approximately $970,000 in cash.

In October of 1999, 600,000 restricted common shares were issued to Celtic Ltd., pursuant to an exemption from registration under section 4(2) of the Securities Act of 1933, pursuant to a subscription agreement we received $60,000. These shares were not offered for sale in any public offering or as part of a public distribution.

In February of 2000, 600,000 restricted common shares were issued to Paramo Investment pursuant to an exemption from registration under section 4(2) of the Securities Act of 1933 for services rendered. We received no cash. These shares were not given in connection with a public offering or as part of a public distribution.

In June of 2000, 5,000 restricted common shares were issued to David J. Weaver, a sophisticated investor, pursuant to an exemption from registration under section 4(2) of the Securities Act of 1933. We received $15,000. These shares were not offered for sale in any public offering or as part of a public distribution.

On August 3, 2000, we granted an option to purchase up to 1,500,000 restricted common shares to Aidan, Incorporated. This option was issued pursuant to an exemption for registration under Section 4(2) of the Securities Act of 1933. The exercise price of the options is $2.75. The options shall expire on August 3, 2010. Pursuant to the terms of the Sublicensing Agreement between the parties, the option vests pursuant to the accomplishment by Aidan of certain activities. As of the date of this prospectus, Aidan's option had vested up to 900,000 shares. These warrants were not offered for sale in any public offering or as part of a public distribution.

On August 18, 2000, 60,000 restricted common shares were issued to Rob Reeder in exchange for medical equipment for the Tijuana clinic valued at approximately $60,000. The restricted shares were not publicly offered, or offered as part of a public distribution. The shares were issued pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933.

On August 18, 2000, 6,000 restricted common shares were issued to Robert Perez, sophisticated investor, pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. These shares were not offered for sale to the public or as part of a public distribution. We received $18,000.

On August 18, 2000, 7,500 restricted common shares were issued to Perez Makasian Williams, a sophisticated investor, pursuant to an exemption

from registration under Section 4(2) of the Securities Act of 1933. We received $22,500. These shares were not offered for sale to the public or as part of a public distribution.

On August 18, 2000, 2,500 restricted common shares were issued to Robert Williams, a sophisticated investor, pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received $7,500. These shares were not offered for sale to the public or as part of a public distribution.

On September 7, 2000, 9,000 restricted common shares were issued to Jack Schear, to an accredited investor pursuant to an exemption from registration under Section 4(6) of the Securities Act of 1933. We received $27,000. These shares were not offered for sale to the public or as part of a public distribution.

On September 22, 2000, 25,000 shares of series A preferred stock held by Brad Fey were converted to 50,000 shares of restricted common stock pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received no money. This conversion offer was not made to the public or as part of a public distribution.

On November 20, 2000, 1,193,500 restricted common shares were issued to John Liviakis, 60,000 restricted common shares were issued to Liviakis Financial Communications, Inc., Mr. Liviakis' company, 148,250 restricted common shares were issued to Anthony Altavilla, and 148,250 restricted common shares were issued to Jens Dalsgaard, each employees of Livakis Financial, for consulting services on financial and public relations and business and personnel related matters pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received no cash. These shares were not offered for sale to the public or as part of a public distribution.

On November 20, 2000, 353,636 restricted common shares and warrants to purchase up to an additional 189,318 restricted common shares were issued to Kauser Partners, L.P., pursuant to an exemption from registration under section 4(2) of the Securities Act of 1933. We received $1,000,000. The strike price on the warrants is currently $6.375. The strike price can be adjusted downward depending upon the date when this registration statement becomes effective. These shares were not offered for sale to the public or as part of a public distribution.

On November 29, 2000, 10,000 restricted common shares were issued to Peter Kristensen, a sophisticated investor, for consulting services pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received no cash. These shares were not offered for sale to the public or as part of a public distribution.

On December 18, 2000, 40,000 restricted common shares were issued to Edesio Biffoni, a sophisticated investor, for consulting services pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received no cash. These shares were not offered for sale to the public or as part of a public distribution.

On December 18, 2000, 30,000 restricted common shares were issued to Tiger-Lewis, Inc., a sophisticated investor, for consulting services pursuant pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933. We received no cash. These shares were not offered for sale to the public or as part of a public distribution.

On January 24, 2001, 3,000 restricted series B convertible preferred shares and a warrant to purchase up to 100,000 shares of our common stock were issued to Hunts Drive, LLC., an accredited investor in a private placement pursuant to an exemption from registration provided by section 4(2) of the 1933 Securities and Exchange Act and provisions of Regulation D, Rule 506 promulgated under the 1933 Act ("Regulation D"). The warrants have an exercise price of $8.53 per share. After deducting offering costs, we received approximately $2,660,000 in cash.

On January 24, 2001, a warrant to purchase up to 110,300 common shares was issued to Hunts Drive, LLC., an accredited investor, pursuant to a private equity credit agreement entered into between the parties, whereby the Company may sell up to and additional $10,000,000 worth of its common stock to Hunts Drive, in a private placement pursuant to an exemption from registration provided by section 4(2) of the 1933 Securities and Exchange Act and provisions of Regulation D, Rule 506 promulgated under the 1933 Act ("Regulation D"). The warrants have an exercise price of $8.40 per share.

On January 24, 2001, we granted warrants to Roth Capital Partners, Inc., Anthony Soich, and Carbon Mesa Partners, to purchase up to 40,500; 4,500; and 5,000 common shares respectively. Each of these investors is either accredited or sophisticated. These warrants were granted for services in connection with the sale of series B convertible preferred shares to Hunts Drive, LLC. The warrants have an exercise price of $8.53 per share. These warrants were issued pursuant to an exemption from registration under Section 4(2) and/or 4(6) of the Securities Act of 1933. We received no cash. These warrants were not offered for sale to the public or as part of a public distribution.

On January 24, 2001, we granted warrants to Roth Capital Partners, Inc., Anthony Soich, and Carbon Mesa Partners, to purchase up to 60,000; 6,600; and 7,400 common shares respectively. Each of these investors is either accredited or sophisticated. These warrants were granted for services in connection with the private equity credit agreement entered into by us with Hunts Drive, LLC. These warrants were issued pursuant to an exemption from registration under Section 4(2) and/or 4(6) of the Securities Act of 1933. We received no cash. These warrants were not offered for sale to the public or as part of a public distribution.

<TABLE>
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Exhibits

Exhibit Number	Description of Document	Location
<S>	<C>	<C>
3.01	Amended and Restated Articles of Incorporation	(1)
3.02	Bylaws	(1)
4.01	Certificate of Designation of Series B Convertible Preferred Stock of BioPulse International, Inc.	Attached

5.01	Opinion Regarding Legality	Attached
10.01	Contract with Dr. Jesus Omar Sanchez Tiznado	(1)
10.02	BioPulse International, Inc. 2000 Stock Option Plan	(2)
10.03	Sublicensing Agreement with Aidan, Incorporated	As Filed
10.04	Exclusive License and Bailment Agreement with Brigham Young University	As Filed
10.05	Consulting Agreement with Liviakis Financial Communications, Inc.	Attached
10.06	Private Equity Credit Agreement by and between BioPulse International, Inc., and Hunts Drive, LLC.	Attached
10.07	Statement of Work between CRP and BioPulse International, Inc.	Attached
10.08	Private Placement Engagement Agreement	Attached
15.01	Letter on Unaudited Interim Financial Information	As Filed
16.01	Letter on Change in Certifying Accountant	(1)
23.01	Consent of Independent Auditor	Attached
23.02	Consent of Legal Counsel (Included in Exhibit 5.01)	Attached

(1) Incorporated by reference to the Registrant's Form 10-SB dated January 18, 2000, SEC File Number 000-28973.
(2) Incorporated by reference the Registrant's Form 10-QSB dated December 18, 2000, SEC File Number 000-28973.

Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in "Indemnification of Directors and Officers" above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant 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 registrant 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 whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in

a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective by the Securities and Exchange Commission.

(2) For the purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Index to Financial Statements

The following documents are filed as part of this report:

Report of Independent Accountants.

Financial Statements and Schedules:

Consolidated Balance Sheet as of October 31, 2000 and July 31, 2000

Consolidated Statement of Operations for October 31, 2000 and July 31, 2000

Consolidated Statement of Stockholder's Equity

Statements of Cash Flows for the period ended October 31, 2000 and the year ended July 31, 2000

Notes to the Financial Statements

All schedules omitted are not applicable, not required or the required information is included in the financial statements thereto.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant 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 amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in Salt Lake City, State of Utah on the 8th day of February, 2001.

BIOPULSE INTERNATIONAL, INC.

By: /s/ Jonathan Neville

Jonathan Neville, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, the registration statement has been signed by the following persons in the capacities and on the dates indicated:

/s/ Jonathan Neville --- Jonathan Neville	Chief Executive Officer and Director (Principal Executive Officer)	February 8, 2001

/s/ Michael Jones Chief Financial Officer February 8, 2001
Michael Jones and Treasurer
Michael Jones (Principal Accounting Officer)

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Biopulse International, Inc.

Consolidated Financial Statements

October 31, 2000 and 1999 (Unaudited)
and
July 31, 2000 and 1999

C O N T E N T S

/Letterhead/

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
Biopulse International, Inc.

We have audited the accompanying consolidated balance sheets of Biopulse International, Inc. as of July 31, 2000 and 1999 and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended July 31, 2000 and 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Biopulse International, Inc. as of July 31, 2000 and 1999 and the results of its operations and cash flows for the years ended July 31, 2000 and 1999 in conformity with generally accepted accounting principles.

/S/ Crouch, Bierwolf & Associates

Crouch, Bierwolf & Associates
Salt Lake City, Utah
December 18, 2000

Biopulse International, Inc.
Consolidated Balance Sheets

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Assets

	October 31, 2000	1999	October 31, 2000	July 31, 1999	July 31,
<S>	<C> (Unaudited)	<C> (Unaudited)	<C>	<C>	
Current assets					
Cash	$ 104,189	$ 8,994	$ 42,055	$ 3,988	
Accounts receivable(net of allowance for doubtful accounts)	112,940	209	17,030	1,609	
Inventory	83,502	10,425	77,094	-	
Note receivable - employee	9,800	-	9,800	-	
Note receivable-related party (Note 8)	19,032	74,620	19,032	-	
Prepaid rent - current (Note 11)	135,080	-	133,925	-	
Total Current Assets	464,543	94,248	298,936	5,597	
Property & Equipment, Net (Note 2)	848,238	208,058	659,729	125,127	
Intangible Assets, Net (Note 3)	689,706	-	-	-	
Other assets					
Deposits	8,731	9,117	8,731	8,731	
Prepaid rent - net of current portion	151,594	-	182,749	-	
Total Other Assets	160,325	9,117	191,480	8,731	
Total Assets	$2,162,812	$ 311,423	$1,150,145	$ 139,455	

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(Continued)

Biopulse International, Inc.
Consolidated Balance Sheets
(continued)

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Liabilities and Stockholders' Equity

	October 31, 2000	1999	October 31, 2000	July 31, 1999	July 31,
<S>	(Unaudited) <C>	(Unaudited) <C>	<C>	<C>	
Current Liabilities					
Accounts payable	$ 92,739	$ 58,305	$ 104,787	$ 100,729	
Accrued expenses	20,081	8,084	30,146	37,160	
Unearned revenue	30,466	-	77,784	-	
Notes payable-related party	-	-	-	190,628	
Notes payable (Note 7)	911,600	-	86,000	-	
Total Current Liabilities	1,054,886	66,389	298,717	328,517	
Total Liabilities	1,054,886	66,389	298,717	328,517	
Stockholders' Equity					
Preferred Stock , Class A, authorized 2,000,000 shares of $.001 par value, 0, 50,374, 25,000 and 50,374 shares issued and outstanding, respectively	-	50	25	50	
Common Stock, authorized 100,000,000 shares of $.001 par value, 7,464,610, 6,073,862, 7,329,610, and 6,073,862 issued and outstanding, respectively	7,464	6,074	7,329	6,074	
Additional Paid in Capital	1,226,934	1,018,249	1,092,044	1,018,249	

Less: Subscriptions receivable	(119,586)	(301,000)	(159,566)	(970,000)
Accumulated Deficit	(6,886)	(478,339)	(88,404)	(243,435)
Total Stockholders' Equity	1,107,926	245,034	851,428	(189,062)
Total Liabilities and Stockholders' Equity	$2,162,812	$ 311,423	$1,150,145	$ 139,455

</TABLE>

See accountant's report and notes to these financial statements

Biopulse International, Inc.
Consolidated Statement of Operations

<TABLE>
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	For the Three Months Ended October 31, 2000	For the Three Months Ended October 31, 1999	For the Year Ended July 31, 2000	For the Year Ended July 31, 1999
<S>	<C>	<C>	<C>	<C>
Revenues	$1,159,680	$ 228,208	$3,107,636	$ 289,623
Direct Costs of Operations	398,359	135,066	1,163,598	179,870
Gross Profit	761,321	43,142	1,944,038	109,753
Operating Expenses:				
General and administrative	679,803	278,046	1,789,007	353,188
Total Expenses	679,803	278,046	1,789,007	353,188
Net Income (Loss) from Operations	81,518	(234,904)	155,031	(243,435)
Net Income (Loss) Before Taxes	81,518	(234,904)	155,031	(243,435)
Provision for Income taxes	-	-	-	-
Net Income (Loss)	$ 81,518	$ (234,904)	$ 155,031	$ (243,435)
Net Income (Loss) Per Share	$ 0.01	$ (0.02)	$ 0.02	$ (0.05)
Weighted average shares outstanding	7,368,110	6,073,862	7,329,610	4,709,752
Fully diluted earnings per share	$ 0.01	$ (0.04)	$ 0.02	$ (0.05)
Fully diluted weighted average shares outstanding	8,784,950	6,073,862	7,329,610	4,709,752

</TABLE>

See accountant's report and notes to these financial statements

Biopulse International, Inc.
Consolidated Statement of Stockholders' Equity

<TABLE>
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	Preferred Stock		Common Stock		Subscri-ptions Receivable	Additional paid-in capital	Retained Earnings
	Shares	Amount	Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balances at							

Inception	-	$ -	-	$ -	$ -	$ -	$ -
Net loss for the year ended July 31, 1998	-	-	-	-	-	-	-
Balance, July 31, 1998	-	-	-	-	-	-	-
Stock for cash to organizers	-	-	4,000,000	4,000	-	-	-
Recapitalization for accounting Purposes of Biopulse, Inc.	-	-	73,862	74	-	(74)	-
Stock issued for subscriptions receivable at $.49 per share	-	-	2,000,000	2,000	(970,000)	968,000	-
Stock issued for cash at $1.00 per share	25,000	25	-	-	-	24,975	-
Stock issued for services at $1.00 per share	25,374	25	-	-	-	25,348	-
Net loss for the year ended July 31, 1999	-	-	-	-	-	-	(243,435)
Balance, July 31, 1999	50,374	50	6,073,862	6,074	(970,000)	1,018,249	(243,435)
Conversion of preferred stock to common stock	(25,374)	(25)	50,748	50	-	-	-
Stock issued for services	-	-	600,000	600	-	(600)	-
Stock issued for subscription receivable at $.10 per share	-	-	600,000	600	(60,000)	59,400	-

(Continued)

Stock issued for $3 per share	-	-	5,000	5	-	14,995	-
Collection of subscription receivable	-	-	-	-	870,434	-	-
Net Income for the year ended July 31, 2000	-	-	-	-	-	-	155,031
Balance, July 31, 2000	25,000	25	7,329,610	7,329	(159,566)	1,092,044	(88,404)
Conversion of preferred stock to common stock	(25,000)	(25)	50,000	50	-	(25)	-
Stock issued for $3 per share	-	-	25,000	25	-	74,975	-
Stock issued for equipment	-	-	60,000	60	-	59,940	-
Collection of subscription receivable	-	-	-	-	39,980	-	-
Net Income for							

the three months ended October 31, 2000	-	-	-	-	-	-	81,518
Balance, October 31, 2000	-	$ -	7,464,610	$ 7,464	$(119,586)	$1,226,934	$(6,886)

</TABLE>

See accountant's report and notes to these financial statements

Biopulse International, Inc.
Consolidated Statement of Cash Flows

<TABLE><CAPTION>

	For the Three Months Ended October 31, 2000	For the Three Months Ended October 31, 1999	For the Year Ended July 31, 2000	For the Year Ended July 31, 1999
<S>	<C>	<C>	<C>	<C>
Cash Flows from Operating Activities:				
Net Income (Loss)	$ 81,518	$ (234,904)	$ 155,031	$ (243,435)
Adjustments to reconcile net income to cash provided by operations:				
Stock for services	-	-	-	29,374
Depreciation & Amortization	42,144	7,352	60,508	11,385
(Increase) decrease in receivables	(95,910)	1,400	(15,421)	1,609
(Increase) decrease in inventory	(6,408)	(10,425)	(77,094)	-
(Increase) decrease in prepaid expenses	30,000	-	(316,674)	-
Increase (decrease) in payables	(12,048)	(42,424)	4,058	100,729
Increase (decrease) in accrued expenses	(10,065)	(29,076)	(7,014)	32,160
Increase (decrease) in unearned fees	(47,318)	-	-	-
Increase (decrease) in notes receivable	-	-	(9,800)	-
Net Cash (Used) Provided by Operating Activities	(18,087)	(308,077)	(206,406)	(66,396)
Cash Flows from Investment Activities:				
Purchase of Equipment	(160,379)	(90,283)	(555,365)	(136,513)
Acquisition of intangible assets	(700,000)	-	-	-
Cash loan to related party	-	(74,620)	19,032	-
Cash paid for deposits	-	(386)	-	(8,731)
Net Cash (Used) Provided by Investing Activities	(860,379)	(165,289)	(536,333)	(145,244)
Cash Flows from Financing Activities:				
Issued common stock for cash and subscriptions receivable	75,000	669,000	885,434	25,000
(Increase) decrease in subscription receivable	40,000	-	-	-
Cash received from debt financing	825,600	-	86,000	190,628
Principal payments on short term debt	-	(190,628)	(190,628)	-
Net Cash (Used) Provided by Financing Activities	940,600	478,372	780,806	215,628
Net increase (decrease) in cash	62,134	5,006	38,067	3,988
Cash, beginning of period	42,055	3,988	3,988	-
Cash, end of period	$ 104,189	$ 8,994	$ 42,055	$ 3,988

</TABLE>

Biopulse International, Inc.
Notes to the Financial Statements
October 31 and July 31, 2000

NOTE 1 - Summary of Significant Accounting Policies

a. Organization

Biopulse International, Inc. (BioPulse) was incorporated in the State of Nevada on July 13,1984 originally under the name of Universal Financial Capital Corp (UFC). UFC changed its name in September 1985 to International Sensor Technologies, Inc.(IST). IST incurred heavy losses and no revenue from operations and thereafter experienced five years of inactivity. On January 12, 1999, IST changed its name to BioPulse International, Inc. when it acquired BioPulse, Inc. BioPulse is in the business of managing integrated medical clinics, and medical research programs.

BioPulse issued 4,000,000 common shares in exchange for 100 percent of the outstanding stock of Biopulse Inc., a Utah corporation organized June 4, 1998. The share exchange with Biopulse, Inc. was accounted for as a reverse acquisition (recapitalization), therefore all historical financial information is that of the accounting survivor Biopulse, Inc.

BioPulse also paid $100,000 to an officer/director of the Company for accounting, legal and organization expenses to recapitalize the Company. This was recorded as general and administrative expense during the year ended July 31, 1999.

b. Recognition of Revenue

The Company recognizes income and expense on the accrual basis of accounting. Patients are generally charged a flat fee for treatment for a specified period of time and the fee is recorded as unearned revenue. Revenue from services to patients is recognized as services are performed. Patients who do not complete the entire treatment schedule are refunded fees prorated on a daily basis.

Patient recruitment fees, consulting fees and provision of equipment for other non-affiliated clinics are recognized as revenue

when services have been rendered, equipment installed and no right of return of fees exists.

c. Earnings (Loss) Per Share

The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements.

d. Cash and Cash Equivalents

BioPulse considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Biopulse International, Inc.
Notes to the Financial Statements
October 31 and July 31, 2000

NOTE 1 - Summary of Significant Accounting Policies (continued)

e. Provision for Income Taxes

No provision for income taxes has been recorded due to net operating loss carryforwards totaling approximately 2,370,000 that will be offset against future taxable income pursuant to limitations of the Internal Revenue Code. These NOL carryforwards begin to expire in the year 2000. No tax benefit has been reported in the financial statements because BioPulse believes there is a 50% or greater chance the carryforward will expire unused, and are limited pursuant to the Internal Revenue Code. The loss from the year ended July 31, 1999 can

be used to offset income for the period ended July 31, 2000. Accordingly, no tax provision has been recorded.

Deferred tax assets and the valuation account is as follows at October 31, 2000 and July 31, 2000:

Deferred tax asset:	October 31, 2000	July 31, 2000
NOL carrryforward	$ 700,000	$ 700,000
Valuation allowance	(700,000)	(700,000)
Total	$ -	$ -

f. Principles of Consolidation

These financial statements include the books of Biopulse International, Inc and its wholly owned subsidiary Biopulse, Inc. All intercompany transactions and balances have been eliminated in the consolidation.

h. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and expenses during the reporting period. In these financial statements, assets, liabilities and expenses involve extensive reliance on management's estimates. Actual results could differ from those estimates.

i. Accounts Receivable Allowance

BioPulse periodically reviews accounts receivable and the allowance for doubtful accounts. At July 31, 2000 the allowance was $8,435 and at October 31, 2000 the allowance was $36,500.

j. Inventory

Inventory is recorded at the lower of cost or market on the first-in, first-out basis, and consists primarily of medicine, medical supplies and nutritional supplements.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Direct operating costs consist of direct costs incurred in the providing of care to patients. These costs include the cost of medicine, medical supplies, nutritional supplements, laboratory fees, patient hotel rooms, patient meals and other direct costs. The salaries of in-house doctors and nurses are included in general and administrative costs.

k. International Exchange

All fees are charged in U. S. dollars and most expenses are paid in U. S. dollars. Expenses that are paid in a foreign currency are converted into U. S. dollars at the exchange rate in effect on the date of the transaction.

l. Research and Development Costs

As an integral part of its patient treatment operations, BioPulse conducts research designed to evaluate the effectiveness of patient treatment. All costs associated with the patient's care are expensed in the period that they are incurred. There have been no material research and development costs incurred by the company that are not associated with patient care. No research and development costs have been capitalized.

NOTE 2 - Property and Equipment

BioPulse capitalizes purchases of equipment with a useful life of more than one year. BioPulse also capitalizes improvements and costs that increases the value of or extend the life of an asset.

Capitalized assets are depreciated over the estimated useful lives of the assets (five to seven years for furniture and fixtures and leasehold improvements, three to five years for autos, medical and computer equipment) on the straight line basis.

Property and Equipment consists of the following:

	October 31, 2000	October 31, 1999	July 31, 2000	July 31, 1999
<S>	<C>	<C>	<C>	<C>
Furniture & Equipment	$ 171,301	$ 28,562	$ 144,228	$ 20,935
Medical Equipment	683,104	182,626	543,087	110,606
Leasehold improvements	93,576	15,607	44,306	4,971
Auto	4,000	4,000	-	-
Accumulated Depreciation	(103,743)	(18,737)	(71,892)	(11,385)
Total Property & Equipment	$ 848,238	$ 208,058	$ 659,729	$ 125,127

Depreciation expense was $60,508 and $11,385 for the years ended July 31, 2000and 1999, respectively and $31,850 and $7,352 for the three months ended October 31, 2000 and 1999, respectively.

NOTE 3 - Intangible Assets

BioPulse capitalized as intangible assets the purchase cost of the rights to certain technologies acquired from Aidan Inc. in August 2000. These assets amortized over their estimated useful life or the life of related patents whichever is shorter. The patents have a remaining life of 17 years and BioPulse does not expect the technology to become obsolete during the 17 year useful life of the patents. The technology and licenses acquired cover the world except for experimental use in the United States.

Intangible assets consist of the following at October 31,2000:

Intangible Assets	$ 700,000
Accumulated Amortization	(10,294)
Total Intangible Assets	$ 689,706

Amortization expense was $10,294 for the three months ended October 31, 2000.

NOTE 4 - Equity/Reverse stock split

In November 1998, the board of directors authorized a 1 for 400 reverse stock split. These statements have been retroactively restated to reflect this reverse split.

During the year ended July 31, 1999, BioPulse issued the following:

- 4,000,000 shares of common stock for 100 percent of the outstanding stock of Biopulse, Inc. valued at $4,000.

- 2,000,000 shares of common stock for subscriptions receivable of $970,000.

- 25,000 shares of preferred stock, class "A" for cash of $25,000.

- 25,374 shares of preferred stock, class "A" for services valued at $25,374. Cost of these services was recorded as general and administrative costs.

During the year ended July 31, 2000 BioPulse had issued the following:

- 600,000 shares to the underwriter for services rendered in the offering.

- 600,000 shares at $.10 per share pursuant to a subscription agreement.

- 5,000 shares for $3 per share.

During the three months ended October 31, 2000 BioPulse issued the following:

- 25,000 shares for $3 per share.

- 60,000 shares for equipment at $1 per share.

NOTE 4 - Equity (continued)

Subsequent to the balance sheet date of October 31, 2000 BioPulse issued the following:

- 353,636 shares of common stock at $2.82 per share with warrants to purchase 189,000 shares of common stock at the lesser of $6.375 per share and the average closing price for the five trading days immediately prior to the effective date of this registration statement, if this registration statement is declared effective on or before February 19, 2001. If we do not have an effective registration statement in place prior to February 20, 2001, the exercise price shall be adjusted to fifty percent of the lesser of $6.375 and the average closing price for the five trading days immediately preceding the effective date of this registration statement. If all of these warrants were exercised, we would receive $1,206,902.

- 1,550,000 shares of common stock pursuant to consulting with Livinkis Financial Communications (LFC) for investor relations services for one year. The shares were non cancellate and non-assessable upon signing on November 2, 2000. The closing stock price on that day was $ 4.50 per share. An expense of $ 6,975,000 will be recognized during the quarter ended January 31, 2001. In addition, the contract provides for cash commissions to LFC of 2.5% of the value of debt or equity financing and 2% of the value of the merger or acquisition for which LFC has acted as a finder.

- 80,000 shares were issued to three individuals for services valued at $679,370. The cost of these services will be recorded as general and administrative costs during the quarter ended January 31, 2001.

3,000 shares of Series B Convertible Preferred at $1,000 per share. 7% cumulative, convertible at 80% of average of the three lowest closing bid prices during the 20 trading days immediately prior to the conversion date.

Options and Warrants:

- At August 3, 2000 issued 1,500,000 options to purchase common stock at $2.75 (market price) to Aiden, Inc. in partial consideration for technology rights. The shares are exercisable as follows:

  - 700,000 immediately,
  - 200,000 upon submission of patent application for production of tissue vaccine,
  - 200,000 upon submission of patent application for MPGC,
  - 200,000 upon submission of patent application for Cytokines,
  - 200,000 upon submission of patent application for Tissue Vaccine.

We have outstanding warrants to purchase up to 184,300 common shares with an exercise price of $8.40 per share. These warrants were granted on January 24, 2001 and expire on January 24, 2006. If all of these warrants were exercised, we would receive $1,548,120.

We also have outstanding warrants to purchase up to 150,00 common shares with an exercise price of $8.53 per share. These warrants were

granted on January 24, 2001 and expire on January 24,2006. If all of these warrants were exercised, we would receive $1,279,500.

NOTE 5 - Commitments and Contingencies

The Company is committed to an operating lease for office space in Sandy, Utah. The lease requires the Company to pay monthly rent of $8,731 and expires December 2003.

The Company is committed to an operating lease for clinic and office space in Tijuana, Mexico. The lease requires the payment of $11,000 per month adjusted each March 1st by the U.S. consumer price index, and expires February 28, 2005. For purposes of computing future obligations a CPI increase of 3.5% is assumed. The lease states the rent obligation on the clinic and office space in U.S. dollars.

Future minimum operating lease payments are as follows at October 31, 2000:

2000	$ 39,462
2001	240,622
2002	245,392
2003	250,342
2004	150,650
2005	25,250
Total	$ 951,718

BioPulse entered into a contract with Aiden Incorporated on August 3, 2000 to license patented and patentable technology. The license term is the life of the patents. The license covers world wide rights except rights for experimental use in the United States. The Company paid $750,000 for the license between August 2000 and January 2000 and as further consideration, granted 1,500,000 options described in Note 4.

Aidan is required to apply for patents and pay the expenses of issuance of the patents.

BioPulse has paid the $750,000 to Aidan but is still obligated under the options. BioPulse is required to file a registration statement to register the stock that will be issued upon exercise of the options.

BioPulse entered into a contract with Brigham Young University effective December 1, 2000 to license patented technology. The license term is five years with an option to review for an additional 5 years. The license covers the world wide rights to this technology except for the following Aisian countries : China, Japan, Taiwan, Malaysia, Indonesia, Philippines, Singapore and Korea. The company paid $ 800,000 for the license in December 2000 and is required to pay for further development of the technology. It is estimated that this further development will require an expenditure of $ 200,000. The License requires payment of a 7% royalty due quarterly with the following minimum annual payments through 2005.

2000	$ 0
2001	0
2002	0
2003	100,000
2004	200,000
2005	400,000
Total	$ 700,000

NOTE 5 - Commitments and Contingencies (continued)

Under the BYU Contract, the following milestones are required to be met:

- LICENSEE shall develop a serum ELISA diagnotic kit for the detection of Thymidine Kinase-1 isoenzyme by December 31, 2001.

- LICENSEE shall complete clinical trials to validate the clinical usefulness of the in vitro diagnostic ELISA test by June 30, 2002.

- LICENSEE shall submit applications for United States Food and Drug Administration approval for the in vitro serum diagnostic ELISA test by December 31, 2002, and shall vigorously pursue approval of the application.

The BYU license can be terminated by BYU for non-performance of milestones or insolvency of BioPulse.

On December 20, 2000 BioPulse entered into an engagement agreement with Roth Capital Partners (RCP) for a private equity placement on a best efforts basis for six months. Upon closing of the placement RCP will receive a cash payment of 9% of the aggregate purchase price of the equity placed plus warrants to purchase BioPulse common stock of 10% of the number and at the price of the shares placed.

BioPulse has a contract with a Mexican MD whereby, in exchange for his activity as the medical licensee for the clinic in Tijuana, Mexico receives compensation of $1,500 per month. The contract also stipulates that BioPulse receives all revenues generated by the clinic and is responsible for all operating costs of the clinic, all of which are consolidated in the financial statements.

NOTE 6 - Royalties

Biopulse has an agreement to pay to Mike Mower $450 in royalties per patient who participates in a three week treatment program or $21 per day for treatments of less than three weeks. These royalties were $24,300 and $47,700 in the years ended July 31, 1999 and 2000 respectively and $7,600 and $16,650 in the quarters ended October 31, 1999 and 2000, respectively.

NOTE 7 - Note Payable

The Company borrowed $86,000 to be paid back on or before September 5, 2000 along with $8,600 in interest. The balance of $51,000 was repaid in November 2000.

The Company borrowed $225,000 on October 25, 2000 and is due January 23, 2000. Medical care is to be provided to the lender's daughter in leu of interest. Interest will be charged from the due date, at the annual rate of 18%, if not paid by the due date.

The contract to acquire the intangible assets from Aidan, Inc. requires payments of $750,000. At October 31, 2000 $635,000 was due and $135,000 was paid in December 2000. The balance of $500,000 was paid in January 2001.

NOTE 8 - Note Receivable - Related Party

Notes receivable - related party are detailed as follows:

<TABLE><CAPTION>

	October 31, 2000	July 31, 2000
<S>	<C>	<C>
Note receivable from a corporation, under common ownership, non-interest bearing, due within one year	19,032	19,032
Total Notes receivable - Related Party	$ 19,032	$ 19,032

</TABLE>

NOTE 9 - Preferred Stock

The Company has authorized five classes of Preferred Stock, each class has 2,000,000 shares authorized at $.001 par value. At October 31, 2000, the Company had no preferred stock outstanding.

NOTE 10 - Prepaid Rent

The lease on the clinic in Tijuana, BC, Mexico required that the funds to build the clinic improvements be provided by the company and applied against the rent obligation until the cost of the clinic improvements was recovered.

Exhibit 4.01

CERTIFICATE OF DESIGNATION

of

SERIES B CONVERTIBLE PREFERRED STOCK

of

BIOPULSE INTERNATIONAL, INC.

(Adopted pursuant to Section 78-1955 of the
General Corporation Law of Nevada)

The undersigned hereby certifies that the Board of Directors of BIOPULSE INTERNATIONAL, INC., a Nevada corporation (the "Company"), duly adopted the following resolutions effective as of January 18, 2001:

RESOLVED, a series of preferred stock of the Company is created and the relative rights, preferences, and limitations of the shares of such Series B are as follows:

I. Designation and Amount. The shares of such series of Preferred Stock shall be designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock") and the number of the outstanding shares constituting the Series B Preferred Stock shall be Three Thousand (3,000). The Series B Preferred Stock shall have a liquidation value (the "Liquidation Value") of $1,000 per share.

II. Dividends.

A. The holders of shares of Series B Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor prior to, and in preference to, any declaration or payment of any dividend on the Common Stock of this Company, at a per share rate equal to seven percent (7%) per annum of the amount of the Liquidation Value of the Series B Preferred Stock, which is payable upon conversion (based upon a 360 calendar day year) as set forth below. Dividends shall begin to accrue as of the Issuance Date (as defined below). Any dividends payable pursuant to the provisions of this paragraph shall, at the Company's option, be payable in cash, or unrestricted shares of Common Stock of the Company within five Business Days (as defined below) of when due. The number of shares of Common Stock to be issued by the Company in lieu of a cash payment for dividends due as set forth herein shall be equal to the number of shares of Common Stock resulting from dividing the dollar amount of dividends owed by

the Conversion Price (as defined below) on such date as the dividends are payable (if such date is not a Trading Day, then the next Trading Day (as defined below) immediately thereafter).

B. Such dividends shall accrue on each share of Series B Preferred Stock from the Issuance Date, and shall accrue from day to day whether or not earned or declared. Such dividends shall be cumulative so that if such dividends in respect of any previous or current annual dividend period, at the annual rate specified above, shall not have been paid or declared and a sum sufficient for the payment thereof set apart, for all Series B Preferred Stock at the time outstanding, the deficiency shall first be fully paid before any dividend or other distribution shall be paid on or declared or set apart for the Series B Preferred Stock, Common Stock or other security of the Company subordinate in liquidation to the Series B Preferred Stock. Dividends on the Series B Preferred Stock shall be non-participating and the holders of the Series B Preferred Stock shall not be entitled to participate in any other dividends beyond the cumulative dividends specified herein.

III. Liquidation, Dissolution or Winding Up.

A. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, and in preference to any distribution of any assets of the Company to the holders of Common Stock, holders of each share of Series B Preferred Stock shall be entitled to receive out of the assets available for distribution to shareholders the Liquidation Value per share of Series B Preferred Stock plus seven percent (7%) per annum thereon from the Issuance Date (as defined below) to the Trading Day (as defined below) immediately prior to such liquidation, dissolution or winding up of the Company (the "Liquidation Amount").

B. Upon the completion of any required distribution to the holders of the Series A Preferred Stock, if the assets of the Company available for distribution to shareholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full Liquidation Amount to which they shall be entitled, then any such distribution of assets of the Company shall be distributed ratably to the holders of shares of Series B Preferred Stock.

C. After the payment of the Liquidation Amount shall have been made in full to the holders of the Series B Preferred Stock or funds necessary for such payment shall have been set aside by the Company in trust for the account of holders of the Series B Preferred Stock so as to be available for such payments, the holders of the Series B Preferred Stock shall be entitled to no further participation in the distribution of the assets of

the Company, and the remaining assets of the Company legally available for distribution to shareholders shall be distributed among the holders of Common Stock and any other classes or series of Preferred Stock of the Company in accordance with their respective terms.

IV. Voting. Holders of Series B Preferred Stock shall have no voting rights except as expressly required by law or as expressly provided herein.

V. Conversion of Series B Preferred Stock. The holders of Series B Preferred Stock shall have the right, at such holder's option, to convert the Series B Preferred Stock into shares of Common Stock, on the following terms and conditions:

A. Subject to the provisions of Section XI hereof, at any time or times after the Issuance Date any holder of the Series B Preferred Stock shall be entitled to convert any whole number of such holder's shares of Series B Preferred Stock into that number of fully paid and nonassessable shares of Common Stock, which is determined (per share of Series B Preferred Stock) by dividing (x) $1,000, by (y) the Conversion Price (as defined below) (the "Conversion Rate").

B. For purposes of this Certificate of Designation, the following terms shall have the following meanings:

A "Business Day" shall be any day other than a Saturday, Sunday, national holiday or a day on which the New York Stock Exchange is closed.

The "Closing Bid Price" shall mean, for any security as of any date, the last closing bid price for such security on the Nasdaq Stock Market as reported by Bloomberg L.P. ("Bloomberg"), or, if the Nasdaq Stock Market is not the principal trading market for such security, the last closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price of such security in the over-the-counter market on the NASD OTC Electronic Bulletin Board for such security as reported by Bloomberg, or, the last closing trade price of such security as reported by Bloomberg, or, if no last closing bid or trade price is reported for such security by Bloomberg, the closing bid price shall be determined by reference to the closing bid price as reported on the Principal Market. If the Closing Bid Price cannot be calculated for such security on such date on any of the foregoing bases, the Closing Bid Price of such security on such date shall be the fair market value as mutually agreed by the Company and the holders of two thirds of the outstanding shares of Series B Preferred Stock.

The "Conversion Price" shall mean, as of any Conversion Date (as defined below) the lesser of (i) $9.75 (the "Maximum Conversion Price") or (ii) Eighty Percent (80%) of the average of the three lowest Closing Bid

Prices of the Common Stock during the Twenty (20) Trading Days (the "Lookback Period") immediately prior to the Conversion Date.

"Effective Date" shall mean the date on which the Securities and Exchange Commission (the "SEC") first declares effective a Registration Statement registering the resale of 200% of the greater of (i) the number of shares of Common Stock issuable upon conversion of all of the Series B Preferred Stock outstanding on the Trading Day immediately preceding the day such Registration Statement is filed (ii) the number of shares of Common Stock issuable upon conversion of all of the Series B Preferred Stock outstanding on the Trading Day immediately preceding the day any amendment to such Registration Statement is filed.

The "Issuance Date" shall mean, with respect to each share of Series B Preferred Stock, the date of issuance of the applicable shares of Series B Preferred Stock.

A "Trading Day" shall mean a day on which the Principal Market is open.

The "Principal Market" shall mean the Nasdaq National Market, the Nasdaq Small Cap Stock Market, the American Stock Exchange, the NASD OTC Electronic Bulletin Board operated by the National Association of Securities Dealers, Inc., or the New York Stock Exchange, whichever is at the time the principal trading exchange or market for the Common Stock.

Holders of Series B Preferred Stock may exercise their right to convert the Series B Preferred Stock by telecopying an executed and completed notice of conversion in the agreed upon form (the "Notice of Conversion") to the Company and delivering to Company the original Notice of Conversion and the certificate representing the Series B Preferred Stock being converted by reputable overnight courier within three (3) business thereafter. Each Business Day (between the hours of 6:30 a.m. and 5:00 p.m. Pacific Time) on which a Notice of Conversion is telecopied to and received by the Company shall be deemed a "Conversion Date." The Company will deliver the certificates representing shares of Common Stock issuable upon conversion of any share of Series B Preferred Stock (together with the certificates representing the share or shares of Series B Preferred Stock not so converted) to the holder thereof via reputable overnight courier, by electronic transfer or otherwise within three Business Days after the Conversion Date, provided the Company has received the original Notice of Conversion and Series B Preferred Stock certificate being so converted on or before the close of business of the third Business Day after the Conversion Date. In addition to any other remedies which may be available to the holders of shares of Series B Preferred Stock, in the event that the Company fails to deliver such shares of Common Stock within such three Business Day period, the holder will be entitled to revoke the relevant

Notice of Conversion by delivering a notice (by similar method) to such effect to the Company whereupon the Company and such holder shall each be restored to their respective positions immediately prior to delivery of such Notice of Conversion. The Notice of Conversion and Series B Preferred Stock certificates representing the portion of the Series B Preferred Stock converted shall be delivered as follows:

To the Company:

BioPulse International, Inc.
10421 South Jordan Gateway
Salt Lake City, Suite 500, UT 84095
ATTN: CEO
Telephone No.: (801) 523-0101
Telecopier No.: (801) 523-8848

with a copy to:

Ronald Poulton, Esq.
Poulton & Yordan
136 E. Temple, Suite 1700-A,
Salt Lake City, Utah 84111
Telephone: (801) 355-1341
Facsimile: (801) 355-2990

The Company understands that a delay in the issuance of the shares of Common Stock beyond the Delivery Date could result in economic loss to the holder. As compensation to the holder for such loss, the Company agrees to pay late payments to the holder in the event that Company's failure to issue and deliver the shares on the Delivery Date in accordance with the following schedule (where "No. Business Days Late" is defined as the number of business days beyond three (3) business days after the Delivery Date):

No. Business Days Late	Late Payment For Each $10,000 of Preferred Stock Liquidation Amount Being Converted
1	$100
2	$200
3	$300
4	$400
5	$500
>5	$500 +$200 for each Business Day Late beyond 5 days from The

The Company shall pay any payments incurred under this Section in immediately available funds upon demand. Nothing herein shall limit the holder's right to pursue actual damages or to cause the Company to redeem the Preferred Shares as provided below for the Company's actions or inactions resulting in the transfer agent's failure to issue and deliver the Common Stock to the holder. Furthermore, in addition to any other remedies which may be available to the holder, in the event that the Company fails to deliver such shares of Common Stock within five (5) business days after the Delivery Date, the Holder will be entitled to revoke the relevant Notice of Conversion by delivering a notice to such effect to the Company whereupon the Company and the holder shall each be restored to their respective positions immediately prior to delivery of such Notice of Conversion. In the event the Company's actions or inactions result in the transfer agent's failure to issue and deliver the Common Stock to the holder within ten (10) days after the Delivery Date, holder may, at its option and by providing written notice to the Company, require the Company to redeem all or part of the outstanding Series B Preferred Stock held by holder (without limiting its other remedies hereunder). The redemption price for each share of the Series B Preferred Stock shall equal One Hundred Twenty Five Percent (125%) of the Liquidation Value (the "Default Redemption Amount"). The Company shall pay to holder, in immediately available funds, the aggregate redemption price for all outstanding Series B Preferred Stock being redeemed within five (5) business days of such redemption notice.

If, by the relevant Delivery Date, the Company fails for any reason to deliver the Shares to be issued upon conversion of the Preferred Stock and after such Delivery Date, the holder of the Preferred Stock being converted (a "Converting Holder") purchases, in an open market transaction or otherwise, shares of Common Stock (the "Covering Shares") in order to make delivery in satisfaction of a sale of Common Stock by the Converting Holder made after a Conversion Date (the "Sold Shares"), which delivery such Converting Holder anticipated to make using the Shares to be issued upon such conversion (a "Buy-In"), the Company shall pay to the Converting Holder, in addition to all other amounts contemplated in other provisions of this Certificate of Designation and other agreements related hereto, and not in lieu thereof, the Buy-In Adjustment Amount (as defined below). The "Buy-In Adjustment Amount" is the amount equal to the excess, if any, of (x) the Converting Holder's total purchase price (including brokerage commissions, if any) for the Covering Shares over (y) the net proceeds (after brokerage commissions, if any) received by the Converting Holder from the sale of the Sold Shares. The Company shall pay the Buy-In Adjustment Amount to the Holder in immediately available funds immediately

upon demand by the Converting Holder. By way of illustration and not in limitation of the foregoing, if the Converting Holder purchases shares of Common Stock having a total purchase price (including brokerage commissions) of $11,000 to cover a Buy-In with respect to shares of Common Stock it sold for net proceeds of $10,000, the Buy-In Adjustment Amount which Company will be required to pay to the Converting Holder will be $1,000. The remedies set forth in this Paragraph 5.C. shall be cumulative.

D. If the Common Stock issuable upon the conversion of the Series B Preferred Stock shall be changed into the same or different number of shares of any class or classes of stock, whether by capital reorganization, reclassification or otherwise, then and in each such event, the holders of Series B Preferred Stock shall have the right thereafter to convert such shares into the kind and amount of shares of stock and other securities and property receivable upon such capital reorganization, reclassification or other change which such holders would have received had their shares of Series B Preferred Stock been converted immediately prior to such capital reorganization, reclassification or other change.

E. If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to any other person (any of which events is herein referred to as a "Reorganization"), then as a part of such Reorganization, provision shall be made so that the holders of the Series B Preferred Stock shall thereafter be entitled to receive upon conversion of the Series B Preferred Stock, the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such Reorganization, to which such holder would have been entitled if such holder had converted its shares of Series B Preferred Stock immediately prior to such Reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section with respect to the rights of the holders of the Series B Preferred Stock after the Reorganization, to the end that the provisions of this Section (including adjustment of the number of shares issuable upon conversion of the Series B Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

F. Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series B Preferred Stock as provided herein, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such Series B Preferred Stock a certificate executed by the

president and chief financial officer (or in the absence of a person designated as the chief financial officer, by the treasurer) setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment are based. The Company shall, upon written request at any time of any holder of Series B Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (A) the Conversion Price at the time in effect, and (B) the number or shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Series B Preferred Stock.

G. Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of any Series B Preferred Stock certificate(s), and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Company, and upon the cancellation of the Series B Preferred Stock certificate(s), if mutilated, the Company shall execute and deliver new certificates for Series B Preferred Stock of like tenure and date. However, the Company shall not be obligated to reissue such lost or stolen certificates for shares of Series B Preferred Stock if the holder contemporaneously requests the Company to convert such shares of Series B Preferred Stock into Common Stock.

H. The Company shall not issue any fraction of a share of Common Stock upon any conversion. The Company shall round such fraction of a share of Common Stock up to the nearest whole share.

I. In the event some but not all of the shares of Series B Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute and deliver to or on the order of the holder, at the expense of the Company, a new certificate representing the number of shares of Series B Preferred Stock which were not converted.

J. Each share of Series B Preferred Stock outstanding on January __, 2003 shall automatically be converted into Common Stock on such date at the Conversion Price and such date shall be deemed the Conversion Date with respect to such shares.

K. The Company shall pay any and all original issue and/or transfer taxes which may be imposed upon it with respect to the issuance and delivery of Common Stock upon conversion of the Series B Preferred Stock.

L. Subject to the provisions of this Section, if the Company at any time shall issue any shares of Common Stock prior to the conversion of the entire Liquidation Value of the Series B Preferred Stock and dividends on such Series B Preferred Stock, otherwise than: (i) pursuant to options, warrants, or other obligations to issue shares outstanding on the date

hereof as described in writing to the holders prior to the Issuance Date or in SEC filings made by the Company prior to the Issuance Date, or (ii) all shares reserved for issuance pursuant to the Company's existing stock option, incentive, or other similar plan, which plan and which grant is approved by the Board of Directors of the Company ((i) and (ii) collectively referred to as the "Existing Obligations"), for a consideration less than the fixed Conversion Price set forth in (i) of the definition of Conversion Price in Section V.B. above (as adjusted from the date hereof (the "Fixed Conversion Price"), then, and thereafter successively upon each such issue, the fixed Conversion Price shall, from such date forward, equal the resulting quotient of the following formula: (y) the number of shares of Common Stock outstanding immediately prior to such issue shall be multiplied by the Fixed Conversion Price in effect at the time of such issue and the product shall be added to the aggregate consideration, if any received by the Company upon such issue of additional shares of Common Stock; and (z) the sum so obtained shall be divided by the number of shares of Common Stock outstanding immediately after such issue. Except for the Existing Obligations and options that may be issued under any employee incentive stock option and/or any qualified stock option plan adopted by the Company, for purposes of this adjustment, the issuance of any security of the Company carrying the right to convert such security into shares of Common Stock or of any warrant, right, or option to purchase Common Stock shall result in an adjustment to the Fixed Conversion Price upon the issuance of shares of Common Stock upon exercise of such conversion or purchase rights.

M. In the event a holder shall elect to convert any share or shares of Series B Preferred Stock as provided herein, the Company cannot refuse conversion based on any claim that such holder or anyone associated or affiliated with such holder has been engaged in any violation of law, unless an injunction from a court, restraining and/or enjoining conversion of all or part of said shares of Series B Preferred Stock shall have been issued and the Company posts a surety bond for the benefit of such holder in the amount of 143% of the Liquidation Value of the Series B Preferred Stock and dividends sought to be converted, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such holder in the event it obtains a favorable judgment.

VI. No Reissuance of Series B Preferred Stock. No share or shares of Series B Preferred Stock acquired by the Company by reason of purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Company shall be authorized to issue. The Company may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Series B Preferred Stock accordingly.

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VII. Reservation of Shares. The Company shall, so long as any share or shares of the Series B Preferred Stock are outstanding reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series B Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all of the Series B Preferred Stock then outstanding; provided that the number of shares of Common Stock so reserved shall at no time be less than 200% of the number of shares of Common Stock for which the Series B Preferred Stock are at any time convertible and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to maintain such number of shares of Common Stock, the Company shall immediately take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

VIII. Restrictions and Limitations.

A. Except as expressly provided herein or as required by law, so long as any shares of Series B Preferred Stock remain outstanding, the Company shall not, without the approval by vote or written consent by the holders of at least two thirds of the then outstanding shares of Series B Preferred Stock, voting as a separate class take any action that would adversely affect the rights, preferences or privileges of the holders of Series B Preferred Stock.

B. Without limiting the generality of the preceding paragraph, the Company shall not so long as any shares of Series B Preferred Stock remain outstanding amend its Articles of Incorporation without the approval by the holders of all of the then outstanding shares of Series B Preferred Stock if such amendment would:

1. create any other class or series of capital stock entitled to seniority as to the payment of dividends in relation to the holders of Series B Preferred Stock;

2. reduce the amount payable to the holders of Series B Preferred Stock upon the voluntary or involuntary liquidation, dissolution or winding up of the Company, or change the relative seniority of the liquidation preferences of the holders of Series B Preferred Stock to the rights upon liquidation of the holders of other capital stock of the Company,

3. cancel or modify the conversion rights of the holders of Series B Preferred Stock provided for in Section V herein; or

4. cancel or modify the rights of the holders of the Series B Preferred Stock provided for in this Section.

IX. No Dilution or Impairment.

A. The Company shall not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designation set forth herein, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the holders of the Series B Preferred Stock against dilution or other impairment. Without limiting the generality of the foregoing, the Company (a) shall not establish a par value of any shares of stock receivable on the conversion of the Series B Preferred Stock above the amount payable therefor on such conversion, (b) shall take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of stock on the conversion of all Series B Preferred Stock from time to time outstanding, and (c) shall not consolidate with or merge into any other person or entity, or permit any such person or entity to consolidate with or merge into the Company (if the Company is not the surviving person), unless such other person or entity shall expressly assume in writing and will be bound by all of the terms of the Series B Preferred Stock set forth herein.

B. If the Company at any time after January 19, 2001 shall issue any shares of Common Stock prior to the conversion of all shares of the Series B Preferred and the dividends thereon, including without limitation, shares of Common Stock issued (i) pursuant to options (including those options delivered pursuant to any employee, officer or director stock option plan), warrants, or other contractual obligations, (ii) upon any private placement or secondary offering (iii) as a result of a stock dividend or split, then upon each such issuance of Common Stock the Maximum Conversion Price shall be reduced by: (y)(I) the number of shares of Common Stock outstanding immediately prior to such issuance, multiplied by the Maximum Conversion Price in effect at the time of such issuance, plus (II) the aggregate sum, if any, received by the Company in consideration for such issuance; divided by (z) the number of shares of Common Stock outstanding immediately after such issuance.

X. Notices of Record Date. In the event of:

A. any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

B. any capital reorganization of the Company, any reclassification

or recapitalization of the capital stock of the Company, any merger of the Company, or any transfer of all or substantially all of the assets of the Company to any other corporation, or any other entity or person, or

C. any voluntary or involuntary dissolution, liquidation or winding up of the Company, then and in each such event the Company shall mail or cause to be mailed to each holder of Series B Preferred Stock a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and a description of such

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dividend, distribution or right, (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up is expected to become effective and (iii) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least ten Business Days prior to the date specified in such notice on which such action is to be taken.

XI. Redemption.

A. For so long as the Company has not received a Notice of Conversion for such shares or is in default of its obligations hereunder, the Company may, at its option, repay, in whole or in part, the Series B Preferred Stock shares at the Redemption Price (as defined below). The Series B Preferred Stock is redeemable as a series, in whole or in part, by the Company by providing written notice (the "Redemption Notice") to the holder of the Series B Preferred Stock via facsimile at its address as the same shall appear on the books of the Company (the Business Day between the hours of 6:30 a.m. and 4:00 p.m. Pacific Time the Redemption Notice is received by the holders of the Series B Preferred Stock via facsimile is defined to be the "Redemption Notice Date"). Within five (5) Trading Days after the Redemption Notice Date the Company shall make payment of the Redemption Price (as defined below) in immediately available funds to the holder for the shares of Series B Preferred Stock which are the subject of the Redemption Notice (such date of payment referred to as the "Redemption Date"). Partial redemptions shall be in an aggregate principal amount of at least $100,000. If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the Company will select those to be redeemed pro-rata amongst the then holders of the Series B Preferred Stock based on the number of shares of Series B Preferred Stock then outstanding.

B. If the Company serves a Redemption Notice prior to the 120th day after the date of this Certificate of Designation, the Redemption Price

shall be equal to 120% of the Liquidation Value of the shares of Series B Preferred Stock which are subject to such Redemption Notice, plus all accrued but unpaid dividends on such shares. If the Company serves a Redemption Notice commencing on the 120th day but prior to the 180th day after the date hereof, the Redemption Price shall be equal to 125% of the Liquidation Value of the shares of Series B Preferred Stock which are subject to such Redemption Notice, plus all accrued but unpaid dividends on such shares. If the Company serves a Redemption Notice on or after the 180th day after the date hereof, the Redemption Price shall be equal to 130% of the Liquidation Value of the shares of Series B Preferred Stock which are subject to such Redemption Notice, plus all accrued but unpaid dividends on such shares. If the Company delivers a Redemption Notice to redeem the Series B Preferred Stock, pursuant to the foregoing sentence, the holders of the Series B Preferred Stock will retain their conversion rights with respect to up to a maximum of one hundred percent (100%) of the number of shares subject to the redemption. If the holders of the Series B Preferred Stock elect to so convert the Series B Preferred Stock after the receipt of the Redemption Notice, the Company must receive notice of such election pursuant to the procedures set forth in Paragraph XI.C. below.

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C. The Notice of Redemption shall set forth (i) the Redemption Date and the place fixed for redemption, (ii) the Redemption Price, (iii) a statement that dividends on the shares of Series B Preferred Stock to be redeemed will cease to accrue on such Redemption Date, (iv) a statement of or reference to the conversion right set forth herein, and (v) confirmation that the Company has the full Redemption Price reserved as set forth in F. below. If fewer than all the shares of the Series B Preferred Stock owned by such holders are then to be redeemed, the notice shall specify the number of shares thereof that are to be redeemed and, if practicable, the numbers of the certificates representing such shares. Within five (5) Trading Days of the Redemption Notice Date, the Company shall wire transfer the appropriate amount of funds to the holders of the Series B Preferred Stock. If the Company fails to comply with the redemption provisions set forth herein by the fifth (5th) Trading Day after the Redemption Notice Date (or in the case of a public offering as contemplated in F below, by the sixth Trading Day after the Redemption Notice Date) relating to the Redemption Notice, the redemption will be declared null and void and the Company shall not be permitted to serve another Redemption Notice. For the first three (3) Trading Days after the Redemption Notice Date, the holders of the Series B Preferred Stock shall retain their conversion rights with respect to all or a portion of the Series B Preferred shares subject to the redemption. To exercise said conversion right, the holders shall deliver to Company a conversion notice within said three (3) Trading Day period, in which event the Redemption Notice shall be deemed null and void as to the shares of Series B Preferred Stock which are being converted pursuant to

said conversion notice. The holders shall send the shares of Series B Preferred Stock being redeemed or converted to the Company within three (3) Business Days after they have received good funds for the Redemption Price of the redeemed shares.

D. Subject to the receipt by the holders of the Series B Preferred Stock being redeemed of the wire transfer of the Redemption Price as described above, each share of Series B Preferred Stock to be redeemed shall be automatically canceled and converted into a right to receive the Redemption Price, and all rights of the Series B Preferred Stock, including the right to conversion shall cease without further action.

E. The Redemption Price shall be adjusted proportionally upon any adjustment of the Conversion Price as provided herein and in the event of any stock dividend, stock split, combination of shares or similar event.

F. The Company shall not be entitled to send any Redemption Notice and begin the redemption procedure hereunder unless it has:

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(a) the full amount of the Redemption Price in cash, available in a demand or other immediately available account in a bank or similar financial institution, specifically allotted for such redemption;

(b) immediately available credit facilities, in the full amount of the Redemption Price with a bank or similar financial institution specifically allotted for such redemption; or

(c) a combination of the items set forth in (i) and (ii) above, aggregating the full amount of the Redemption Price.

Notwithstanding the foregoing, in the event the redemption is expected to be made contemporaneously with the closing of a public offering of the Company's securities for an amount in excess of the Redemption Price, the Company shall not be required to have the full amount of the Redemption Price available to it as set forth above.

XII. 4.99% Limitation. Notwithstanding the provisions hereof, in no event shall each holder be entitled to convert any shares of the Series B Preferred Stock to the extent that, after such conversion, the sum of (1) the number of shares of Common Stock beneficially owned by such holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted shares of the Series B Preferred Stock), and (2) the number of shares of Common Stock issuable upon the conversion of the shares of Series B Preferred Stock with respect to which the determination of this proviso is being made, would result in beneficial ownership by such holder and its affiliates of more

than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). Any issuance by the Company to a holder in excess of the limit contained in this Paragraph shall be null and void, ab initio, and upon notice of such invalid issuance, the Company shall correct its books and cause its transfer agent's books to be corrected forthwith to reflect that the holder's ownership of Common Stock is within the limit set forth herein. Holder shall immediately deliver any certificates for invalidly issued Common Stock to the Company's transfer agent. The Company further agrees to (i) immediately reissue certificates for Common Stock to the extent that a portion of the Common Stock represented by said certificates have been validly issued and (ii) immediately reissue all or a portion of those shares which were deemed invalidly issued (at a price set forth in the original conversion notices applicable to such shares) upon notice from the holder that the reissuance of such shares would not cause such holder to have a beneficial ownership interest in excess of 4.99%. The 4.99% limitation shall not apply to the automatic conversion upon the Maturity Date as contained herein. The Company hereby indemnifies and holds each holder free and harmless from and against any and all liabilities, losses, costs and expenses, including, without limitation, attorneys' fees and costs (collectively "Liabilities") arising from or relating to claims made by any third parties with respect to any and all purported violations by each holder under Sections 13(d) and/or 16 resulting from a conversion(s) of the Series B Preferred Stock, unless such claim arises from such holder's default of its obligations hereunder, or representations or warranties contained herein. The foregoing indemnity shall exclude Liabilities incurred by any holder in connection with any violation of Sections 13(d) and/or 16 to the extent

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arising from or are related to such holder's beneficial ownership of shares of Common Stock (i) which are not acquired by conversion of Series B Preferred Stock or exercise of Warrants (as defined in the Securities Purchase Agreement pursuant to which the holder has purchased the Series B Preferred Stock), or (ii) deemed beneficially owned through the ownership of the unconverted shares of the Series B Preferred Stock or unexercised Warrants.

XIII "Cap Regulations". The Company shall take all steps reasonably necessary to be in a position to issue shares of Common Stock on conversion of the Series B Preferred Stock without violating the "Cap Regulations" promulgated by NASD to the extent applicable to the Company. If despite taking such steps, the Company is limited in the number of shares of Common Stock it may issue by the "Cap Regulations," to the extent that the Company cannot issue such shares of Common Stock, due upon a

Notice of Conversion, without violating the Cap Regulations, the Company shall immediately notify Buyer the number of shares of the Series B Preferred Stock which are not convertible as a result of said Cap Regulations (the "Unconverted Preferred Stock") and within five (5) business days of the applicable Notice of Conversion redeem the Unconverted Preferred Stock for an amount in cash (the "Redemption Amount") equal to the "Economic Benefit" of such Unconverted Preferred Stock. "Economic Benefit" for purposes of this Article XIII shall mean the dollar value derived if such Unconverted Preferred Stock were converted into Common Stock as set forth in the Notice of Conversion and the Common Stock was sold on the date of the Notice of Conversion at the Closing Bid Price of the Common Stock on the date of the Notice of Conversion.

IN WITNESS WHEREOF, I have subscribed my name this 17th day of January, 2001.

BIOPULSE INTERNATIONAL, INC.

By: /s/ Loran Swensen

Name: Loran Swensen
Title: President

By: /s/ Jan Morse

Name: Jan Morse
Title: Secretary

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Exhibit 5.01

POULTON & YORDAN
ATTORNEYS AT LAW

136 EAST SOUTH TEMPLE, SUITE 1700-A
SALT LAKE CITY, UTAH 84111

Richard T. Ludlow

Telephone: (801) 355-1341
Fax: (801) 355-2990

February 8, 2001

Board of Directors
BioPulse International, Inc.
10421 South Jordan Gateway, Suite 500
South Jordan, Utah 84095

Re: Opinion and Consent of Counsel with respect to Registration Statement on Form SB-2/ A-1 for BioPulse International, Inc.

Gentlemen:

You have requested the opinion and consent of this law firm, as counsel, with respect to the proposed issuance and public distribution of certain securities of the Company pursuant to the filing of a registration statement on Form SB-2 with the Securities and Exchange Commission.

The proposed offering and public distribution relates to up to 7,779,732 shares of common stock, $.001 par value (the "Common Stock"), either currently held by, or to be issued to the Selling Securityholders upon the exercise of outstanding warrants and options, conversions of series B convertible preferred shares and shares which may be issued pursuant to certain Private Equity Credit Agreement with Hunts Drive, LLC. It is our opinion that the shares of Common Stock will, when issued in accordance with the terms and conditions set forth in the registration statement, be duly authorized, validly issued, fully paid and nonassessable shares of common stock of the Company in accordance with the corporation laws of the State of Nevada.

We consent to be named by the Company in the registration statement and prospectus included therein. We also consent to the Company filing this legality opinion as an exhibit to the registration statement.

Very truly yours,

POULTON & YORDAN

/s/ Richard T. Ludlow
Richard T. Ludlow
Attorney at Law

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Exhibit 10.05

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement"), effective as of October 13, 2000 is entered into by and between Biopulse International, Inc., a Nevada corporation (herein referred to as the "Company") and LIVIAKIS FINANCIAL COMMUNICATIONS, INC., a California corporation (herein referred to as the "Consultant").

RECITALS

WHEREAS, Company is a publicly-held corporation with its common stock traded on the OTCBB Market; and

WHEREAS, Company desires to engage the services of Consultant to represent the company in investors' communications and public relations with existing shareholders, brokers, dealers and other investment professionals as to the Company's current and proposed activities, and to consult with management concerning such Company activities;

NOW THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree as follows:

1. Term of Consultancy. Company hereby agrees to retain the Consultant to act in a consulting capacity to the Company, and the Consultant hereby agrees to provide services to the Company commencing once appropriate "Lock-ups" (see addendum) have been executed between all direct insiders of the company covering a term commensurate with the term of this contract and ending on October 12, 2001.

2. Duties of Consultant. The Consultant agrees that it will generally provide the following specified consulting services through its officers and employees during the term specified in Section 1.:

(a) Consult and assist the Company in developing and implementing appropriate plans and means for presenting the Company and its business plans, strategy and personnel to the financial community, establishing an image for the Company in the financial community, and creating the foundation for subsequent financial public relations efforts;

(b) Introduce the Company to the financial community;

(c) With the cooperation of the Company, maintain an awareness during the term of this Agreement of the Company's plans, strategy and personnel, as they may evolve during such period, and consult and assist the Company in communicating appropriate information regarding such plans,

strategy and personnel to the financial community;

(d) Assist and consult the Company with respect to its (i) relations with stockholders, (ii) relations with brokers, dealers, analysts and other investment professionals, and (iii) financial public relations generally;

(e) Perform the functions generally assigned to stockholder relations and public relations departments in major corporations, including responding to telephone and written inquiries (which may be referred to the Consultant by the Company); preparing press releases for the Company with the Company's involvement and approval of press releases, reports and other communications with or to shareholders, the investment community and the general public; consulting with respect to the timing, form, distribution and other matters related to such releases, reports and communications;

and, at the Company's request and subject to the Company's securing its own rights to the use of its names, marks, and logos, consulting with respect to corporate symbols, logos, names, the presentation of such symbols, logos and names, and other matters relating to corporate image;

(f) Upon the Company's direction and approval, disseminate information regarding the Company to shareholders, brokers, dealers, other investment community professionals and the general investing public;

(g) Upon the Company's approval, conduct meetings, in person or by telephone, with brokers, dealers, analysts and other investment professionals to communicate with them regarding the Company's plans, goals and activities, and assist the Company in preparing for press conferences and other forums involving the media, investment professionals and the general investment public;

(h) At the Company's request, review business plans, strategies, mission statements budgets, proposed transactions and other plans for the purpose of advising the Company of the public relations implications thereof; and,

(i) Otherwise perform as the Company's consultant for public relations and relations with financial professionals.

3. Allocation of Time and Energies. The Consultant hereby promises to perform and discharge faithfully the responsibilities which may be assigned to the Consultant from time to time by the officers and duly authorized representatives of the Company in connection with the conduct of its financial and public relations and communications activities, so long as such activities are in compliance with applicable securities laws and regulations. Consultant and staff shall diligently and thoroughly provide the consulting services required hereunder. Although no specific hours-per-day requirement will be required, Consultant and the Company agree that Consultant will perform the duties set forth herein above in a diligent and professional manner. The parties acknowledge and agree that a disproportionately large amount of the effort to be expended and the costs to be incurred by the Consultant and the benefits to be received by the Company are expected to occur within or shortly after the first two months

of the effectiveness of this Agreement. It is explicitly understood that Consultant's performance of its duties hereunder will in no way be measured by the price of the Company's common stock, nor the trading volume of the Company's common stock. It is also understood that the Company is entering into this Agreement with Liviakis Financial Communications, Inc. ("LFC"), a corporation and not any individual member of LFC, and, as such, Consultant will not be deemed to have breached this Agreement if any member, officer or director of LFC leaves the firm or dies or becomes physically unable to perform any meaningful activities during the term of the Agreement, provided the Consultant otherwise performs its obligations under this Agreement.

4. Remuneration. As full and complete compensation for services described in this Agreement, the Company shall compensate LFC as follows:

4.1 For undertaking this engagement and for other good and valuable consideration, the Company agrees to issue and deliver to the Consultant a "Commencement Bonus" payable in the form of 1,490,000 shares of the Company's Common Stock ("Common Stock"). This Commencement Bonus shall be issued to the Consultant immediately following execution of this Agreement and shall, when issued and delivered to Consultant, be fully paid and non-assessable. The Company understands and agrees that Consultant has foregone significant opportunities to accept this engagement and that the Company derives substantial benefit from the execution of this Agreement and the ability to announce its relationship with Consultant. The

1,490,000 shares of Common Stock issued as a Commencement Bonus, therefore, constitute payment for Consultant's agreement to consult to the Company and are a nonrefundable, non-apportionable, and non-ratable retainer; such shares of common stock are not a prepayment for future services. If the Company decides to terminate this Agreement prior to October 12, 2001 for any reason whatsoever, it is agreed and understood that Consultant will not be requested or demanded by the Company to return any of the shares of Common Stock paid to it as Commencement Bonus hereunder. Further, if and in the event the Company is acquired in whole or in part, during the term of this agreement, it is agreed and understood Consultant will not be requested or demanded by the Company to return any of the 1,490,000 shares of Common stock paid to it hereunder. It is further agreed that if at any time during the term of this agreement, the Company or substantially all of the Company's assets are merged with or acquired by another entity, or some other change occurs in the legal entity that constitutes the Company, the Consultant shall retain and will not be requested by the Company to return any of the 1,490,000 shares.

4.2 For performance under this agreement on a month-to-month basis, a Consultancy Fee, payable in the form of 5,000 shares per month of the Company's Common Stock. This Consultancy Fee shall be issued to the

Consultant on a monthly basis, the first month pro-rated according to the number of days remaining in that month, and paid immediately following execution of this Agreement; each following monthly payment payable in full on the first day of the respective month. The monthly Consultancy Fee shall continue to be paid monthly for the duration of this Consulting Agreement.

4.3 The shares issued pursuant to this agreement shall be issued in the names of Liviakis Financial Communications, Inc. (1,193,500 shares), Anthony D. Altavilla (148,250 shares) and Jens Dalsgaard (148,250 shares).

4.4 With each transfer of shares of Common Stock to be issued pursuant to this Agreement (collectively, the "Shares"), Company shall cause to be issued a certificate representing the Common Stock and a written opinion of counsel for the Company stating that said shares are validly issued, fully paid and non-assessable and that the issuance and eventual transfer of them to Consultant has been duly authorized by the Company. Company warrants that all Shares issued to Consultant pursuant to this Agreement shall have been validly issued, fully paid and non-assessable and that the issuance and any transfer of them to Consultant shall have been duly authorized by the Company's board of directors.

4.5 Consultant acknowledges that the shares of Common Stock to be issued pursuant to this Agreement (collectively, the "Shares") have not been registered under the Securities Act of 1933, and accordingly are "restricted securities" within the meaning of Rule 144 of the Act. As such, the Shares may not be resold or transferred unless the Company has received an opinion of counsel reasonably satisfactory to the Company that such resale or transfer is exempt from the registration requirements of that Act.

4.6 In connection with the acquisition of Shares hereunder, the Consultant represents and warrants to the Company, to the best of its/his knowledge, as follows:

(a) Consultant acknowledges that the Consultant has been afforded the opportunity to ask questions of and receive answers from duly authorized officers or other representatives of the Company concerning an investment in the Shares, and any additional information which the Consultant has requested.

(b) Consultant's investment in restricted securities is reasonable in relation to the Consultant's net worth, which is in excess of ten (10) times the Consultant's cost basis in the Shares. Consultant has had experience in investments in restricted and publicly traded securities, and Consultant has had experience in investments in speculative securities and other investments which involve the risk of loss of investment.

Consultant acknowledges that an investment in the Shares is speculative and involves the risk of loss. Consultant has the requisite knowledge to assess the relative merits and risks of this investment without the necessity of relying upon other advisors, and Consultant can afford the risk of loss of his entire investment in the Shares. Consultant is (i) an accredited investor, as that term is defined in Regulation D promulgated under the Securities Act of 1933, and (ii) a purchaser described in Section 25102 (f) (2) of the California Corporate Securities Law of 1968, as amended.

(c) Consultant is acquiring the Shares for the Consultant's own account for long-term investment and not with a view toward resale or distribution thereof except in accordance with applicable securities laws.

5. Financing "Finder's Fee". It is understood that in the event Consultant introduces Company, or its nominees, to a lender or equity purchaser, not already having a preexisting relationship with the Company, with whom Company, or its nominees, ultimately finances or causes the completion of such financing, Company agrees to compensate Consultant for such services with a "finder's fee" in the amount of 2.5% of total gross funding provided by such lender or equity purchaser, such fee to be payable in cash. This 2.5% will be in addition to any fees payable by Company to any other intermediary, if any, which shall be the subject of separate agreements negotiated between Company and such other intermediary. It is also understood that in the event Consultant introduces Company, or its nominees, to an acquisition candidate, either directly or indirectly through another intermediary, not already having a preexisting relationship with the Company, which Company, or its nominees, ultimately acquires or causes the completion of such acquisition, Company agrees to compensate Consultant for such services with a "finder's fee" in the amount of 2% of total gross consideration provided by such acquisition, such fee to be payable in cash. This 2% will be in addition to any fees payable by Company to any other intermediary. It is specifically understood that Consultant is not and does not hold itself out be a Broker/Dealer, but is rather merely a "Finder" in reference to the Company procuring financing sources and acquisition candidates. Any obligation to pay a "Finder's Fee" hereunder shall survive the merging, acquisition, or other change in the form of entity of the Company and to the extent it remains unfulfilled shall be assigned and transferred to any successor to the Company.

5.1 It is further understood that Company, and not Consultant, is responsible to perform any and all due diligence on such lender, equity purchaser or acquisition candidate introduced to it by Consultant under this Agreement, prior to Company receiving funds or closing on any acquisition. However, Consultant will not introduce any parties to Company about which Consultant has any prior knowledge of questionable, unethical or illicit activities.

5.2 Company agrees that said compensation to Consultant shall be paid in full at the time said financing or acquisition is closed, such compensation to be transferred by Company to Consultant within seven (7) business days of the execution of the financing of acquisition closing

document. Payment of said compensation, shall be a condition precedent to the closing of such financing or acquisition, and Company shall execute any and all documents necessary to effect said compensation.

5.3 As further consideration to Consultant, Company, or its nominees, agrees to pay with respect to any financing or acquisition candidate provided directly or indirectly to the Company by any lender or equity purchaser covered by this Section 5 during the period of one year from the close of the term of this Agreement, a fee to Consultant equal to that outlined in Section 5 herein.

5.4 Consultant will notify Company of introductions it makes for potential sources of financing or acquisitions in a timely manner (within approximately 3 days of introduction) via facsimile memo. If Company has a preexisting relationship with such nominee and believes such party should be excluded from this Agreement, then Company will notify Consultant immediately within twenty-four (24) hours of Consultant's facsimile to Company of such circumstance via facsimile memo.

6. Non-Assignability of Services. Consultant's services under this contract are offered to Company only and may not be assigned by Company to ant entity with which Company merges or which acquires the Company or substantially all of its assets. In the event of such merger or acquisition, all compensation to Consultant herein under the schedules set forth herein shall remain due and payable, and any compensation received by the Consultant may be retained in the entirety by Consultant, all without any reduction or pro-rating and shall be considered and remain fully paid and non-assessable. Notwithstanding the non-assignability of Consultant's services, Company shall assure that in the event of any merger, acquisition, or similar change of form of entity, that its successor entity shall agree to complete all obligations to Consultant, including the provision and transfer of all compensation herein, and the preservation of the value thereof consistent with the rights granted to Consultant by the Company herein, and to Shareholders.

7. Expenses. Consultant agrees to pay for all its expenses (phone, mailing, labor, etc.), other than extraordinary items (travel required by/or specifically requested by the Company, luncheons or dinners to large groups of investment professionals, mass faxing to a sizable percentage of the Company's constituents, investor conference calls, print advertisements in publications, etc.) approved by the Company prior to its incurring an obligation for reimbursement.

8. Indemnification. The Company warrants and represents that all oral communications, written documents or materials furnished to Consultant by the Company with respect to financial affairs, operations, profitability

and strategic planning of the Company are accurate and Consultant may rely upon the accuracy thereof without independent investigation. The Company will protect, indemnify and hold harmless Consultant against any claims or litigation including any damages, liability, cost and reasonable attorney's fees as incurred with respect thereto resulting from Consultant's communication or dissemination of any said information, documents or materials excluding any such claims or litigation resulting from Consultant's communication or dissemination of information not provided or authorized by the Company.

9. Representations. Consultant represents that it is not required to maintain any licenses and registrations under federal or any state regulations necessary to perform the services set forth herein. Consultant acknowledges that, to the best of its knowledge, the performance of the services set forth under this Agreement will not violate any rule or provision of any regulatory agency having jurisdiction over Consultant.

Consultant acknowledges that, to the best of its knowledge, Consultant and its officers and directors are not the subject of any investigation, claim, decree or judgment involving any violation of the SEC or securities laws. Consultant further acknowledges that it is not a securities Broker Dealer or a registered investment advisor. Company acknowledges that, to the best of its knowledge, that it has not violated any rule or provision of any regulatory agency having jurisdiction over the Company. Company acknowledges that, to the best of its knowledge, Company is not the subject of any investigation, claim, decree or judgment involving any violation of the SEC or securities laws.

10. Legal Representation. The Company acknowledges that it has been represented by independent legal counsel in the preparation of this Agreement. Consultant represents that it has consulted with independent legal counsel and/or tax, financial and business advisors, to the extent the Consultant deemed necessary.

11. Status as Independent Contractor. Consultant's engagement pursuant to this Agreement shall be as independent contractor, and not as an employee, officer or other agent of the Company. Neither party to this Agreement shall represent or hold itself out to be the employer or employee of the other. Consultant further acknowledges the consideration provided hereinabove is a gross amount of consideration and that the Company will not withhold from such consideration any amounts as to income taxes, social security payments or any other payroll taxes. All such income taxes and other such payment shall be made or provided for by Consultant and the Company shall have no responsibility or duties regarding such matters. Neither the Company or the Consultant possess the authority to bind each other in any agreements without the express written consent of the entity

to be bound.

12. Attorney's Fee. If any legal action or any arbitration or other proceeding is brought for the enforcement or interpretation of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with or related to this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs in connection with that action or proceeding, in addition to any other relief to which it or they may be entitled.

13. Waiver. The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by such other party.

14. Notices. All notices, requests, and other communications hereunder shall be deemed to be duly given if sent by U.S. mail, postage prepaid, addressed to the other party at the address as set forth herein below:

To the Company:

Biopulse International, Inc.
Stephen R. Fey
Chairman
10421 South Jordan Gateway, Ste 500
South Jordan, Utah 84095

To the Consultant:
Liviakis Financial Communications, Inc.
John M. Liviakis, President
495 Miller Avenue
Mill Valley, CA 94941

With a mandatory copy to:

Hasse Molesky Law Offices
Lizbeth Hasse
530 Jackson Street, 3rd Floor
San Francisco, CA 94133

It is understood that either party may change the address to which notices for it shall be addressed by providing notice of such change to the

other party in the manner set forth in this paragraph.

15. Choice of Law, Jurisdiction and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. The parties agree that San Francisco County, CA. will be the venue of any dispute and will have jurisdiction over all parties.

16. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the alleged breach thereof, or relating to Consultant's activities or remuneration under this Agreement, shall be settled by binding arbitration in California, in accordance with the applicable rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator(s) shall be binding on the parties and may be entered in any court having jurisdiction as provided by Paragraph 14 herein. The provisions of Title 9 of Part 3 of the California Code of Civil Procedure, including section 1283.05, and successor statutes, permitting expanded discovery proceedings shall be applicable to all disputes that are arbitrated under this paragraph.

17. Complete Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof. This Agreement and its terms may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

AGREED TO:

"Company"

Date: By: /S/ Stephen R. Fey

Stephen R. Fey, Chairman

"Consultant" LIVIAKIS FINANCIAL COMMUNICATIONS, INC.

Date: By:/S/ John M. Liviakis

John M. Liviakis, President

8.

Exhibit 10.06

PRIVATE EQUITY CREDIT AGREEMENT

BY AND BETWEEN

BIOPULSE INTERNATIONAL, INC.,
a Nevada corporation

AND

HUNTS DRIVE, LLC,
a Cayman Islands limited liability company

Dated as of January 24, 2001

This PRIVATE EQUITY CREDIT AGREEMENT is entered into as of the 24th day of January, 2001 (this "AGREEMENT"), by and between Hunts Drive, LLC, a Cayman Islands limited liability company ("INVESTOR"), and BioPulse International, Inc., a Nevada corporation (the "COMPANY").

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Company may issue and sell to Investor, from time to time as provided herein, and Investor shall purchase, shares of the Common Stock (as defined below) with an aggregate purchase price not to exceed $10,000,000; and

WHEREAS, such investments will be made in reliance upon the provisions of Section 4(2) ("SECTION 4(2)") of the Securities Act of 1933 and the rules and regulations promulgated thereunder (the "SECURITIES ACT"), and/or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the investments in Common Stock to be made hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Section 1.1 DEFINED TERMS. As used in this Agreement, the following terms shall have the following meanings specified or indicated (such meanings to be equally applicable to both the singular and plural forms of the terms defined)

"AFFILIATE" shall mean, with respect to the Person referred to, any officer, director, or employee of the Person, and any Person who controls that Person within the meaning of Section 20 of the Exchange Act and Section 15 of the Securities Act.

"AGREEMENT" shall have the meaning specified in the preamble hereof.

"BID PRICE" shall mean the closing bid price of the Common Stock on the Principal Market.

"BY-LAWS" shall have the meaning specified in Section 4.8.

"CERTIFICATE" shall have the meaning specified in Section 4.8.

"CLAIM NOTICE" shall have the meaning specified in Section 9.3(a).

"CLOSING" shall mean one of the closings of a purchase and sale of shares of Common Stock pursuant to Section 2.3.

"CLOSING DATE" shall mean, with respect to a Closing, the eleventh (11th) Trading Day following the Put Date related to such Closing, or such earlier date as the Company and Investor shall agree, provided all conditions to such Closing have been satisfied on or before such Trading Day.

"COMMITMENT PERIOD" shall mean the period commencing on the earlier to occur of (a) the Effective Date, or (b) such earlier date as the Company and Investor shall agree in writing, and expiring on the earlier to occur of (i) the date on which Investor shall have purchased Common Stock

for an aggregate purchase price of $10,000,000, (ii) the date this Agreement is terminated pursuant to Section 2.6 or 2.7 hereof, or Section 2(c) of the Registration Rights Agreement, or (iii) the date occurring one (1) year from the date of commencement of the Commitment Period.

"COMMON STOCK" shall mean the Company's common stock, par value $0.001 per share, and any shares of any other class of common stock whether now or hereafter authorized, having the right to participate in the distribution of dividends (as and when declared) and assets (upon liquidation of the Company).

"COMMON STOCK EQUIVALENTS" shall mean any securities that are convertible into or exchangeable for Common Stock or any warrants, options or other rights to subscribe for or purchase Common Stock or any such convertible or exchangeable securities.

"COMPANY" shall have the meaning specified in the preamble to this Agreement.

"CONDITION SATISFACTION DATE" shall have the meaning specified in Section 7.2.

"DAMAGES" shall mean any loss, claim, damage, liability, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements and costs and expenses of expert witnesses and investigation).

"DISCOUNT" shall mean fifteen percent (15%).

"DISPUTE PERIOD" shall have the meaning specified in Section 9.3(a).

"DTC" shall have the meaning specified in Section 2.3.

"DWAC" shall have the meaning specified in Section 2.3.

"EFFECTIVE DATE" shall mean the date on which the SEC first declares effective a Registration Statement registering resale of the Registrable Securities as set forth in Section 7.2(a).

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

"FAST" shall have the meaning specified in Section 2.3.

"INDEMNIFIED PARTY" shall have the meaning specified in Section 9.3(a).

"INDEMNIFYING PARTY" shall have the meaning specified in Section 9.3(a).

"INDEMNITY NOTICE" shall have the meaning specified in Section 9.3(b).

"INITIAL REGISTRATION STATEMENT" shall have the meaning specified in the Registration Rights Agreement.

"INVESTMENT AMOUNT" shall mean the dollar amount (within the range specified in Section 2.2(a)) to be invested by Investor to purchase Put Shares with respect to any Put Date as notified by the parties in accordance with Section 2.2 and 2.5.

"INVESTOR" shall have the meaning specified in the preamble to this Agreement.

"LEGEND" shall have the meaning specified in Section 8.1.

"MARKET PRICE" on any given date shall mean the average of the three (3) lowest Bid Prices (not necessarily consecutive) during the ten (10) Trading Day period immediately following the Put Date.

"MATERIAL ADVERSE EFFECT" shall mean any effect on the business, operations, properties, prospects or financial condition of the Company that is material and adverse to the Company and such other entities controlling or controlled by the Company, taken as a whole, and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to enter into and perform its obligations under either of (a) this Agreement or (b) the Registration Rights Agreement.

"MAXIMUM COMMITMENT AMOUNT" shall mean Ten Million Dollars ($10,000,000), subject to increase as agreed to by the Company and Investor.

"MAXIMUM PUT AMOUNT" shall mean, with respect to any Put, the lesser of (a) Five Hundred Thousand Dollars ($500,000) Dollars, or (b) one

hundred twenty five percent (125%) of the Weighted Average Daily Volume for the twenty (20) Trading Days prior to the Put Date, subject to adjustment as agreed by the Company and Investor.

"MINIMUM CALL OPTION AMOUNT" shall mean with respect to any Put, Thirty Seven Thousand Five Hundred Dollars ($37,500), subject to decrease as agreed to in writing by the Company and Investor.

"MINIMUM PUT AMOUNT" shall mean, with respect to any Put, Seventy Five Thousand Dollars ($75,000), subject to decrease as agreed to by the Company and Investor.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"OUTSTANDING" shall mean, with respect to the Common Stock, at any date as of which the number of shares of Common Stock is to be determined, all issued and outstanding shares of Common Stock, including all shares of Common Stock issuable in respect of outstanding scrip or any certificates representing fractional interests in shares of Common Stock; provided, however, that Outstanding shall not include any shares of Common Stock then directly or indirectly owned or held by or for the account of the Company.

"PERSON" shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"PRINCIPAL MARKET" shall mean the NASD OTCBB, Nasdaq National Market, the Nasdaq SmallCap Market, the American Stock Exchange or the New York Stock Exchange, whichever is at the time the principal trading exchange or market for the Common Stock.

"PURCHASE PRICE" shall mean, with respect to a Put, the Market Price on the applicable Put Date less the product of the Discount and the Market Price.

"PUT" shall mean each occasion that the Company elects to exercise its right to tender a Put Notice requiring Investor to purchase shares of Common Stock, subject to the terms and conditions of this Agreement.

"PUT DATE" shall mean the Trading Day during the Commitment Period that a Put Notice is deemed delivered pursuant to Section 2.2(b).

"PUT NOTICE" shall mean a written notice, substantially in the form of Exhibit B hereto, to Investor setting forth the Investment Amount with respect to which the Company intends to require Investor to purchase shares of Common Stock pursuant to the terms of this Agreement.

"PUT SHARES" shall mean all shares of Common Stock issued or issuable pursuant to a Put that has been exercised or may be exercised in accordance with the terms and conditions of this Agreement and all shares of Common Stock issued or issuable pursuant to a Call Option that has been exercised or may be exercised in accordance with Section 2.5.

"REGISTRABLE SECURITIES" shall mean the Put Shares and the Warrants and any securities issued or issuable with respect to any of the foregoing by way of exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) a Registration Statement has been declared effective by the SEC and such Registrable Securities have been disposed of pursuant to a Registration Statement, (ii) such Registrable Securities have been sold under circumstances under which all of the applicable conditions of Rule 144 are met, (iii) such time as such Registrable Securities have been otherwise transferred to holders who may trade such shares without restriction under the Securities Act, and the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a restrictive legend or (iv) in the opinion of counsel to the Company, which counsel shall be reasonably acceptable to Investor, such Registrable Securities may be sold without registration under the Securities Act or the need for an exemption from any such registration requirements and without any time, volume or manner limitations pursuant to Rule 144(k) (or any similar provision then in effect) under the Securities Act.

"REGISTRATION RIGHTS AGREEMENT" shall mean the registration rights agreement in the form of Exhibit A hereto.

"REGISTRATION STATEMENT" shall mean a registration statement on Form SB-2 (if use of such form is then available to the Company pursuant to the rules of the SEC and, if not, on such other form promulgated by the SEC for which the Company then qualifies and which counsel for the Company shall deem appropriate and which form shall be available for the resale of the Registrable Securities to be registered thereunder in accordance with the provisions of this Agreement and the Registration Rights Agreement and in accordance with the intended method of distribution of such securities), for the registration of the resale by Investor of the Registrable Securities under the Securities Act.

"REGULATION D" shall mean Regulation D under the Securities Act.

"RULE 144" shall mean Rule 144 under the Securities Act or any similar provision then in force under the Securities Act.

"SEC" shall mean the Securities and Exchange Commission.

"SECTION 4(2)" shall have the meaning specified in the recitals of this Agreement.

"SECURITIES ACT" shall have the meaning specified in the recitals of this Agreement.

"SEC DOCUMENTS" shall mean, as of a particular date, all reports and other documents filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since the beginning of the Company's then most recently completed fiscal year as of the time in question (provided that if the date in question is within ninety days of the beginning of the Company's fiscal year, the term shall include all documents filed since the beginning of the second preceding fiscal year).

"SUBSCRIPTION DATE" shall mean the date on which this Agreement is executed and delivered by the Company and Investor.

"THIRD PARTY CLAIM" shall have the meaning specified in Section 9.3(a).

"TRADING CUSHION" shall mean a minimum of fifteen (15) Trading Days between Put Dates, unless a shorter period is agreed to by the Company and Investor.

"TRADING DAY" shall mean any day during which the Principal Market shall be open for business.

"TRANSACTION DOCUMENTS" means this Private Equity Credit Agreement, the Registration Rights Agreement, the Warrant, Closing Certificate, and the Transfer Agent Instructions.

"TRANSFER AGENT" shall mean the transfer agent for the Common Stock (and any substitute or replacement transfer agent for the Common Stock upon the Company's appointment of any such substitute or replacement transfer agent).

"UNDERWRITER" shall mean any underwriter participating in any disposition of the Registrable Securities on behalf of Investor pursuant to

a Registration Statement.

"VALUATION EVENT" shall mean an event in which the Company at any time during a Valuation Period takes any of the following actions:

(a) subdivides or combines the Common Stock;
(b) pays a dividend in shares of Common Stock or makes any other distribution of shares of Common Stock, except for shares issued pursuant to this transaction;
(c) issues any warrants, options or other rights to subscribe for or purchase shares of Common Stock and the price per share for which shares of Common Stock may at any time thereafter be issuable pursuant to such warrants, options or other rights shall be less than the Bid Price in effect immediately prior to such issuance;
(d) issues any securities convertible into or exchangeable for shares of Common Stock and the consideration per share for which shares of Common Stock may at any time thereafter be issuable pursuant to the terms of such convertible or exchangeable securities shall be less than the Bid Price in effect immediately prior to such issuance;

(e) issues shares of Common Stock otherwise than as provided in the foregoing subsections (a) through (d), at a price per share less, or for other consideration lower, than the Bid Price in effect immediately prior to such issuance, or without consideration;
(f) makes a distribution of its assets or evidences of indebtedness to the holders of Common Stock as a dividend in liquidation or by way of return of capital or other than as a dividend payable out of earnings or surplus legally available for dividends under applicable law or any distribution to such holders made in respect of the sale of all or substantially all of the Company's assets (other than under the circumstances provided for in the foregoing subsections (a) through (e); or
(g) takes any action affecting the number of Outstanding Common Stock, other than an action described in any of the foregoing subsections (a) through (f) hereof, inclusive, which in the opinion of the Company's Board of Directors, determined in good faith, would have a

materially adverse effect upon the rights of Investor at the time of a Put.

"VALUATION PERIOD" shall mean the period of ten (10) Trading Days immediately following the date on which the applicable Put Notice is deemed to be delivered and during which the Purchase Price of the Common Stock is valued; provided, however, that if a Valuation Event occurs during any Valuation Period, a new Valuation Period shall begin on the Trading Day immediately after the occurrence of such Valuation Event and end on the tenth (10th) Trading Day thereafter.

"WARRANTS" shall mean warrants to purchase Common Stock, in the form attached hereto as Exhibit F, to be issued, from time to time, to Investor pursuant to this Agreement.

"WEIGHTED AVERAGE DAILY VOLUME" shall mean the average of the product of (a) the closing Bid Price times (b) the volume on the Principal Market for the relevant number of days.

"WEIGHTED VOLUME" shall mean the product of (a) the Closing Bid Price times (b) the volume on the Principal Market.

ARTICLE II
PURCHASE AND SALE OF COMMON STOCK

Section 2.1 INVESTMENTS.

(a) PUTS. Upon the terms and conditions set forth herein (including, without limitation, the provisions of Article VII), on any Put Date, the Company may exercise a Put by the delivery of a Put Notice. The number of Put Shares that Investor shall receive pursuant to such Put shall be determined by dividing the Investment Amount specified in the Put Notice by the Purchase Price with respect to such Put Date.

(b) ALTERNATIVE FINANCING. In addition to all of Investor's rights and remedies hereunder and in the Securities Purchase Agreement, if the Company shall enter into an "equity line" agreement with any other party whereby the Company has the option, from time-to-time to "put" common stock to such other party for a "purchase price" at or at a "discount" to "market price" during the period commencing on the date hereof and ending upon the expiration or termination of the Commitment Term, the Company shall, within five (5) days after entering into such agreement, pay the Investor a break-up fee in the amount of Three Hundred Thousand Dollars ($300,000).

(c) MAXIMUM AMOUNT OF PUTS. Unless the Company obtains the requisite approval of its shareholders in accordance with the corporate laws of the State of Nevada and the applicable rules of the Principal Market, the Company may not issue shares pursuant to any Put which is in excess of (i) 19.9% of the then Outstanding Common Stock on the date of the Put, less (ii) (A) the aggregate amount of shares of Common Stock previously issued under this Agreement, plus (B) the aggregate amount of shares which have been previously issued as of the date of the Put (in connection with prior conversions) and would then be issuable assuming Investor converted all the then unconverted shares of the 7% Cumulative Convertible Redeemable Preferred Stock, Series B, $1,000 liquidation value per share, purchased by the Investor from the Company pursuant to that certain Securities Purchase Agreement, dated as of January 24, 2001 (the "Securities Purchase Agreement"), plus (C) the number of shares deliverable to Investor (or any brokers or other parties receiving warrants as a fee in connection with this Agreement and the Securities Purchase Agreement) if it exercised all of the Warrants issued to it hereunder and pursuant to the Securities Purchase Agreement.

Section 2.2 MECHANICS.

(a) PUT NOTICE. At any time during the Commitment Period, the Company may deliver a Put Notice to Investor, subject to the conditions set forth in Section 7.2; provided, however, the Investment Amount for each Put as designated by the Company in the applicable Put Notice shall be neither less than the Minimum Put Amount nor more than the Maximum Put Amount.

(b) DATE OF DELIVERY OF PUT NOTICE. A Put Notice shall be deemed delivered on (i) the Trading Day it is received by facsimile or otherwise by Investor if such notice is received on or prior to 12:00 noon New York time, or (ii) the immediately succeeding Trading Day if it is received by facsimile or otherwise after 12:00 noon New York time on a Trading Day or at anytime on a day which is not a Trading Day.

Section 2.3 CLOSINGS. At least one (1) business day prior to each applicable Closing Date for a Put, (a) the Company shall deliver, to the escrow agent (the "Escrow Agent") identified in the Joint Escrow Instructions attached hereto as Exhibit G (the "Joint Escrow Instructions"), one or more certificates, at Investor's option, representing the Put Shares to be purchased by Investor pursuant to Section

2.1 herein, registered in the name of Investor and (b) Investor shall deliver to the Escrow Agent the Investment Amount specified in the Put Notice by wire transfer of immediately available funds to an account designated in the Joint Escrow Instructions. In lieu of delivering physical certificates representing the Common Stock issuable in accordance with clause (a) of this Section 2.3, and provided that the Transfer Agent then is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of Investor, the Company shall use its commercially reasonable efforts to cause the Transfer Agent to electronically transmit the Put Shares by crediting the Escrow Agent's designated brokerage account with DTC through its Deposit Withdrawal Agent Commission ("DWAC") system. In addition, at least one (1) business day prior to such Closing Date, each of the Company and Investor shall deliver to the Escrow Agent all documents, instruments and writings required to be delivered in order to implement and effect the transactions contemplated herein. The Escrow Agent will be authorized to release the Escrow Property (as defined in the Escrow Agreement) only upon the delivery of the Put Shares, the Investment Amount and other documents pursuant to this Section 2.3 and the satisfaction of the conditions set forth in this Agreement.

Section 2.4 WARRANTS.

(a) INITIAL WARRANTS. Upon execution of this Agreement, the Company agrees to issue Warrants to the Investor for the purchase of 110,300 shares of Common Stock Such warrants shall bear an exercise price per share of Common Stock equal to eight dollars and forty cents ($8.40), and shall be exercisable immediately upon issuance, and for a period of five (5) years thereafter, together with cashless exercise and piggyback registration rights under the Registration Rights Agreement.

(b) WARRANTS ISSUABLE UPON DELIVERY OF PUT SHARES. The Company agrees to issue Warrants to the Investor for the purchase of 750 shares of Common Stock for each 10,000 Put Shares delivered by the Company to Investor pursuant to Section 2.3 of this Agreement. Such warrants shall bear an exercise price per share of Common Stock equal to 105% of the Market Price as of the Put Date, and shall be exercisable immediately upon issuance, and for a period of five (5) years thereafter, together with cashless exercise and piggyback registration rights under the Registration Rights Agreement.

Section 2.5 INVESTOR CALL OPTION. Within Three (3) Trading Days after the delivery of a Put Notice, Investor may elect by delivery of a Call Notice in the form annexed hereto as Exhibit B-1, to increase the Investment Amount at the applicable Closing to 150% of the Investment Amount set forth in the Put Notice.

Section 2.6 TERMINATION OF INVESTMENT OBLIGATION. The obligation of Investor to purchase shares of Common Stock shall terminate permanently (including with respect to a Closing Date that has not yet occurred) in the event that (a) there shall occur any stop order or suspension of the

effectiveness of any Registration Statement for an aggregate of thirty (30) Trading Days during the Commitment Period, for any reason other than deferrals or suspension during a Blackout Period in accordance with the Registration Rights Agreement, or as a result of corporate developments subsequent to the Subscription Date that would require such Registration Statement to be amended to reflect such event in order to maintain its

compliance with the disclosure requirements of the Securities Act, (b) the Company shall at any time fail to comply with the requirements of Section 6.3, 6.4, 6.5 or 6.6 and such failure shall continue for more than thirty (30) days, or (c) as permitted by Section 2(c) of the Registration Rights Agreement.

Section 2.7 TERMINATION OF COMPANY'S OBLIGATIONS. If Investor fails to deliver the Investment Amount on the Closing Date for any Put, the Company may terminate this Agreement and the Registration Rights Agreement, and may refuse to honor the exercise of any unexercised portion of the warrant issued in respect of the immediately preceding Put Notice. Company may terminate under this Section 2.7 effective as of the date of delivery of a written notice. The Company's obligation to maintain the effectiveness of any Registration Statement terminates ninety (90) days after termination of the Agreement under this Section 2.7.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor represents and warrants to the Company that:

Section 3.1 INTENT. Investor is entering into this Agreement for its own account and Investor has no present arrangement (whether or not legally binding) at any time to sell the Common Stock to or through any person or entity; provided, however, that by making the representations herein, Investor does not agree to hold the Common Stock for any minimum or other specific term and reserves the right to dispose of the Common Stock at any time in accordance with federal and state securities laws applicable to such disposition.

Section 3.2 SOPHISTICATED INVESTOR. Investor and each of its members are sophisticated investors (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and Investor and each of its members have such experience in business and financial matters that they are capable of evaluating the

merits and risks of an investment in Common Stock. Investor acknowledges that an investment in the Common Stock is speculative and involves a high degree of risk.

Section 3.3 AUTHORITY. (a) Investor has the requisite power and authority to enter into and perform its obligations under this Agreement and the transactions contemplated hereby in accordance with its terms; (b) the execution and delivery of this Agreement and the Registration Rights Agreement, and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action and no further consent or authorization of Investor or its partners is required; and (c) this Agreement has been duly authorized and validly executed and delivered by Investor and is a valid and binding agreement of Investor enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

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Section 3.4 NOT AN AFFILIATE. Investor is not an officer, director or "affiliate" (as that term is defined in Rule 405 of the Securities Act) of the Company, or of any broker-dealer registered with the Securities and Exchange Commission.

Section 3.5 ORGANIZATION AND STANDING. Investor is a limited liability corporation organized, validly existing and in good standing under the laws of the Cayman Islands, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Investor is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, other than those in which the failure so to qualify would not have a material adverse effect on Investor.

Section 3.6 ABSENCE OF CONFLICTS. The execution and delivery of this Agreement and any other document or instrument contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, and compliance with the requirements hereof and thereof, will not (a) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Investor, (b) violate any provision of any indenture, instrument or agreement to which Investor is a party or is subject, or by which Investor or any of its assets is bound, or conflict with or constitute a material default thereunder, (c) result in the creation or imposition of any lien pursuant to the terms of any such indenture,

instrument or agreement, or constitute a breach of any fiduciary duty owed by Investor to any third party, or (d) require the approval of any third-party (that has not been obtained) pursuant to any material contract, instrument, agreement, relationship or legal obligation to which Investor is subject or to which any of its assets, operations or management may be subject.

Section 3.7 DISCLOSURE; ACCESS TO INFORMATION. Investor has received all documents, records, books and other information pertaining to Investor's investment in the Company that have been requested by Investor. Investor has reviewed or received copies of the SEC Documents.

Section 3.8 MANNER OF SALE. At no time was Investor presented with or solicited by or through any leaflet, public promotional meeting, television advertisement or any other form of general solicitation or advertising in connection with the transactions contemplated hereby.

Section 3.9 FINANCIAL CAPABILITY. Investor presently has the financial capacity and the necessary capital to perform its obligations hereunder and shall and has provided to the Company such financial and other information that the Company has requested to demonstrate such capacity.

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ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Investor that:

Section 4.1 ORGANIZATION OF THE COMPANY. The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Nevada, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Except as set forth in Schedule 4.1, the Company does not own more than fifty percent (50%) of the outstanding capital stock of or control any other business entity. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, other than those in which the failure so to qualify would not have a Material Adverse Effect.

Section 4.2 AUTHORITY. (a) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and the Registration Rights Agreement and to issue the Put Shares and the Blackout Shares, if any; (b) the execution and delivery of this

Agreement and the Registration Rights Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and no further consent or authorization of the Company or its Board of Directors or stockholders is required; and (c) each of this Agreement and the Registration Rights Agreement has been duly executed and delivered by the Company and constitute valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

Section 4.3 CAPITALIZATION. As of January 12, 2001, the authorized capital stock of the Company consisted of 100,000,000 shares of Common Stock, of which 9,298,246 shares were issued and outstanding, and 10,000,000 shares of preferred stock, of which zero (0) shares were outstanding. Except as shown on the attached Schedule 4.3, all of the outstanding shares of Common Stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable. As of January 12, 2001, the Company had outstanding warrants to purchase 189,318 shares of Common Stock and options to purchase 5,500,000 shares of Common Stock.

Section 4.4 COMMON STOCK. The Company has registered the Common Stock pursuant to Section 12(b) or 12(g) of the Exchange Act and is in full compliance with all reporting requirements of the Exchange Act, and the Company has maintained all requirements for the continued listing or quotation of the Common Stock, and such Common Stock is currently listed or quoted on the Principal Market. As of the date of this Agreement, the Principal Market is the National Market System.

Section 4.5 SEC DOCUMENTS. The Company has delivered or made available to Investor true and complete copies of the SEC Documents (including, without limitation, proxy information and solicitation materials). The Company has not provided to Investor any information that, according to applicable law, rule or regulation, should have been disclosed

publicly prior to the date hereof by the Company, but which has not been so disclosed. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and other federal, state and local laws, rules and regulations applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order

to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Documents comply as to form and substance in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except (a) as may be otherwise indicated in such financial statements or the notes thereto or (b) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

Section 4.6 EXEMPTION FROM REGISTRATION; VALID ISSUANCES. The sale and issuance of the Put Shares, if any, in accordance with the terms and on the bases of the representations and warranties set forth in this Agreement, may and shall be properly issued by the Company to Investor pursuant to Section 4(2), Regulation D and/or any applicable state law. When issued and paid for as herein provided, the Put Shares, if any, shall be duly and validly issued, fully paid, and nonassessable. Except as described on Schedule 4.6, neither the sales of the Put Shares, if any, pursuant to, nor the Company's performance of its obligations under, this Agreement or the Registration Rights Agreement shall (a) result in the creation or imposition of any liens, charges, claims or other encumbrances upon the Put Shares, if any, or any of the assets of the Company, or (b) entitle the holders of Outstanding Common Stock to preemptive or other rights to subscribe to or acquire the Common Stock or other securities of the Company. The Put Shares shall not subject Investor to personal liability solely by reason of the ownership thereof.

Section 4.7 NO GENERAL SOLICITATION OR ADVERTISING IN REGARD TO THIS TRANSACTION. Neither the Company nor any of its affiliates nor any person acting on its or their behalf (a) has conducted or will conduct any general solicitation (as that term is used in Rule 502(c) of Regulation D) or general advertising with respect to any of the Put Shares or the Blackout Shares, if any, or (b) made any offers or sales of any security or solicited any offers to buy any security under any circumstances that would require registration of the Common Stock under the Securities Act.

Section 4.8 CORPORATE DOCUMENTS. The Company has furnished or made available to Investor true and correct copies of the Company's Certificate of Incorporation, as amended and in effect on the date hereof (the "CERTIFICATE"), and the Company's By-Laws, as in effect on the date hereof (the "BY-LAWS").

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Section 4.9 NO CONFLICTS. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, including without limitation the issuance of the Put Shares and the Blackout Shares, if any, do not and will not (a) result in a violation of the Certificate or By-Laws or (b) conflict with, or constitute a material default (or an event that with notice or lapse of time or both would become a material default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture, instrument or any "lock-up" or similar provision of any underwriting or similar agreement to which the Company is a party, or (c) result in a violation of any federal, state, local or foreign law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect) nor is the Company otherwise in violation of, conflict with or in default under any of the foregoing; provided, however, that for purposes of the Company's representations and warranties as to violations of foreign law, rule or regulation referenced in clause (c), such representations and warranties are made only to the best of the Company's knowledge insofar as the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby are or may be affected by the status of Investor under or pursuant to any such foreign law, rule or regulation. The business of the Company is not being conducted in violation of any law, ordinance or regulation of any governmental entity, except for possible violations that either singly or in the aggregate do not and will not have a Material Adverse Effect. The Company is not required under federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or issue and sell the Common Stock in accordance with the terms hereof (other than any SEC, NASD, Principal Market or state securities filings that may be required to be made by the Company subsequent to any Closing, any registration statement that may be filed pursuant hereto, and any shareholder approval required by the rules applicable to companies whose common stock trades on the Principal Market); provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of Investor herein.

Section 4.10 NO MATERIAL ADVERSE CHANGE. Since October 31, 2000, no event has occurred that would have a Material Adverse Effect on the Company, except as disclosed in the SEC Documents.

Section 4.11 NO UNDISCLOSED LIABILITIES. The Company has no liabilities or obligations that are material, individually or in the aggregate, and that are not disclosed in the SEC Documents or otherwise publicly announced, other than those incurred in the ordinary course of the

Company's businesses since October 31, 2000 and which, individually or in the aggregate, do not or would not have a Material Adverse Effect on the Company.

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Section 4.12 NO UNDISCLOSED EVENTS OR CIRCUMSTANCES. Since January 18, 2000, no event or circumstance has occurred or exists with respect to the Company or its businesses, properties, prospects, operations or financial condition, that, under applicable law, rule or regulation, requires public disclosure or announcement prior to the date hereof by the Company but which has not been so publicly announced or disclosed in the SEC Documents.

Section 4.13 EXEMPT OFFERING. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security that would eliminate the availability of the exemption from registration under Regulation D or Section 4(2) of the Securities Act in connection with the offer and sale of the Common Stock as contemplated hereby.

Section 4.14 LITIGATION AND OTHER PROCEEDINGS. Except as may be set forth in the SEC Documents, there are no lawsuits or proceedings pending or to the best knowledge of the Company threatened, against the Company, nor has the Company received any written or oral notice of any such action, suit, proceeding or investigation, which would have a Material Adverse Effect. Except as set forth in the SEC Documents, no judgment, order, writ, injunction or decree or award has been issued by or, so far as is known by the Company, requested of any court, arbitrator or governmental agency which would have a Material Adverse Effect.

Section 4.15 NO MISLEADING OR UNTRUE COMMUNICATION. The Company, any Person representing the Company, and, to the knowledge of the Company, any other Person selling or offering to sell the Put Shares , if any, in connection with the transactions contemplated by this Agreement, have not made, at any time, any oral communication in connection with the offer or sale of the same which contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading.

Section 4.16 MATERIAL NON-PUBLIC INFORMATION. The Company is not in possession of, nor has the Company or its agents disclosed to Investor,

any material non-public information that (a) if disclosed, would reasonably be expected to have a materially adverse effect on the price of the Common Stock or (b) according to applicable law, rule or regulation, should have been disclosed publicly by the Company prior to the date hereof but which has not been so disclosed.

ARTICLE V

COVENANTS OF INVESTOR

Section 5.1 COMPLIANCE WITH LAW. Investor's trading activities with respect to shares of the Common Stock will be in compliance with all applicable state and federal securities laws, rules and regulations and the rules and regulations of the NASD and the Principal Market on which the Common stock is listed.

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ARTICLE VI

COVENANTS OF THE COMPANY

Section 6.1 REGISTRATION RIGHTS. The Company shall cause the Registration Rights Agreement to remain in full force and effect and the Company shall comply in all respects with the terms thereof.

Section 6.2 RESERVATION OF COMMON STOCK. As of the date hereof, the Company has available and the Company shall reserve and keep available at all times, free of preemptive rights, shares of Common Stock for the purpose of enabling the Company to satisfy any obligation to issue the Put Shares. The number of shares so reserved from time to time, as theretofore increased or reduced as hereinafter provided, may be reduced by the number of shares actually delivered hereunder.

Section 6.3 LISTING OF COMMON STOCK. The Company shall maintain the listing of the Common Stock on a Principal Market, and will cause the Put Shares and the Blackout Shares, if any, to be listed on a Principal Market. The Company further shall, if the Company applies to have the Common Stock traded on any other Principal Market, include in such application the Put Shares , if any, and shall take such other action as is necessary or desirable in the reasonable opinion of Investor to cause the Common Stock to be listed on such other Principal Market as promptly as possible. The Company shall use its commercially reasonable efforts to continue the listing and trading of the Common Stock on a Principal Market (including, without limitation, maintaining sufficient net tangible assets) and will comply in all respects with the Company's reporting, filing and

other obligations under the bylaws or rules of the NASD and the Principal Market.

Section 6.4 EXCHANGE ACT REGISTRATION. The Company shall take all commercially reasonable steps to cause the Common Stock to continue to be registered under Section 12(g) or 12(b) of the Exchange Act, will use its commercially reasonable efforts to comply in all material respects with its reporting and filing obligations under said Act, and will not take any action or file any document (whether or not permitted by said Act or the rules thereunder)to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under said Act.

Section 6.5 LEGENDS. The certificates evidencing the Put Shares and the Blackout Shares, if any, shall be free of legends, except as provided for in Article VIII.

Section 6.6 CORPORATE EXISTENCE. The Company shall take all commercially reasonable steps necessary to preserve and continue the corporate existence of the Company.

Section 6.7 ADDITIONAL SEC DOCUMENTS. The Company shall deliver to Investor, promptly after the originals thereof are submitted to the SEC for filing, copies of all SEC Documents so furnished or submitted to the SEC.

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Section 6.9 EXPECTATIONS REGARDING PUT NOTICES. Within ten (10) days after the commencement of each calendar quarter occurring subsequent to the commencement of the Commitment Period, the Company undertakes, upon written request by Investor, to notify Investor as to its reasonable expectations as to the dollar amount it intends to raise during such calendar quarter, if any, through the issuance of Put Notices. Such notification shall constitute only the Company's good faith estimate with respect to such calendar quarter and shall in no way obligate the Company to raise such amount during such calendar quarter or otherwise limit its ability to deliver Put Notices during such calendar quarter. The failure by the Company to comply with this provision can be cured by the Company's notifying Investor at any time as to its reasonable expectations with respect to the current calendar quarter.

Section 6.10 CONSOLIDATION; MERGER. The Company shall not, at any time after the date hereof, effect any merger or consolidation of the Company with or into, or a transfer of all or substantially all of the

assets of the Company to, another entity unless the resulting successor or acquiring entity (if not the Company) assumes by written instrument the obligation to deliver to Investor such shares of stock and/or securities as Investor is entitled to receive pursuant to this Agreement.

Section 6.11 ISSUANCE OF PUT SHARES AND BLACKOUT SHARES. The sale of the Put Shares, the issuance of the Blackout Shares and Call Option Shares, if any, shall be made in accordance with the provisions and requirements of Regulation D and any applicable state law.

Section 6.12 [INTENTIONALLY DELETED],

Section 6.13 REIMBURSEMENT. If (i) Investor, other than by reason of its negligence or willful misconduct, becomes involved in any capacity in any action, proceeding or investigation brought by any shareholder of the Company, in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if Investor is impleaded in any such action, proceeding or investigation by any person, or (ii) Investor, other than by reason of its negligence or willful misconduct or by reason of its trading of the Common Stock in a manner that is illegal under the federal securities laws, becomes involved in any capacity in any action, proceeding or investigation brought by the SEC against or involving the Company or in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if Investor is impleaded in any such action, proceeding or investigation by any person, then in any such case, the Company will reimburse Investor for its reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith, as such expenses are incurred. In addition, other than with respect to any matter in which Investor is a named party, the Company will pay to Investor the charges, as reasonably determined by Investor, for the time of any officers or employees of Investor devoted to appearing and preparing to appear as witnesses, assisting in preparation for hearings, trials or pretrial matters, or otherwise with respect to inquiries, hearing, trials, and other proceedings relating to the subject matter of this Agreement. The reimbursement obligations of the Company under this

section shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any affiliates of Investor that are actually named in such action, proceeding or investigation, and partners, directors, agents, employees and controlling persons (if any), as the case may be, of Investor and any such affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company,

Investor and any such affiliate and any such person.

Section 6.14 DILUTION. The number of shares of Common Stock issuable as Put Shares may increase substantially in certain circumstances, including, but not necessarily limited to, the circumstance wherein the trading price of the Common Stock declines during the period between the Effective Date and the end of the Commitment Period. The Company's executive officers and directors fully understand the nature of the transactions contemplated by this Agreement and recognize that they have a potential dilutive effect. The board of directors of the Company has concluded, in its good faith business judgment, that such issuance is in the best interests of the Company. The Company specifically acknowledges that its obligation to issue the Put Shares is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other shareholders of the Company

Section 6.15 USE OF PROCEEDS The Company will use the proceeds received hereunder (excluding amounts paid by the Company for legal fees, finder's fees and escrow fees in connection with the sale of the Common Stock) for working capital and general corporate purposes, and, unless specifically consented to in advance in each instance by the Investor, the Company shall not, directly or indirectly, use such proceeds for any loan to or investment in any other corporation, partnership enterprise or other person or for the repayment of any outstanding loan by the Company to any other party, except for Company subsidiaries identified in Schedule 4.1.

Section 6.16 CERTAIN AGREEMENTS The Company shall not breach the provisions of Section 4g of the Securities Purchase Agreement. In the event the Company breaches the provisions of such Section 4g, the Discount shall be amended to 110% of the Discount set forth herein and Investor may terminate his obligations under this Agreement and demand such amounts as may be owing, if any, under Section 2.1(c).

ARTICLE VII

CONDITIONS TO DELIVERY OF PUT NOTICES AND CONDITIONS TO CLOSING

Section 7.1 CONDITIONS PRECEDENT TO THE OBLIGATION OF THE COMPANY TO ISSUE AND SELL COMMON STOCK. The obligation hereunder of the Company to issue and sell the Put Shares to Investor incident to each Closing is subject to the satisfaction, at or before each such Closing, of each of the conditions set forth below.

(a) ACCURACY OF INVESTOR'S REPRESENTATION AND WARRANTIES. The representations and warranties of Investor shall be true and correct in all material respects as of the date of this Agreement and as of the date of each such Closing as though made at each such time, except for changes which have not had a Material Adverse Effect.

(b) PERFORMANCE BY INVESTOR. Investor shall have performed, satisfied and complied in all respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Investor at or prior to such Closing.

(e) NO INJUNCTION. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or adopted by any court or governmental authority of competent jurisdiction that prohibits or directly and materially adversely affects any of the transactions contemplated by this Agreement, and no proceeding shall have been commenced that may have the effect of prohibiting or materially adversely affecting any of the transactions contemplated by this Agreement.

(f) NO SUSPENSION OF TRADING IN OR DELISTING OF COMMON STOCK. The trading of the Common Stock shall not have been suspended by the SEC, the Principal Market or the NASD and the Common Stock (including the Put Shares) shall have been approved for listing or quotation on and shall not have been delisted from a Principal Market.

(g) SHAREHOLDER VOTE. The issuance of shares of Common Stock with respect to the applicable Closing, if any, shall not violate the shareholder approval requirements of the Principal Market.

Section 7.2 CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY TO DELIVER A PUT NOTICE AND THE OBLIGATION OF INVESTOR TO PURCHASE PUT SHARES. The right of the Company to deliver a Put Notice and the obligation of Investor hereunder to acquire and pay for the Put Shares incident to a Closing is subject to the satisfaction, on (a) the date of delivery of such Put Notice and (b) the applicable Closing Date (each a "CONDITION SATISFACTION DATE"), of each of the following conditions:

(a) REGISTRATION OF REGISTRABLE SECURITIES WITH THE SEC. As set forth in the Registration Rights Agreement, the Company shall have filed with the SEC the Registration Statement with respect to the resale of the Registrable Securities by Investor and such Registration Statement shall have been declared effective by the SEC prior to the first Put Date. For the purposes of any Put Notice with respect to the Registrable Securities, the Company shall have filed with the SEC a Registration Statement and paid all applicable fees with respect to the resale of such Registrable Securities by Investor which shall have been declared effective by the SEC prior to the Put Date therefore.

(b) EFFECTIVE REGISTRATION STATEMENT. As set forth in the Registration Rights Agreement, a Registration Statement shall have

previously become effective for the resale by Investor of the Registrable Securities subject to such Put Notice and such Registration Statement shall remain effective on each Condition Satisfaction Date and (i) neither the Company nor Investor shall have received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened to do so (unless the SEC's concerns have been addressed and Investor is reasonably satisfied that the SEC no longer is considering or intends to take such action), and (ii) no other suspension of the use or withdrawal of the effectiveness of such Registration Statement or related prospectus shall exist.

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(c) ACCURACY OF THE COMPANY'S REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company shall be true and correct in all material respects as of each Condition Satisfaction Date as though made at each such time (except for representations and warranties specifically made as of a particular date) with respect to all periods, and as to all events and circumstances occurring or existing prior to and including each Condition Satisfaction Date, except for any conditions which have temporarily caused any representations or warranties herein to be incorrect and which have been corrected with no continuing impairment to the Company or Investor.

(d) PERFORMANCE BY THE COMPANY. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement and the Registration Rights Agreement to be performed, satisfied or complied with by the Company at or prior to each Condition Satisfaction Date.

(e) NO INJUNCTION. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or adopted by any court or governmental authority of competent jurisdiction that prohibits or directly and materially adversely affects any of the transactions contemplated by this Agreement, and no proceeding shall have been commenced that may have the effect of prohibiting or materially adversely affecting any of the transactions contemplated by this Agreement.

(f) ADVERSE CHANGES. Since the date of filing of the Company's most recent SEC Document, no event that had or is reasonably likely to have a Material Adverse Effect has occurred.

(g) NO SUSPENSION OF TRADING IN OR DELISTING OF COMMON STOCK. The trading of the Common Stock shall not have been suspended by the SEC, a

Principal Market or the NASD and the Common Stock (including the Put Shares) shall have been approved for listing or quotation on and shall not have been delisted from a Principal Market.

(h) LEGAL OPINION. The Company shall have caused to be delivered to Investor, within five (5) Trading Days of the effective date of the Initial Registration Statement and each subsequent Registration Statement, an opinion of the Company's legal counsel in the form of Exhibit C hereto, addressed to Investor.

(i) DUE DILIGENCE. No good faith dispute between the Company and Investor shall exist pursuant to Section 7.3 as to the adequacy of the disclosure contained in any Registration Statement.

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(j) MINIMUM BID PRICE. The average of the Bid Prices for the ten (10) Trading Days immediately preceding the Put Notice and the Closing Date, shall have equaled or exceeded One Dollar ($1.00) (as adjusted for stock splits, stock dividends, reverse stock splits, and similar events).

(k) The Weighted Average Daily Volume for the ten (10) trading days prior to the Closing Date shall equal or exceed One Hundred Thousand Dollars ($100,000) percent of the Put Amount.

(l) NO KNOWLEDGE. The Company shall have no knowledge of any event more likely than not to have the effect of causing such Registration Statement to be suspended or otherwise ineffective (which event is more likely than not to occur within the fifteen (15) Trading Days following the Trading Day on which such Notice is deemed delivered).

(m) TRADING CUSHION. The Trading Cushion shall have elapsed since the immediately preceding Put Date.

(n) SHAREHOLDER VOTE. The issuance of shares of Common Stock with respect to the applicable Closing, if any, shall not violate the shareholder approval requirements of the Principal Market.

(o) NO VALUATION EVENT. No Valuation Event shall have occurred since the Put Date.

(p) OTHER. On each Condition Satisfaction Date, Investor shall have received and been reasonably satisfied with such other certificates and documents as shall have been reasonably requested by Investor in order for Investor to confirm the Company's satisfaction of the conditions set forth in this Section 7.2, including, without limitation, a certificate substantially in the form and substance of Exhibit D hereto, executed by an

executive officer of the Company and to the effect that all the conditions to such Closing shall have been satisfied as at the date of each such certificate and the execution and delivery of the Transfer Agent Instructions.

Section 7.3 DUE DILIGENCE REVIEW; NON-DISCLOSURE OF NON-PUBLIC INFORMATION.

(a) The Company shall make available for inspection and review by Investor, advisors to and representatives of Investor (who may or may not be affiliated with Investor and who are reasonably acceptable to the Company), any Underwriter, any Registration Statement or amendment or supplement thereto or any blue sky, NASD or other filing, all financial and other records, all SEC Documents and other filings with the SEC, and all other corporate documents and properties of the Company as may be reasonably necessary for the purpose of such review, and cause the Company's officers, directors and employees to supply all such information reasonably requested by Investor or any such representative, advisor or Underwriter in connection with such Registration Statement (including, without limitation, in response to all questions and other inquiries reasonably made or submitted by any of them), prior to and from time to time after the filing and effectiveness of such Registration Statement for the sole purpose of enabling Investor and such representatives, advisors and Underwriters and their respective accountants and attorneys to conduct initial and ongoing due diligence with respect to the Company and the accuracy of such Registration Statement.

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(b) Each of the Company, its officers, directors, employees and agents shall in no event disclose non-public information to Investor, advisors to or representatives of Investor unless prior to disclosure of such information the Company identifies such information as being non-public information and provides Investor, such advisors and representatives with the opportunity to accept or refuse to accept such non-public information for review. The Company may, as a condition to disclosing any non-public information hereunder, require Investor's advisors and representatives to enter into a confidentiality agreement in form and substance reasonably satisfactory to the Company and Investor.

(c) Nothing herein shall require the Company to disclose non-public information to Investor or its advisors or representatives, and the Company represents that it does not disseminate non-public information to any investors who purchase stock in the Company in a public offering, to money managers or to securities analysts; provided, however, that notwithstanding anything herein to the contrary, the Company shall, as

hereinabove provided, immediately notify the advisors and representatives of Investor and any Underwriters of any event or the existence of any circumstance (without any obligation to disclose the specific event or circumstance) of which it becomes aware, constituting non-public information (whether or not requested of the Company specifically or generally during the course of due diligence by such persons or entities), which, if not disclosed in the prospectus included in a Registration Statement would cause such prospectus to include a material misstatement or to omit a material fact required to be stated therein in order to make the statements therein, in light of the circumstances in which they were made, not misleading. Nothing contained in this Section 7.3 shall be construed to mean that such persons or entities other than Investor (without the written consent of Investor prior to disclosure of such information) may not obtain non-public information in the course of conducting due diligence in accordance with the terms and conditions of this Agreement and nothing herein shall prevent any such persons or entities from notifying the Company of their opinion that based on such due diligence by such persons or entities, any Registration Statement contains an untrue statement of a material fact or omits a material fact required to be stated in such Registration Statement or necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

ARTICLE VIII

LEGENDS

Section 8.1 LEGENDS. Unless otherwise provided below, each certificate representing Registrable Securities will bear the following legend (the "LEGEND"):

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> The securities represented by this certificate have not been registered under the Securities Act of 1933 (the "Securities Act") or qualified under applicable state securities laws. These securities may not be offered, sold, pledged, hypothecated, transferred or otherwise disposed of except pursuant to (i) an effective registration statement and qualification in effect with respect thereto under the Securities Act and under any applicable state securities law, (ii) to the extent applicable, Rule 144 under the Securities Act, or (iii) an opinion of counsel reasonably acceptable to the Company that such registration and qualification is not required under applicable federal and state securities laws."

As soon as practicable after the execution and delivery hereof, the Company shall issue to the Transfer Agent, instructions in substantially the form of Exhibit E hereto. Such instructions shall be irrevocable by the Company from and after the date thereof or from and after the issuance thereof except as otherwise expressly provided in the Registration Rights Agreement. It is the intent and purpose of such instructions, as provided therein, to require the Transfer Agent to issue to Investor certificates evidencing shares of Common Stock incident to a Closing, free of the Legend, without consultation by the transfer agent with the Company or its counsel and without the need for any further advice or instruction or documentation to the Transfer Agent by or from the Company or its counsel or Investor; provided that (a) a Registration Statement shall then be effective, (b) Investor confirms to the Transfer Agent and the Company that it has or intends to sell such Common Stock to a third party which is not an affiliate of Investor or the Company and Investor agrees to redeliver the certificate representing such shares of Common Stock to the Transfer Agent to add the Legend in the event the Common Stock is not sold, and (c) if reasonably requested by the transfer agent or the Company, Investor confirms to the transfer agent and the Company that Investor has complied with the prospectus delivery requirement under the Securities Act. At any time after the Effective Date, upon surrender of one or more certificates evidencing Common Stock that bear the Legend, to the extent accompanied by a notice requesting the issuance of new certificates free of the Legend to replace those surrendered

Section 8.2 NO OTHER LEGEND OR STOCK TRANSFER RESTRICTIONS. No legend other than the one specified in Section 8.1 has been or shall be placed on the share certificates representing the Common Stock and no instructions or "stop transfers orders," so called, "stock transfer restrictions," or other restrictions have been or shall be given to the Company's transfer agent with respect thereto other than as expressly set forth in this Article VIII.

Section 8.3 INVESTOR'S COMPLIANCE. Nothing in this Article VIII shall affect in any way Investor's obligations under any agreement to comply with all applicable securities laws upon resale of the Common Stock.

ARTICLE IX

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NOTICES; INDEMNIFICATION

Section 9.1 NOTICES. All notices, demands, requests, consents,

approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (a) personally served, (b) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by reputable air courier service with charges prepaid, or (d) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice given in accordance herewith. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (i) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (ii) on the second business day following the date of mailing by express courier service or on the fifth business day after deposited in the mail, in each case, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company: BioPulse International, Inc.
10421 South Jordan Gateway
Salt Lake City, Suite 500, UT 84095
ATTN: CEO
Telephone No.: (801) 523-0101
Telecopier No.: (801) 523-8848

with a copy to: Ronald Poulton, Esq.
Poulton & Yordan
136 East South Temple, Suite 1700-A
Salt Lake City, Utah 84111
Telephone No.: (801) 355-1341
Telecopier No.: (801) 355-2990

if to Investor: Hunts Drive, LLC
c/o Navigator Management
P.O. Box 972
Road Town
Tortola, British Virgin Islands
Telephone: (284) 494-4770
Facsimile: (284) 494-4771

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Either party hereto may from time to time change its address or facsimile number for notices under this Section 9.1 by giving at least ten (10) days' prior written notice of such changed address or facsimile number to the other party hereto.

Section 9.2 INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless Investor and its Affiliates and agents from and against any Damages, joint or several, and any action in respect thereof to which Investor, its Affiliates or agents, becomes subject to, resulting from, arising out of or relating to any misrepresentation, breach of warranty or nonfulfillment of or failure to perform any covenant or agreement on the part of the Company contained in this Agreement, as such Damages are incurred, except to the extent such Damages result primarily from Investor's failure to perform any covenant or agreement contained in this Agreement or Investor's or its Affiliates' or agents' negligence, recklessness or bad faith in performing any of their obligations under this Agreement.

(b) Investor agrees to indemnify and hold harmless the Company and its Affiliates and agents from and against any Damages, joint or several, and any action in respect thereof to which the Company and its Affiliates and agents, becomes subject to, resulting from, arising out of or relating to any misrepresentation, breach of warranty or nonfulfillment of or failure to perform any covenant or agreement on the part of Investor contained in this Agreement, as such Damages are incurred, except to the extent such Damages result primarily from the Company's failure to perform any covenant or agreement contained in this Agreement or the Company's or its Affiliates' or agents' negligence, recklessness or bad faith in performing their obligations under this Agreement.

Section 9.3 METHOD OF ASSERTING INDEMNIFICATION CLAIMS. All claims for indemnification by any Indemnified Party (as defined below) under Section 9.2 shall be asserted and resolved as follows:

(a) In the event any claim or demand in respect of which any person claiming indemnification under any provision of Section 9.2 (an "INDEMNIFIED PARTY") might seek indemnity under Section 9.2 is asserted against or sought to be collected from such Indemnified Party by a person other than a party hereto or an Affiliate or agent thereof (a "THIRD PARTY CLAIM"), the Indemnified Party shall deliver a written notification, enclosing a copy of all papers served, if any, and specifying the nature of and basis for such Third Party Claim and for the Indemnified Party's claim for indemnification that is being asserted under any provision of Section 9.2 against any person (the "INDEMNIFYING PARTY"), together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such Third Party Claim (a "CLAIM NOTICE") with reasonable

promptness to the Indemnifying Party. If the Indemnified Party fails to provide the Claim Notice with reasonable promptness after the Indemnified Party receives notice of such Third Party Claim, the Indemnifying Party

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shall not be obligated to indemnify the Indemnified Party with respect to such Third Party Claim to the extent that the Indemnifying Party's ability to defend has been prejudiced by such failure of the Indemnified Party. The Indemnifying Party shall notify the Indemnified Party as soon as practicable within the period ending thirty (30) calendar days following receipt by the Indemnifying Party of either a Claim Notice or an Indemnity Notice (as defined below) (the "DISPUTE PERIOD") whether the Indemnifying Party disputes its liability or the amount of its liability to the Indemnified Party under Section 9.2 and whether the Indemnifying Party desires, at its sole cost and expense, to defend the Indemnified Party against such Third Party Claim.

(i) If the Indemnifying Party notifies the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Indemnified Party with respect to the Third Party Claim pursuant to this Section 9.3(a), then the Indemnifying Party shall have the right to defend, with counsel reasonably satisfactory to the Indemnified Party, at the sole cost and expense of the Indemnifying Party, such Third Party Claim by all appropriate proceedings, which proceedings shall be vigorously and diligently prosecuted by the Indemnifying Party to a final conclusion or will be settled at the discretion of the Indemnifying Party (but only with the consent of the Indemnified Party in the case of any settlement that provides for any relief other than the payment of monetary damages or that provides for the payment of monetary damages as to which the Indemnified Party shall not be indemnified in full pursuant to Section 9.2). The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that the Indemnified Party may, at the sole cost and expense of the Indemnified Party, at any time prior to the Indemnifying Party's delivery of the notice referred to in the first sentence of this clause (i), file any motion, answer or other pleadings or take any other action that the Indemnified Party reasonably believes to be necessary or appropriate to protect its interests; and provided further, that if requested by the Indemnifying Party, the Indemnified Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnifying Party in contesting any Third Party Claim that the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this clause (i), and except as provided

in the preceding sentence, the Indemnified Party shall bear its own costs and expenses with respect to such participation. Notwithstanding the foregoing, the Indemnified Party may takeover the control of the defense or settlement of a Third Party Claim at any time if it irrevocably waives its right to indemnity under Section 9.2 with respect to such Third Party Claim.

(ii) If the Indemnifying Party fails to notify the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Third Party Claim pursuant to this Section 9.3(a), or if the Indemnifying Party gives such notice but fails to prosecute vigorously and diligently or settle the Third Party Claim, or if the Indemnifying Party fails to give any notice whatsoever within the Dispute Period, then the Indemnified Party shall have the right to defend, at the sole cost and expense of the Indemnifying Party, the Third Party Claim by all appropriate proceedings, which proceedings shall be prosecuted by the Indemnified Party in a reasonable manner and in good faith or will be settled at the discretion of the Indemnified Party (with the consent of the

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Indemnifying Party, which consent will not be unreasonably withheld). The Indemnified Party will have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that if requested by the Indemnified Party, the Indemnifying Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnified Party and its counsel in contesting any Third Party Claim which the Indemnified Party is contesting. Notwithstanding the foregoing provisions of this clause (ii), if the Indemnifying Party has notified the Indemnified Party within the Dispute Period that the Indemnifying Party disputes its liability or the amount of its liability hereunder to the Indemnified Party with respect to such Third Party Claim and if such dispute is resolved in favor of the Indemnifying Party in the manner provided in clause (iii) below, the Indemnifying Party will not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this clause (ii) or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party shall reimburse the Indemnifying Party in full for all reasonable costs and expenses incurred by the Indemnifying Party in connection with such litigation. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this clause (ii), and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

(iii) If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to

negotiate a resolution of such dispute; provided, however, that it the dispute is not resolved within thirty (30) days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.

(b) In the event any Indemnified Party should have a claim under Section 9.2 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party shall deliver a written notification of a claim for indemnity under Section 9.2 specifying the nature of and basis for such claim, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such claim (an "INDEMNITY NOTICE") with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party to give the Indemnity Notice shall not impair such party's rights hereunder except to the extent that the Indemnifying Party demonstrates that it has been irreparably prejudiced thereby. If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to negotiate a resolution of such dispute; provided, however, that it the dispute is not resolved within thirty (30) days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.

ARTICLE X

MISCELLANEOUS

Section 10.1 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California without regard to the principles of conflicts of law. Each of the Company and Investor hereby submit to the exclusive jurisdiction of the United States Federal and state courts located in Los Angeles, California with respect to any dispute arising under this Agreement, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby.

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Section 10.2 ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Company and Investor and their respective successors and permitted assigns. Neither this Agreement nor any rights of Investor or the Company hereunder may be assigned by either party to any other person. Notwithstanding the foregoing, (a) the provisions of this Agreement shall inure to the benefit of, and be enforceable by, any transferee of any of the Common Stock purchased or acquired by Investor hereunder with respect to the Common Stock held by such person, and (b) Investor's interest in this Agreement, but not its obligations under this Agreement, may be assigned at any time, in whole but not in part, to any affiliate of Investor.

Section 10.3 THIRD PARTY BENEFICIARIES. This Agreement is intended

for the benefit of the Company and Investor and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 10.4 TERMINATION. This Agreement shall terminate twelve (12) months after the delivery of the final Put Notice (unless extended by the agreement of the Company and Investor); provided, however, that the provisions of Article V, VI, VIII, IX and Sections 10.9 and 10.12 shall survive the termination of this Agreement.

Section 10.5 ENTIRE AGREEMENT, AMENDMENT; NO WAIVER. This Agreement and the instruments referenced herein contain the entire understanding of the Company and Investor with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement.

Section 10.6 FEES AND EXPENSES. Each of the Company and Investor agrees to pay its own expenses in connection with the preparation of this Agreement and performance of its obligations hereunder, except that the Company shall pay the Escrow Agent the fee of $2,500 at each of the Closings.

Section 10.7 NO BROKERS. Each of the Company and Investor represents that it has had no dealings in connection with this transaction with any finder or broker who will demand payment of any fee or commission from the other party, except Roth Capital Partners, Inc. The Company on the one hand, and Investor, on the other hand, agree to indemnify the other against and hold the other harmless from any and all liabilities to any persons claiming brokerage commissions or finder's fees on account of services purported to have been rendered on behalf of the indemnifying party in connection with this Agreement or the transactions contemplated hereby.

Section 10.8 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which may be executed by less than all of the parties and shall be deemed to be an original instrument which shall be enforceable against the parties actually executing such counterparts and all of which together shall constitute one and the same instrument. This Agreement, once executed by a party, may be delivered to the other parties hereto by facsimile transmission of a copy of this Agreement bearing the signature of the parties so delivering this Agreement.

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Section 10.9 SURVIVAL; SEVERABILITY. The representations, warranties, covenants and agreements of the parties hereto shall survive each Closing hereunder for a period of one year. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that such severability shall be ineffective if it materially changes the economic benefit of this Agreement to any party.

Section 10.10 FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 10.11 NO STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

Section 10.12 EQUITABLE RELIEF. Each party recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under this Agreement, any remedy at law may prove to be inadequate relief. Each party therefore agrees that the other shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 10.13 TITLE AND SUBTITLES. The titles and subtitles used in this Agreement are used for the convenience of reference and are not to be considered in construing or interpreting this Agreement.

Section 10.14 REPORTING ENTITY FOR THE COMMON STOCK. The reporting entity relied upon for the determination of the trading price of the Common Stock on any given Trading Day for the purposes of this Agreement shall be Bloomberg L.P. or any successor thereto. The written mutual consent of Investor and the Company shall be required to employ any other reporting entity.

Section 10.15 OWNERSHIP LIMITATION. Notwithstanding the provisions hereof or any prior agreement between Investor and the Company, in no event shall the Company deliver a Put to Investor in an amount that, after such Put, the sum of the number of shares of Common Stock beneficially owned by Investor and its affiliates would be more than 9.9% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act. If the Company delivers a Put that would cause Investor to exceed 9.9% of the outstanding shares of Common Stock, then Investor shall notify the Company and the parties hereby agree to reduce the amount of the Put so that such 9.9% limit shall not be

exceeded.

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Section 10.16 INVESTOR OBLIGATION TO PURCHASE SHARES. Notwithstanding anything to the contrary herein, and subject to the conditions set forth in this Agreement, following the Investor's receipt of a validly delivered Put Notice, the Investor shall be required to purchase from the Company during the related Purchase Period that number of Shares having an aggregate Purchase Price equal to the lesser of (i) the Dollar Amount set forth in the Put Notice (subject to reduction during the Purchase Period as may be provided pursuant to the terms of this Agreement), or (ii) 15% of the total Volume Weighted Average Price during the applicable Purchase Period, but only if said number of shares are received in escrow pursuant to the terms of the Escrow Agreement attached hereto as Exhibit G.

The Dollar Amount that the Company is permitted to request with respect to each Put Notice depends on the product of the daily trading volume and the average trade price of the Company's Common Stock on the Principal Market, as defined in Section 1.1 (the "VOLUME WEIGHTED AVERAGE PRICE"). The Volume Weighted Average Price shall be as reported by Bloomberg Financial Markets ("BLOOMBERG") through its "Volume at Price" function or if not available through Bloomberg because of delisting, then the average of the bid prices of any market makers for the Company's Common Stock as reported in the "pink sheets" by the National Quotation Bureau, Inc.

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IN WITNESS WHEREOF, the parties hereto have caused this Private Equity Credit Agreement to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

BioPulse International, Inc., a Nevada corporation

By:/s/ Loran Swensen

Name: Loran Swensen

Title: President

Hunts Drive, LLC, a Cayman Islands limited liability company

By:

Name:
Title:

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EXHIBITS

EXHIBIT A	Registration Rights Agreement
EXHIBIT B	Put Notice
EXHIBIT B-1	Call Option Notice
EXHIBIT C	Opinion
EXHIBIT D	Closing Certificate
EXHIBIT E	Transfer Agent Instructions
EXHIBIT F	Warrant
EXHIBIT G	Escrow Instructions

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Exhibit 10.07
/Watermark/

SCOPE OF WORK

This Statement of Work (SoW) describes the technical agreement between CRP and BioPulse for the project of TKI Immunoassay Test Development. This SoW presents the general sequence of events that will occur for BioPulse. The current price quotation is on file at CRP and BioPulse. CRP agrees to provide its "best efforts" to the project in relation to the quality of materials produced and timelines of performance. Dr. C.W. Carlson will coordinate efforts with Mr. J. Neville to comply with BioPulse' instructions for production.

This scope of work statement is based on the following conditions:

1) BioPulse can supply enough antigen to prepare the calibrator lots.
2) BioPulse can supply at least two cell lines that make monoclonal antibodies suitable for use in the proposed ELISA sandwich assay for TK-1.
3) BioPulse can supply enough purified monoclanal antibody from at least the clones to be used in the proposed ELISA sandwich assay for TK-1 to permit the start of initial assay development and calibrator stability studies without for the production of additional antibody.

Covenance Research Products recommends that if a supply and long-term source of antigen, made under GMP, can be found before this work is completed that this work is discontinued and the project be moved to the next phase, pre-clinical assay development, at once.

BioPulse International, Inc., agrees to supply:

1) At the start of the project at least four (4) different clones specific for TK-1, two of IgG isotype and two of IgM isotype.
2) At the start of the project a supply of TK-1 suitable for use as a calibrator.
3) At the start of the project enough antibody from each of the clones to be evaluated as part of the proposed ELISA sandwich assay for TK-1 to permit the start of initial assay development and calibrator stability studies.
4) Human serum samples with known TK-1 levels.
5) A vector with the human TK-1 gene inserted for use in bacterial expression systems or the Raji cell line suitable for use in the production of human TK-1, if either of these options are judged as suitable for the production of TK-1 for use in a method calibrator.
6) Expertise to help with assay development.

7) Financial supprt.

/Watermark/

Scope of Work

Covance Research Products agrees to do the following:

Part A Cell Culture, Cloning, & Freezing Antibody Production, Purification, & Labeling:

Day*	Procedure
0	Receive vials of at least two cell lines and place in LN storage.
0	Thaw 1 vial of each received cell lines.
0	Place each received cell line in culture and expand to provide cells for: In vivo antibody production (ascites) In vitro antibody production (roller bottles) Clonality and cell line stability testing (10 wk)
0	Clone each received cell line on 5 plates each (Day 0 test for clonality and cell line stability study).
4-6	Isotype antibody produced by each received cell line.
5	Ascites, start (10 mice each line).
10-14	Roller bottle production, start (2L each line).
10-14	Freeze a 10 vial working stock.
21	Locate subclones and ELISA test each received cell line (Day 0 test for clonality and cell line stability study).
28	Clone each received cell line on 5 plates each (Day 28 test for clonality and cell line stability study).
31-36	Roller bottle production end, pool and filter.
32-38	Protein A purification of roller bottle produced monoclanals of IgG isotype.
39-44	Biotinalation of up to 20mg purified tag antibody from roller bottle production.
39-44	ELISA assay to monitor Biotinalation. Assume a minimum of 2 assays.
49	Locate subclones and ELISA test each received cell line (Day 28 test for clonality and cell line stability study).
56	Clone each received cell line on 5 plates each (Day 56 test for clonality and cell line stability study).
64	Ascites, end collection and pool.
64-70	Protein A purification of ascites produced monoclonals of IgG isotype.
70	Clone each received cell line on 5 plates each (Day 70 test for clonality and cell line stability study).
71-75	Biotinalation of up to 20mg purified tag antibody from ascites

	production.
77	Locate subclones and ELISA test each received cell line (Day 56 test for clonality and cell line stability study).
91	Locate subclones and ELISA test each received cell line (Day 70 test for clonality and cell line stability syudy).

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* Day 0 is the day CRP receives the cell lines.

Scope of Work

Part B	Calibrator Definition, Design, Evaluation, Test Lot Production and Stability Testing:
Day	Procedure
before 0	Establish calibrator levels and possible test milieus in conjunction with Client.
0	Receive antigen supply for calibrator preparation and store as recomended.
1	Make up L/N 1 of a non-serum-based (NSB) calibrator set (1ml fill, sterile, liquid -25 degrees C, 60 sets).
1-14	Identify source of normal human serum and acquire as needed for calibrator production.
2	Ship NSB calibrator set to Client for concentration analysis using gold standard assay method.
3	Start 6 month NSB calibrator stability study (All 7 levels, -25, 5 and 30 degrees C, days 0, 1, 2, 4, 7, 14, 21, 35, 49, 60, 90, 120, 150, 180)
10-21	Make up L/N 1 of serum-based (SB) calibrator set (1ml fill, sterile, liquid, -25 degrees C, 120 sets).
14-23	Ship SB calibrator set to Client for concentration analysis using gold standard assay method.
15-24	Start 6 month SB calibrator stability study (All 7 levels, -5, 5 and 30 degrees C, days 0, 1, 2, 4, 7, 14, 21, 35, 49, 60, 90, 120, 150, 180)

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* Day 0 is the day CRP receives samples of purified antigen and both antibodies.

Part C: Assay Design, Optimization; Sensitivity; Precision and Limited Patient Testing:

Day	Procedure
0	Receive purified antibody supply for both tag and capture monoclanals and store at -80 degrees C.
0-1	If tag antibody is supplied labeled run assay using standard initial conditions or those recommended by Client and using the NSB calibrator set.
2-4	If tag antibody not supplied labeled, biotinalation of up to 10mg of purified tag antibody.
2-4	ELISA assay to monitor biotinalation. Assume a minimum of 2 assays.
5-8	Run and repeat assay on three days using standard initial conditions or those recommended by Client. Use the NSB calibrator set.
9-10	Set level 1 prototype assay for use in calibrator stability testing.
11-25	First pass optimization of capture and tag antibodies and enzyme label levels using reagents supplied by Client. Includes evalution of covalent linked capture antibody.
80-110	Refine optimization of capture and tag antibodies and enzyme label levels using CRP produced assay reagents. Confirm first pass assay optimization results and extend to serum based calibration.
110-124	Determine assay signal to noise, sensitivity, linear range, and sample recovery with and without matrix. Day to Day and Plate to Plate variability with three repeats.
125-132	Determine antigen levels in 50 to 100 patient samples supplied by client.

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* Day 0 is the day CRP receives samples of purified antigen and both antibodies.

Scope of Work

COMPENSATION

Upon receipt of purchase order CRP will invoice BioPulse for one half of

the quoted price for the project. The balance of payment will be due upon completion of the project.
The BioPulse purchase order number for this project in 0096.
CRP invoices will be sent to:

<TABLE>
<CAPTION>

CONTACT AND COMMUNICATIONS

<S>	<C>	<C>	<C>
CRP project updates	Dr. Charles W. Carlson CRP Inc. P.O. Box 7200 Denver, PA 17517	BioPulse project Updates	Jonathan Neville BioPulse International, Inc. 10421 S. Jordan, UT. 84095
CRP accounting	CRP, Inc. P.O. Box 7200 Denver, PA 17517	BioPulse accounting	Jon BioPulse International, Inc. 10421 S. Jordan, UT. 84095
CRP Shipping	CRP, Inc. P.O. Box 7200 Denver, PA 17517	BioPulse Shipping	Jon BioPulse International, Inc. 10421 S. Jordan, UT. 84095

CHANGES

Any changes to this agreement and the conditions described herein, must be mutually agreed to in writing by CRP and BioPulse. CRP will notify BioPulse of any event that may improve production efficiencies. CRP will also notify BioPulse of any event or production concern that may affect the suitability of the product.

APPROVED BY:

BioPulse, (Title)

CRP (Title)

</TABLE>

Exhibit 10.08
December 20, 2000

Jonathan Neville
President
BioPulse International, Inc.
10421 South Jordan Gateway
South Jordan, Utah 84095

CONFIDENTIAL

RE: Private Placement Engagement Agreement

Dear Jonathan,

We are pleased to submit this letter of agreement (the "Agreement") which confirms the understanding between BioPulse International, Inc. (the "Company") and Roth Capital Partners, Inc. ("RCP"), pursuant to which the Company has retained RCP as an exclusive financial advisor and placement agent, on the terms and subject to the conditions set forth herein, in connection with a proposed Private Placement (the "Placement") of Securities. The final purchase price and other terms of the Securities shall be as agreed upon by the Company and the purchasers of the Securities. The date on which any Securities referred to herein are sold id referred to herein as the "Closing Date". In addition, RCP will provide BioPulse with advisory services relating to possible Mergers and Acquisition transactions that the Company may consider during the terms of this engagement.

1. Scope of Services

In connection with this engagement, RCP shall perform the following services:

(a) analyze the Company, its business, industry, competition, anticipated cash flow requirements and future operating prospects as the relate to (i) the value of the Company and the Company's securities, and (ii) the structure and pricing of private securities to be issued in a placement;

(b) assist in structuring the terms of the Placement taking into account the Company's need and market conditions;

(c) identify a select group of investors and/or partners ("Investors") interested in the Placement;

(d) coordinate meeting between Company management and Investors;

(e) analyze and review th economic and business considerations associated with counteroffers made by and/or received by the Company with respect to a Placement;

(f) assist the Company in negotiating the final terms and conditions of the Placement;

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(g) assist the Company counsel with other matters related to the closing of the Placement;

(h) if needed, provide assistance in the preparation of an offering memorandum describing the business and financial condition and prospects of the Company in a manner satisfactory to RCP and distribution of such a memorandum to potential participants in the Placement;

(i) such other activities as may be mutually agreed to from time to time between the Company and RCP including the analysis and valuation of possible Merger and Acquisition transaction that are presented to the Company during the term of this engagement.

The Company understands that RCP will not be responsible for rendering legal, accounting or tax advice and agrees to retain its own legal counsel and accountants for any necessary legal, accounting and tax advice.

2. Retention

The Company hereby retains RCP as the Company's exclusive financial advisor and placement agent in connection with the Placement of the Securities, subject to Section 7 hereof, for a six (6) month period (the "Offering Period") commencing on the date hereof. RCP agrees to use its best efforts consistent with similar transactions to place th Securities, on the terms and subject to the conditions set forth herein, pursuant to one or more subscription, purchase, or other similar agreements customary for transactions of this type. During the Offering Period, except as outlined below, the Company will not contact potential investors for the purpose of selling the Securities or any other securities of the Company substantially similar to the Securities in a private placement and will direct all inquiries from potential purchasers of the Securities, whether solicited or

not, to RCP.

3. Compensation for Services

(a) On the Closing Date, the Company agrees to pay RCP a cash fee equal to nine percent (9%) of the aggregate purchase price of the Securities sold in the Placement, payable promptly at closing. Also on the Closing Date, the Company agrees to issue to RCP warrants to purchase the Company's Common Stock equal to 10% of the shares sold in the Placement. The warrants shall have a term of five years, and an exercise price equal to the price per share paid by the purchasers of the Securities, and will contain customary provisions including registration and "net issuance" rights.

(b) If prior to the consummation of the Placement, the Company is acquired, merges, sells all or substantially all of its assets or otherwise effects a corporate reorganization or consolidation with any other entity and, as a result, the Placement contemplated hereby is

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abandoned by the Company, the Company agrees to pay RCP a cash fee, payable at closing, equal to 5.0% of the aggregate consideration paid to the Company or its shareholders. RCP will also be entitled to all fees associated with this engagement (on an individual basis), for all Securities or Merger and Acquisition transactions during the terms of this engagement.

(c) In addition, RCP will receive all fees provided for herein in the event that, at any time within the twelve month period immediately following the expiration or termination of the Agreement, any consideration is received by the Company from any party with whom RCP has made contact within the context of this Agreement during the Offering Period.

(d) The Company agrees to reimburse RCP for all reasonable out of pocket expenses associated with the offering.

4. Right of First Refusal

RCP will have the right of first refusal to act as placement agent, managing underwriter or advisor with respect to any private financing or public offering (:Follow-on Transaction(s)") the Company may pursue within the 24-month period following the successful completion of a Placement.

The structure and fees for any Follow-on Transaction(s) will be such as are mutually agreeable at the time such Follow-on Transaction(s) is entertained. The Company shall provide notice to RCP in writing of any proposed Follow-on Transaction(s) and RCP shall have thirty (30) days to commit to act on the proposed Follow-on Transaction(s). If RCP fails to commit within such thirty day period, the Company shall be free to retain another investment banking firm for the same or similar purpose at terms not less favorable to the Company than those agreed upon with RCP.

5. Covenants of the Company

The Company agrees as follows:

(a) This Agreement is duly authorized and validly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company.

(b) The Company is authorized to enter into the Placement as contemplated by this Agreement.

In connection with RCP's activities hereunder, the Company agrees to prepare and furnish RCP with all information concerning the Company and its business, prospects, operations and financial results and condition as RCP reasonable deems appropriate or as may be considered material to any potential investor's decision. Such information, and any other documents supplied to RCP, ("Offering Materials") shall have been created, reviewed, and approved by the Company and shall be accurate and complete in all material respects

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to the Company's best knowledge, which knowledge shall include the Company's obligation to investigate and research the validity and completeness of the related data to the extent reasonable possible and shall not contain any untrue statement of a material fact or omit to state a material fact. The Company shall promptly advise RCP of any material development affecting the Company or the Offering Materials and will be solely responsible for updating the Offering Materials to reflect such developments. In addition, the Company agrees to provide RCP with access to the Company's accountants, attorneys' consultants, and other appropriate agents and representatives. The Company acknowledges that RCP may rely upon the completeness

and accuracy of information and data furnished to it by the Company's officers, directors, employees, agents, and representatives without an independent verification of such information and data or an appraisal of the Company's assets.

6. Confidentiality

Except to the extent authorized by the Company or required by any federal or state law, rule, or regulation or any decision or order of any court of regulatory authority, RCP agrees that it will not disclose to any person, other than to any agents, attorneys, accountants, employees, officers and directors of RCP who need to know such information in connection with RCP's engagement hereunder, any confidential and non-public information relating to the Company that RCP receives from the Company or its agents, attorneys, or accountants in connection with the services rendered hereunder. Any advice offered by RCP hereunder shall not be disclosed publicly win any manner without RCP's prior written approval and will be treated by the Company and RCT as confidential. In addition, RCP's advice is not intended for, and should not be relied upon by, other third parties. The Company also agrees that any reference to RCP or any affiliate of RCP in any news release or other communication to any party outside the Company are subject to RCP's prior written approval, which approval shall not be unreasonably withheld or delayed. If RCP resigns or is terminated prior to any release or communication, no reference shall be made therein to RCP without its prior written permission.

7. Term of Engagement

The Company hereby retains RCP on an exclusive basis for a period of three (3) months from the date of this Agreement ("Expiration Date"), unless extended by the mutual written agreement of both parties. The Agreement may be terminated unilaterally at the option of RCP if at any time there is a material adverse change in the Company's business or RCP determines that information provided by the Company contains material misstatements or omissions. Furthermore, either party may for any reason cancel this Agreement upon thirty (30) days written notice to the other (the "Cancellation Date").

Provided, however, to the extent this Agreement expires or is terminated by the Company prior to the consummation of a Placement, and within twelve (12) months after expiration or termination the Company consummates the

contemplated Placement, then the Company hereby agrees to pay RCP its full compensation as would have been due under Paragraph 2 of this Agreement as if such Placement had been consummated prior to expiration or termination

hereof for all investors previously solicited by RCP and identified to the Company at closing. In any event, the Company shall continue to be liable to RCP under the expense provisions contained in Paragraph 3 and the provisions of Exhibit I shall likewise remain operative and in full force and effect regardless of termination, expiration, or consummation of any Placement.

8. Conditions Precedent

Various conditions precedent and conditions subsequent shall apply to the parties' performance hereunder, including, but not limited to, the following:

(a) RCP shall conduct a due diligence investigation of the Company and shall be satisfied with the conclusions and observations derived therefrom;

(b) the Company shall acknowledge that it does not know of any facts that it believes are reasonably likely to adversely affect its sales, prospects, or business, which shall have not been fully disclosed to RCP;

(c) prior to and following the closing of a Placement, the Company will, to the extent possible and applicable, use its best efforts to proceed with its gusiness plan and the use or proceeds in a manner substantially similar to the which is described to the Investor.

(d) The Company shall certify that all of its representations and warranties hereunder and in the offering documents are true and correct as of the closing date.

9. Notices

Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be mailed or delivered to the Company at BioPulse International, Inc., 10421 South Jordan Gateway, Suite 500, South Jordan, Utah 84095, Attention: Jonathan Neville, President, and to RCP at 24 Corporate Plaza, Newport Beach, California 92660, Attention: John Stroh, Managing Director.

10. Advertisements

The Company agrees that RCP shall have the right to place advertisements in financial and other newspapers and journals at its won expense describing its services to the Company hereunder; provided that RCP shall have submitted a copy of any such proposed advertisement to the Company for its prior approval, which approval shall not be unreasonably withheld or delayed.

11. Construction

This Agreement incorporates the entire understanding of the parties and superseded all previous agreements and shall be governed by, and construed in accordance with, the laws of the State of California as applied to contracts made and performed in such State, without regard to principles of conflicts of laws.

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12. Arbitration

Any controversy arising out of or relating to this Agreement or the alleged breach thereof shall be settled by submission of the matter to arbitration in Orange County, California, such arbitration to be in accordance with the rules, then in effect of the National Association of Securities Dealers, Inc. (NASD).

13. Severability

Any determination that any provision of this Agreement may be, or is, unenforceable shall not affect the enforceability of the remainder of this Agreement.

14. Counterparts

The Agreement may be executed simultaneously in two or more counterparts, each of which shall de deemed an original, but all of which shall constitute one and the same instrument.

15. Third Party Beneficiaries

This Agreement has been and is made solely for the benefit of the Company, RCP and the other Indemnified Persons referred to in Paragraph 5 hereof and their respective successors and assigns, and no other person shall acquire or have any rights under or by virtue of this Agreement.

16. Indemnification

In consideration of RCP's agreement to perform services under this Agreement, the Company shall:

17. Succession

This Agreement shall be binding upon and inure to the benefit of the Company, RCP, the Indemnified Persons and their respective successors, assigns, heirs, and personal representatives.

If the foregoing terms correctly set for the our Agreement, please confirm

this by signing and returning to RCP the duplicate copy of this letter. Thereupon this letter, as signed counterpart, shall constitute our Agreement on the subject matter herein.

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ROTH CAPITAL PARTNERS, INC.

By: /S/ John K. Stroh

Mr. John K. Stroh
Managing Director

Confirmed and Agreed to this ---------- day of December 2000.

BIOPULSE INTERNATIONAL, INC.

By: /s/ Jonathan Neville

Mr. Jonathan Neville
CEO

Confirmed and Agreed to this 20th day of December 2000 ----------

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Exhibit 23.01

/Letterhead/

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We hereby consent to the use of our report of Biopulse International, Inc. dated December 18, 2000, in the Form SB-2 dated February 9, 2001 for BioPulse, International, Inc.

/S/ Crouch, Bierwolf & Associates
Crouch, Bierwolf & Associates
Salt Lake City, Utah
February 9, 2001

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