As filed with the Securities & Exchange Commission on April 12, 2002

REGISTRATION NO. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ASPENBIO, INC.

(Exact Name of Registrant as Specified in its Charter)

<Table>

<S>	<C>	<C>
COLORADO	2835	84-1553387
(State or other jurisdiction of incorporation or organization)	Primary Standard Industrial Classification No.	(I.R.S. Employer Identification Number)

</Table>

8100 SOUTHPARK WAY, BUILDING B-1
LITTLETON, COLORADO 80120
(303) 794-2000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

ROGER D. HURST
ASPENBIO, INC.
8100 SOUTHPARK WAY, BUILDING B-1
LITTLETON, COLORADO 80120
(303) 794-2000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a Copy To:

ROBERT M. BEARMAN, ESQ.
NADA WOLFF CULVER, ESQ.
PATTON BOGGS, LLP
1660 LINCOLN STREET, SUITE 1900
DENVER, COLORADO 80264
(303) 830-1776

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after this Registration Statement becomes effective

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 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 this Form is a post-effective amendment filed pursuant to Rule 462(d) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<Table>
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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	
COMMON STOCK 1,725,305 SHARES	1,725,305	2.50	$4,313,263	$396.82

</Table>

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT 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 THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS

SUBJECT TO COMPLETION

DATED APRIL 12, 2002

1,725,305 SHARES

ASPENBIO, INC.

COMMON STOCK

This is the first public offering of our securities. Common stock available for sale as a result of this prospectus will be sold by currently existing shareholders. The selling shareholders identified in this prospectus may offer, from time to time, up to 1,225,305 shares of our common stock. The selling shareholders may sell these shares from time to time directly to purchasers or through agents, underwriters or dealers. We will not receive any money from the sale of common stock as a result of this offering.

In addition, 500,000 shares held by one of our shareholders, Cambridge Holdings, Ltd., are being distributed to Cambridge's shareholders as a stock distribution.

Prior to this offering, there has been no public market for our common stock. We expect to have the common stock traded on the OTC Bulletin Board, which is maintained by the National Association of Securities Dealers, Inc., after this registration statement is declared effective. The shares will be

priced based upon bid and ask quotations submitted by broker-dealers.

BEFORE BUYING ANY SHARES YOU SHOULD READ THE DISCUSSION OF MATERIAL RISKS OF INVESTING IN OUR COMMON STOCK IN "RISK FACTORS" BEGINNING ON PAGE 2.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____

This prospectus is part of a registration statement that we have filed with the SEC. You should read both this prospectus and any supplement together with additional information described under "Where You Can Find More Information."

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY SUPPLEMENT OR OTHER DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS PROSPECTUS OR ANY SUPPLEMENT MAY ONLY BE ACCURATE AS OF THE DATE OF THE FRONT OF SUCH DOCUMENTS.

All references in this prospectus to "AspenBio," "our company," "we," "us" or "our" mean AspenBio, Inc. For periods prior to August 1, 2000, such terms referred to the Company's business as it was conducted by Vitro Diagnostics, Inc. On that date, Vitro Diagnostics completed the sale of its antigen development and manufacturing operations to AspenBio while retaining non-related technology.

TABLE OF CONTENTS

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PROSPECTUS SUMMARY

The following summary highlights information contained in other parts of this prospectus. Because it is a summary, it does not contain all the information you should consider before investing in our common stock. You should read the entire prospectus carefully including "Risk Factors."

ASPENBIO, INC.

AspenBio is a leading purifier of human and animal antigens. AspenBio was founded to acquire the antigen business from Vitro Diagnostics, Inc. in August 2000 and to leverage that base of operations and technology to develop new products with substantial market potential. Our management team had been conducting this business at Vitro Diagnostics since 1990. Over thirty products are currently being purified and sold. Many new products have been developed since the acquisition.

Our strategy is to search for niches we can dominate with our purification abilities. We are focusing on expanding our business into other uses of purified proteins, principally for diagnosis and treatment of humans and animals.

We expect to market a new antigen pregnancy test for dairy and cow/calf operators. This bovine pregnancy test is designed to indicate pregnancy between days 15 and 32 after artificial insemination. An additional bovine test for pregnancy determination 35 days after artificial insemination should be available in Fall, 2002. We believe that the test for initially determining pregnancy has a large market potential, as there is a population of cows that are artificially inseminated that exceeds 100,000,000. Of this overall population, there is a population of approximately 77,000,000 cows that we could expect to reach with our marketing and sales efforts. Furthermore, there is a subsegment of this market of approximately 10,000,000 cows that are part of timed or synchronized breeding programs, which could require as many as 14,000,000 tests to enhance the success of the programs. We have received inquiries from six large companies interested in distributing the product.

The next product we intend to bring to market is a recombinant form of bovine/porcine insulin known as PZI. Our initial plan for this product is for sales to feline owners under a compassionate drug exemption from the FDA. We also expect to apply simultaneously to the FDA for full drug approval. We plan to form an alliance with a larger medical company to fund this approval process. Ultimately, we intend to seek approval from the FDA for use in humans. According

to the American Diabetes Association there are approximately 300,000 human diabetics whose bodies perform better on bovine/porcine insulin than the recombinant human form of insulin currently taken by them.

One of our other projects includes purifying and culturing an antigen known as carcinoembryonic antigen (CEA) as part of National Cancer Institute studies to develop a vaccine for colon cancer in conjunction with NIH funded university research. We are also developing equine proteins to diagnose and treat problems or potential enhancements in fertility, lactation, thyroid and wounds in horses.

Our executive offices are located at 8100 Southpark Way, Building B-1, Littleton, Colorado 80120. Our telephone number is (303) 794-2000. Our website is located at www.aspenbioinc.com. We are not incorporating by reference in this document any material from our website. The reference above to our website is an inactive textual reference to the uniform resource locator (URL) and is for your reference only.

THE OFFERING

<Table>

<S>	<C>
Common Stock offered by selling shareholders.....	1,225,305 shares
Common Stock being distributed by Cambridge to its shareholders.....	500,000 shares
Use of Proceeds.....	We will not receive any proceeds from the sale of the shares of common stock by the selling shareholders or from the distribution by Cambridge of shares of AspenBio to the Cambridge shareholders
Proposed OTC Bulletin Board Symbol.....	ASPB

</Table>

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should consider carefully the following factors and other information in this prospectus before deciding to invest in shares of AspenBio common stock. If any of the following risks actually occur, our business, financial condition, results of operations and prospects for growth would likely suffer. As a result, the trading price of AspenBio common stock, if any market develops, could decline and you could lose all or part of your investment.

Prospective investors should consider carefully these factors concerning our business before purchasing the shares offered by this prospectus. We make various statements in this section which constitute "forward-looking statements" under Section 27A of the Securities Act of 1933. See "Forward-Looking Statements."

OUR SUCCESS DEPENDS ON OUR ABILITY TO COMMERCIALIZE NEW PRODUCT OFFERINGS.

Our human diagnostic antigen manufacturing operations have been profitable. However, we believe the growth potential in this market is limited. We are developing several other products which we believe have significantly greater potential for higher revenues and increased profits. Our ability to achieve these objectives is dependent on a number of factors, including our ability to complete development efforts, including any necessary testing and regulatory approvals, and successfully commercialize these products.

In order to achieve our business objectives, we will need to manufacture these products (or arrange for manufacture) in commercial quantities at a reasonable cost acceptable in the marketplace. Because of our limited manufacturing experience, outside the antigen business, and the lack of a marketing organization, we are likely to rely on other parties to perform one or more tasks for the commercialization

of our proposed products. We may incur additional costs and delays while working with these parties, and these parties may ultimately be unsuccessful in the manufacture or distribution of our products.

OUR SUCCESS WILL DEPEND IN PART ON ESTABLISHING EFFECTIVE STRATEGIC PARTNERSHIPS AND BUSINESS RELATIONSHIPS.

A key aspect of our business strategy is to establish strategic partnerships. We currently have license arrangements with the University of Idaho and the University of Wyoming. It is likely that we will seek other strategic alliances. We also intend to rely heavily on companies with greater capital resources and marketing expertise to market some of our products. While we have identified certain candidates, we may not reach definitive agreements with any of them. Even if we enter into these arrangements, we may not be able to maintain these collaborations or establish new collaborations in the future on acceptable terms. Furthermore, these arrangements may require us to grant certain rights to third parties, including exclusive marketing rights to one or more products, or may have other terms that are burdensome to us, and may involve the acquisition of our securities. Our partners may decide to develop alternative technologies either on their own or in collaboration with others. If any of our partners terminate their relationship with us or fail to perform their obligations in a timely manner, the development or commercialization of our technology in potential products may be substantially delayed.

WE HAVE LIMITED MANUFACTURING EXPERIENCE, AND WE MAY EXPERIENCE MANUFACTURING PROBLEMS THAT LIMIT THE GROWTH OF OUR REVENUE.

We purify human and animal antigens and tumor markers. In 2002, our revenues from these sales were approximately $1.1 million. We intend to introduce new products with substantially greater revenue potential. We may seek to manufacture these products in-house or through contractual arrangements with third parties. In either event, we may not be able to produce sufficient quantities at an acceptable cost. In addition, we may encounter difficulties in production due to, among other things, quality control, quality assurance and component supply. These difficulties could reduce sales of our products, increase our costs, or cause production delays, all of which could damage our reputation and hurt our profitability. To the extent that we enter into manufacturing arrangements with third parties, we will depend on them to perform their obligations in a timely manner and in accordance with applicable government regulations.

OUR SUCCESS DEPENDS UPON OUR ABILITY TO PROTECT OUR INTELLECTUAL PROPERTY RIGHTS.

Our success will partially depend on our ability to obtain and enforce patents relating to our technology and to protect our trade secrets. We may not receive any patents. In addition, third parties may challenge, narrow, invalidate or circumvent our patents. The patent position of biotechnology companies is generally highly uncertain, involves complex legal and factual questions and has recently been the subject of much litigation. Neither the U.S. Patent Office nor the courts have a consistent policy regarding breadth of claims allowed or the degree of protection afforded under many biotechnology patents.

In an effort to protect our unpatented proprietary technology, processes and know-how, we require our employees and consultants to execute confidentiality agreements. However, these agreements may not provide us with adequate protection against improper use or disclosure of confidential information.

These agreements may be breached, and we may not have adequate remedies for any such breach. In addition, in some situations, these agreements may conflict, or be subject to, the rights of third parties with whom our employees or consultants have previous employment or consulting relationships. Also, others may independently develop substantial proprietary information and techniques or otherwise gain access to our trade secrets. AspenBio intends to market its

products in many different countries some of which we will not have patents in or applied for and that different countries have different patent rules and we may sell in countries that do not honor patents and our products could be copied and the company would not be protected.

WE MAY BE UNABLE TO RETAIN KEY EMPLOYEES OR RECRUIT ADDITIONAL QUALIFIED PERSONNEL.

Because of the specialized scientific nature of our business, we are highly dependent upon qualified scientific, technical, and managerial personnel. There is intense competition for qualified personnel in our business. Therefore, we may not be able to attract and retain the qualified personnel necessary for the development of our business. A loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical and managerial personnel in a timely manner would harm our development programs and our business.

Roger Hurst has been our Chief Executive Officer since our inception. We rely on him for his leadership and business direction. We do not have an employment agreement with Mr. Hurst. The loss of his services could significantly delay or prevent the achievement of our business objectives. Mr. Hurst is our largest shareholder.

OUR COMPETITORS MAY HAVE GREATER RESOURCES OR RESEARCH AND DEVELOPMENT CAPABILITIES THAN WE HAVE, AND WE MAY NOT HAVE THE RESOURCES NECESSARY TO SUCCESSFULLY COMPETE WITH THEM.

The biotechnology business is highly competitive. Although it has been our business strategy to create a niche in the protein purification area, we plan to expand our operations into other areas as described in the "Business" section. We may face increasing competition. We expect that many of our competitors will have greater financial and human resources and more experience in research and development and more established sales, marketing and distribution capabilities than we have. In addition, the healthcare industry is characterized by rapid technological change. New product introductions or other technological advancements could make some or all of our products obsolete.

AN ACTIVE PUBLIC MARKET FOR OUR COMMON STOCK MAY NOT DEVELOP OR BE SUSTAINED AFTER THIS OFFERING, AND THE MARKET PRICE OF OUR COMMON STOCK MAY BE HIGHLY UNSTABLE.

Prior to this offering, our common stock did not trade in a public market. You may not be able to sell your shares quickly or at an acceptable price if trading in our stock is not active. We expect to have the common stock traded on the OTC Bulletin Board. It may be expected that shareholders would experience greater difficulties in attempting to sell the stock than if it was listed on a stock exchange or quoted on the Nasdaq National Market or the Nasdaq Small Cap Market. Shareholders may also find it more difficult to obtain accurate quotations concerning the market value of the stock. In addition, the market prices for securities of biotechnology companies have been highly volatile, and the market has experienced significant price and volume fluctuations that are unrelated to the operating performance of

the individual companies. There are many factors related to our business that could affect the stock price, including results of operations, concerns about financial condition, new product announcements, signing or termination of licensing or collaborative agreements, government regulations, litigation, intellectual rights and additions or departures of key personnel.

OUR COMMON STOCK WILL LIKELY BE CLASSIFIED AS A "PENNY STOCK" UNDER SEC RULES WHICH MAY MAKE IT MORE DIFFICULT FOR OUR SHAREHOLDERS TO RESELL OUR COMMON STOCK.

No public trading market exists for our common stock. We cannot predict the market price of our common stock or when any trading may commence. Based on recent private transactions, we do not expect that the common stock will trade at $5 or more per share. Because our stock will not be traded on a stock exchange or on the Nasdaq National Market or the Nasdaq Small Cap Market, if the market price of the common stock is less than $5 per share, the common stock

will be classified as a "penny stock." SEC Rule 15g-9 under the Exchange Act imposes additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as an "established customer" or an "accredited investor." This includes the requirement that a broker-dealer must make a determination that investments in penny stock are suitable for the customer and must make special disclosures to the customers concerning the risk of penny stocks. Application of the penny stock rules to our common stock could adversely affect the market liquidity of the shares, which in turn may affect the ability of holders of our common stock to resell the stock.

A SIGNIFICANT NUMBER OF OUR SHARES ARE OR WILL BE ELIGIBLE FOR FUTURE SALE, WHICH MAY CAUSE THE PRICE OF OUR COMMON STOCK TO DECLINE.

As of April 12, 2002, 9,300,000 shares of our common stock, 600,000 options and 830,000 warrants were outstanding. Sales of a substantial number of shares of our common stock in the public market or the exercise of a substantial number of options or warrants to purchase shares of our common stock, or the perception that such sales or exercises might occur, could cause the market price of our common stock to decline. All of the shares offered for sale by the selling shareholders under this prospectus will be freely tradable as will be the shares distributed by Cambridge except for the shares distributed to Gregory Pusey, who is also a director of AspenBio.

BECAUSE ONE OF OUR SHAREHOLDERS OWNS MORE THAN 45% OF OUR COMMON STOCK, HE SHOULD BE ABLE TO DETERMINE THE OUTCOME OF ALL MATTERS SUBMITTED TO OUR SHAREHOLDERS FOR APPROVAL, REGARDLESS OF THE PREFERENCES OF THE MINORITY SHAREHOLDERS.

Roger D. Hurst currently owns 45.7% of our outstanding common stock. Accordingly, it is expected that he will have the ability to control all matters affecting AspenBio, including the composition of our board of directors, any determinations with respect to mergers, or other business combinations, our acquisition or disposition of assets and our financings. In addition, Mr. Hurst should be able to prevent or cause a change in control of our company and may be able to amend our articles of incorporation and bylaws without the approval of any other shareholder. His interests may conflict with the interests of our other shareholders.

WE DO NOT CURRENTLY HAVE INSURANCE THAT COVERS PRODUCT LIABILITY.

Our insurance policies do not currently cover claims and liability arising out of defective products. As a result, if a claim is brought against us, we would not have any insurance that would apply and would have to pay any costs directly. Because our products have only been used as part of diagnostic test kits, we did not believe that this insurance would be necessary. However, as we expand into other products, the risk of claims will increase and we will need to evaluate the need to obtain insurance.

IF WE FAIL TO OBTAIN FDA APPROVAL, WE CANNOT MARKET CERTAIN PRODUCTS IN THE UNITED STATES.

Therapeutic products to be used by humans must be approved by the FDA prior to marketing and sale. This would apply to our plan to market PZI to human diabetics. In order to obtain approval, we must complete extensive clinical trials and comply with numerous standards; this process can take substantial amounts of time to complete. Even if we complete the trials, FDA approval is not guaranteed. FDA approval can be suspended or revoked, or we could be fined, based on a failure to continue to comply with those standards.

FDA approval is also required for therapeutic products that will be used on animals prior to marketing and sale, and can also require considerable time to complete. New drugs for companion animals must receive New Animal Drug Application approval. This type of approval would be required for the use of PZI for treatment of feline diabetes and for our therapeutic equine protein products. The requirements for obtaining FDA approval are similar to those for human drugs described above and may require similar clinical testing. Approval is not assured and, once FDA approval is obtained, we would still be subject to fines and suspension or revocation of approval if we fail to comply with FDA

requirements. We plan to file a compassionate drug exemption application for the use of PZI, so that we can manufacture and use PZI while the FDA is conducting the more comprehensive review. However, the interim approval is also not guaranteed and could delay marketing of PZI until the New Animal Drug Application is approved.

IF WE FAIL TO OBTAIN REGULATORY APPROVAL IN FOREIGN JURISDICTIONS, THEN WE CANNOT MARKET OUR PRODUCTS IN THOSE JURISDICTIONS.

We plan to market some of our products in foreign jurisdictions. Specifically, we plan to aggressively market the bovine pregnancy test in foreign jurisdictions and may market our therapeutic products to foreign jurisdictions, as well. We may need to obtain regulatory approval from the European Union or other jurisdictions to do so and obtaining approval in one jurisdiction does not necessarily guarantee approval in another. We may be required to conduct additional testing or provide additional information, resulting in additional expenses, to obtain necessary approvals.

FORWARD-LOOKING STATEMENTS

Various statements that we make in this prospectus under the captions of "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operation," "Business" and elsewhere in this prospectus are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933. These forward-looking statements involve known

and unknown risks, uncertainties and other factors that can cause the actual results, performance or activities of our business, or industry results, to be materially different from any future results, performance or activities expressed or implied by the forward-looking statements. These factors include: general economic and business conditions, our financial condition, competition, our dependence on other companies to commercialize, manufacture and sell products using our technologies, the uncertainty of results of animal and human testing, the risk of product liability, our dependence on patents and other proprietary rights, dependence on key management, the availability and cost of capital, the availability of qualified personnel, changes in, or the failure to comply with, governmental regulations, failure to obtain regulatory approvals for our products and other factors discussed in this prospectus.

Many of these factors are beyond our control. We caution potential investors that any forward-looking statements made by us are not guarantees of future performance. We disclaim any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of common stock offered by the prospectus. Any proceeds from the sale of the shares offered pursuant to this prospectus will be received by the selling shareholders.

DIVIDEND POLICY

We have never paid a cash dividend on our common stock, and we do not intend to pay cash dividends for the foreseeable future. Instead, we currently plan to retain all earnings, if any, for use in the operation of our business and to fund future growth.

CAPITALIZATION

The following table sets forth our actual capitalization as of December 31, 2001. We will not receive any of the proceeds from the sale of our common stock held by the selling shareholders; thus, no pro forma information has been provided for such sale by the selling shareholders.

This table should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and

the financial statements in the accompanying notes and other financial information in this prospectus.

<Table>
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	December 31, 2001
<S>	<C>
Cash	$ 423,765
Liabilities:	
Current liabilities	407,437
Long-term debt	320,921
Total liabilities	728,358
Shareholders' Equity:	
Common stock, 15,000,000 shares authorized: 8,800,000 issued	1,217,927
Retained earnings	37,952
Total shareholders' equity	1,255,879
Total capitalization	$ 1,984,237

</Table>

The common stock data excludes common stock reserved for issuance under our outstanding stock options. As of April 12, 2002, there were outstanding: (i) options to purchase 200,000 shares at an exercise price of $1.00 per share, (ii) options to purchase 400,000 shares at an exercise price of $1.25 per share, and (iii) warrants to purchase 830,000 shares at an exercise price of $1.00 per share.

SELECTED FINANCIAL DATA

The selected data presented below for the year ended December 31, 2001 and for the period from inception to December 31, 2000, have been derived from financial statements of the Company, which financial statements have been audited by independent accountants. The selected data presented below for the predecessor company, Vitro Diagnostics, Inc. as of and for the years ended October 31, 2000, 1999, 1998 and 1997, has been derived from financial statements audited by independent accountants. This information should be read in conjunction with the "Financial Statements" and "Management's Discussion And Analysis Of Financial Condition And Results Of Operations" included elsewhere in this prospectus. The selected financial date provided below are not necessarily indicative of the future results of operations or financial performance of the Company.

<Table>
<Caption>

	AspenBio, Inc		Vitro Diagnostics, Inc. (Predecessor Financial Statements)			
	Year ended December 31, 2001	Inception to December 31, 2000	Years ended October 31, 2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA						
Revenues	$ 1,123,269	$ 288,910	$ 821,564	$ 835,452	$ 1,232,244	$ 650,846

Gross profit	962,109	220,674	474,960	546,887	769,425	391,510
Selling, general and administrative	494,680	181,116	456,451	350,119	295,029	417,814
Research and development	160,943	28,101	407,295	276,484	52,209	81,579
Depreciation and amortization	109,488	45,025	14,346	13,763	14,897	15,245
Net income (loss)	$ 101,184	$ (63,232)	$ (407,563)	$ (140,803)	$ 374,487	$ (144,445)
Net income (loss) per share	$ 0.01	$ (0.01)	(1)	(1)	(1)	(1)
BALANCE SHEET DATA						
Working capital	$ 715,032	$ 143,623	$ (125,101)	$ 678,029	$ 367,550	$ 11,945
Property and equipment, net	202,018	228,601	--	31,076	26,886	27,990
Intangible assets	619,965	624,978	149,720	103,335	54,725	--
Total assets	1,984,237	1,280,998	763,144	936,393	764,670	496,670
Long term debt	105,432	320,921	586,859	--	--	--
Stockholders' equity	1,255,879	436,768	724,322	770,465	507,968	133,481
OPERATING AND OTHER DATA						
Cash flow from operations	$ (111,420)	$ 86,062	$ (143.345)	$ (241,760)	$ 64,389	$ (46,079)
Cash flow from investments	(71,600)	(250,000)	626,573	(73,065)	(68,518)	(10,619)
Cash flow from financing	499,195	271,528	61,905	363,364	7,635	26,598

</Table>

(1) Not comparable to continuing results.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BACKGROUND

Under an agreement dated August 7, 2000, and effective for accounting purposes as of July 31, 2000, we acquired all of the diagnostic assets and operations of Vitro Diagnostics, Inc. Our President and principal shareholder is a former officer and continuing shareholder of Vitro. We paid $700,000 for these assets, of which $250,000 was paid in cash and $450,000 was paid pursuant to a promissory note. We paid the note to Vitro Diagnostics in full in 2000. We also assumed the liabilities of Vitro Diagnostics associated with the diagnostic operations.

Our operations focus 1) on the purification and sale of human antigens and 2) on the development of new products and processes using proprietary techniques and expertise that we have developed. The antigens sold are used as raw materials for the diagnostic testing industry. We sell the antigens to a number of customers for use in diagnostics kits, standards and controls, antibody production and research. We sell to approximately 150 customers through our own marketing efforts, independent brokers and distributors. While our customer base is quite broad, generally a limited number of customers comprise a significant portion of our total annual sales. Our research and development activities are primarily performed internally on new product technology secured through our relationships with various universities, or opportunities derived from the marketplace.

We were formed to consummate the Vitro Diagnostics acquisition. The acquisition has been accounted for under the purchase method of accounting, whereby the results of the acquired operations are included in our financial statements from the date of acquisition forward. In order to provide a meaningful comparison, the following table for comparison purposes only, sets forth on a pro forma basis for the year ended December 31, 2000, the amounts and percentages of selected items of revenue and expense, as though the acquisition of Vitro Diagnostics had been consummated as of the beginning of the year ended December 31, 2000. The pro forma results are not necessarily indicative if the results that would have occurred had the acquisition occurred as of January 1, 2000.

<Table>
<Caption>

	Actual for year ended	Proforma for year ended

	December 31, 2001		December 31, 2000	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Sales	$ 1,123,269	100.0%	$ 995,000	100.0%
Cost of sales	161,160	14.4%	163,000	16.4%
Gross profit	962,109	85.8%	832,000	83.6%
Operating expenses	604,168	53.9%	564,000	56.7%
Research and development	160,943	14.4%	191,000	19.2%
Operating income (loss)	196,998	17.6%	77,000	7.7%

</Table>

RESULTS OF OPERATIONS

Year Ended December 31, 2001 Compared to 2000 Pro Forma

Sales for the year ended December 31, 2001 totaled $1,123,000, which is a $128,000 or 13% increase over the 2000 pro forma amount. The majority of the increase is attributed to a general increase in sales to existing and new customers, combined with the fact that during the 2000 pro forma period, management's attention was split between completing the acquisition transaction and securing sales. Cost of sales in 2001 totaled $161,160; a $2,000 or 1% decrease as compared to the 2000 pro forma amount. The reduction in cost of sales resulted from lower costs of raw materials and supplies inventory. Gross profit percentage improved to 85.8% in 2001, as compared to 83.6% in the 2000 pro forma period. The improvement resulted from tighter cost controls combined with higher sales level spread over certain fixed costs.

Operating expenses in 2001 totaled $604,168, which is a $40,000 or 7% increase as compared to the 2000 pro forma amount. The increase in operating expenses related to the fact that while sales volume increased and the general level of costs increased, management implemented tighter expense controls following the acquisition, which offset the impact of certain higher expenses. Research and development expenses in 2001 totaled $160,963, a $30,000 or 16% decrease as compared to the 2000 pro forma amount. The reduction in research and development expenses resulted primarily from tighter expense controls following the acquisition.

Operating income increased to $196,998, a $120,000 or 156% increase over the 2000 pro forma amount. The improvement resulted from a combination of higher sales levels and tighter expense controls, as discussed above.

Interest expense has remained generally consistent on an annualized basis between the periods.

Income taxes have not been a significant item in our income statement due to the low level of income combined with our S-Corporation status which was effective through July 31, 2001. We have not had any significant deferred tax differences between the financial reporting and income tax basis of assets and liabilities. The future amortization for income tax purposes of the cost in excess of value of purchased assets that arose from the Vitro acquisition will begin to generate a deferred tax difference, since as of January 1, 2002, such "goodwill" will no longer be amortized for financial reporting purposes, but will be evaluated for impairment.

LIQUIDITY AND CAPITAL RESOURCES

The acquisition of Vitro effective as of July 31, 2000, was primarily financed through debt and equity provided to us by our President and principal shareholder. In August 2000 we made a note to our President for $400,000 payable with interest at 8% per annum. We repaid $192,000 in January 2002 and expect to repay an additional $30,000 in April 2002. At our request, the Note has been amended to provide for annual installments of principal and interest of $50,000 on April 2003 and 2004, with final payment of all principal and interest in

April 2005. We may prepay the note without penalty.

Working capital as of December 31, 2001 totaled $636,000, an increase of $492,000 over the comparable working capital amount as of December 31, 2000. The increase was primarily attributable to the issuance of common stock for cash during 2001. In March 2002, the Company received the $300,000 balance due under the stock purchase agreement with Cambridge made in December 2001.

During 2002 cash requirements are anticipated to consist of continuing principal payments under existing long-term debt obligations and if we are successful in securing a new lease on different facilities, the cash required to relocate and expand. It is currently anticipated that a new lease arrangement may involve a building to be built and leased to us by our President and principal shareholder. In order to continue to rely on our current capital resources, we will need to continue to have our President's cooperation in extending the due date of the approximate remaining balance of the $242,000 note payable due him. The President has agreed that the note will not be declared due by him prior to 2003.

We have a $50,000 line of credit with a bank, of which $38,800 was outstanding as of December 31, 2001. Depending upon the level of cash required for relocation, should such an arrangement be consummated, and working capital required for supporting increases in our sales levels and cash required for continued product development, we may need to secure an expanded line of credit during 2002. We have not begun such discussions, as the current level of available cash and cash from sales of common stock has been sufficient to fund current needs.

Operating Activities

Net cash outflows from operating activities consumed approximately $111,000 during the year ended December 31, 2001, as compared to providing $86,100 in the 2000 short period, a reduction of $197,100. Net income improvement contributed $164,000 to the difference, in addition to the $137,000 non-cash expense in 2001 related to the charge for stock issued to employees for compensation. This was offset by an approximate $557,000 increase in the cash required to fund working capital items in 2001 as compared to the 2000 short period amount. The continued investment in working capital relates principally to continued increases in accounts receivable and inventories to support continued and anticipated growth.

Investing Activities

Net cash outflows from investing activities consumed approximately $72,000 during the year ended December 31, 2001, primarily for acquisitions of long-lived assets. During the 2000 short period, approximately $250,000 was consumed primarily in the acquisition of the assets of Vitro.

Financing Activities

Net cash provided by financing activities contributed $499,000 in the year ended December 31, 2001, while during the 2000 short period $272,000 was contributed. During 2001 $581,000 in cash was generated through the sales of common stock for cash, while $82,000 was used for debt reduction. During the 2000 short period, borrowings generated $794,000, in addition to $500,000 from the sale of common stock, net of $1,022,000, which was used for debt reduction.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has recently issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, SFAS No. 142, Goodwill and Other Intangible Assets, SFAS No. 143, Accounting for Asset Retirement Obligations and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

SFAS No. 141, Business Combinations, requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. SFAS No. 142, Goodwill and Other Intangible Assets, addresses accounting for the acquisition of intangible assets and accounting for goodwill and other intangible assets after they have been initially recognized in the financial statements, which is effective for fiscal years beginning after December 15, 2001; however, certain provisions of this Statement apply to goodwill and other intangible assets acquired between July 1, 2001 and the effective date of SFAS 142.

Major provisions of these Statements and their effective dates for us are as follows:

- All business combinations initiated after June 30, 2001 must use the purchase method of accounting, with the pooling of interest method of accounting prohibited.

- Intangible assets acquired in a business combination must be recorded separately from goodwill if they arise from contractual or other legal rights or are separable from the acquired entity.

- Goodwill, as well as intangible assets with indefinite lives, acquired after June 30, 2001, will not be amortized. In the year of adoption, all previously recognized goodwill and intangible assets with indefinite lives will no longer be subject to amortization.

- Goodwill, tested by business segment and intangible assets with indefinite lives will be tested for impairment annually and whenever there is an impairment indicator.

Management will adopt SFAS No. 141 and 142 as of January 1, 2002, and anticipates that the impact on the 2002 financial statements will be a reduction in annual amortization expense of approximately $28,000.

SFAS No. 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 will be effective for us for the fiscal year beginning January 1, 2003 and early adoption is encouraged. SFAS No. 143 requires that the fair value of a liability for an asset's retirement obligation be recorded in the period in which it is incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. We estimate that the new standard will not have a material impact on our financial statements but we are in the process of evaluating this impact.

SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for us on January 1, 2003, and addresses accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of and APB Opinion No. 30, Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business. SFAS No. 144 retains the

fundamental provisions of SFAS No. 121 and expands the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. We estimate that the new standard will not have a material impact on our financial statements but we are in the process of evaluating this impact.

BUSINESS

DEVELOPMENT OF BUSINESS

AspenBio is a leading purifier of human and animal antigens. AspenBio was founded to acquire the antigen business from Vitro Diagnostics, Inc. in August 2000 and to leverage that base of operations and technology to develop new products with substantial market potential. Our management team had been conducting this business at Vitro Diagnostics since 1990. Many new products have been developed since the acquisition.

Our human diagnostic antigen division is currently our core business and, taking into account the operations while this division was part of Vitro Diagnostics, this part of our business has been in operation since 1990. We have continued to expand this part of our business since it became part of AspenBio. We manufacture over thirty products. Our products are used as standards and controls in diagnostic test kits, antibody purification and in research projects.

In the human body, antigens trigger formation of antibodies, which can fight disease or provide immunity. Diagnostic test kits detect and measure the presence of different substances in patients' bodily fluids or tissues. The purified proteins we provide are used as controls in these test kits, so that the medical personnel using the test kit can confirm that the test is functioning properly. While the test kit is measuring the presence or levels of certain antigens in patients' fluids or tissues, our purified protein provides a known presence of the antigen. If the test kit registers the presence of the antigen we provide, then the medical personnel know that the test kit is functioning properly.

We are developing products using purified proteins for diagnosis and treatment of animals. We can generate proteins that will react to the presence of certain substances in animals' bodily fluid and tissues, in the same way that our human antigens would react.

Our strategy is to search for niches that we can dominate with our purification abilities. We are focusing on expanding our business into other uses of purified proteins, principally for diagnosis and treatment of humans and animals. An important factor in the diagnostics business is the vastly reduced times required from product conception to saleable product as compared to therapeutic products which often require many years to market, as they require FDA approval.

The first new product expected to come to market is an antigen pregnancy test for dairy and cow/calf operators designed to indicate if a cow is pregnant between days 15 and 32 after artificial insemination (AI). Management believes this test has large market potential because, according to the

USDA Selected Country AI Report of 2000, there is a population of cows that are artificially inseminated which exceeds 100,000,000. Of this population, we estimate that a population of approximately 77,000,000 cows could be reached by our marketing and distribution, taking into account the political and logistical barriers to penetrating foreign markets. There is a subsegment of this market that includes cows in timed or synchronized breeding programs. Because the first attempt at AI is often unsuccessful, cows in breeding programs are often inseminated more than once and our test would then be used more than once for each cow. We have estimated that these programs could require as many as 14,000,000 tests per year to enhance their pregnancy rates. The advantage of using our 15-32 day test is it enables the breeder to potentially re-inseminate a cow within the same cycle as the first insemination. The benefits to the breeder are reduced feeding, quicker generation of calves, greater milk production for dairies and greater return on investment. This test determines the pregnancy status of cows within 15 days of insemination, which is much more quickly than other available tests or methods. The dairy and cattle industries use AI to manage the reproduction of their herds, so we believe that a test that allows them to determine if the AI has been successful faster will be of benefit to their herd management. We entered into licensing agreements with the University of Idaho and the University of Wyoming in Fall, 2001, to make sure that we have exclusive rights to manufacture the protein used in the bovine pregnancy test kit. We have filed two provisional patent applications, as well as a trademark application for "Surbred", the name of the bovine pregnancy test kit. This technology has been in development for 12 years at the universities.

We have also developed a second bovine pregnancy test that will indicate pregnancy from 35 days after insemination. This test could be useful to the cattle auction industry, so that they can determine whether a cow is pregnant prior to sale and determine use of the cow after sale. We believe that both tests can also be used for other types of ungulates (such as sheep, pigs, goats and elk). We are currently assessing the markets for the additional tests.

Another product we are developing that we believe has significant potential is a recombinant form of bovine/porcine insulin known as PZI. Our initial plan for this product is for sales to feline owners under a compassionate drug exemption from the FDA. We also expect to apply to the FDA for full drug approval. We plan to form an alliance with a larger medical company to fund this approval process. Ultimately, we intend to seek approval from the FDA for use in humans. According to the American Diabetes Association there are approximately 300,000 human diabetics whose bodies perform better on bovine/porcine insulin than the recombinant human form of insulin currently available in the market for them.

Our other projects include purifying and culturing an antigen known as carcinoembryonic antigen (CEA) as part of National Cancer Institute studies to develop a vaccine for colon cancer. We manufacture an antigen known as CEA as part of National Cancer Institute studies to develop a vaccine for colon cancer. If CEA can cause a person to form antibodies that will ultimately provide immunity to colon cancer, then it can be used to create a colon cancer vaccine. The possibility of such a vaccine is currently being developed by the National Cancer Institute, through research performed by universities. We provide purified CEA to be used in the research and have filed a patent application to protect our purification process.

We are also developing equine proteins to diagnose and treat problems or potential enhancements to fertility, lactation, thyroid and wounds. Preliminary results experienced by doctors in the field experimenting with our products have yielded encouraging results. Limited research and development is

ongoing at a recognized horse breeding farm in Kentucky. The proteins we create could work to diagnose hormone levels related to horses' fertility and other health issues, and could then also be used to treat the horses if the diagnosis indicates that treatment is necessary.

PRODUCTS AND STATUS OF PRODUCTS

HUMAN ANTIGENS - We currently manufacture more than thirty human antigens and tumor markers. These are proteins that we manufacture from human tissues and fluids, using our proprietary purification processes, so that they are in an especially pure form. These proteins are used as part of diagnostic test kits. The test kits diagnose tumor marker levels within the blood or hormone imbalances by measuring the presence and/or levels of certain proteins. The proteins supplied by AspenBio are used to determine whether the test is functioning correctly. We have manufactured human antigen products since 1990 and can produce additional proteins through our purification process.

We are also manufacturing CEA, as part of a colon cancer vaccine. This protein is manufactured for the National Cancer Institute and research universities that conduct the National Cancer Institute's research. The colon cancer vaccine is expected to be part of Phase III studies that are currently anticipated to take place in 2003. This protein would have a therapeutic use, as opposed to the diagnostic use of our other human antigen products. The CEA is currently in production and is to be sold to various investigators associated with the NIH research program.

In order to distribute our human antigen products, we manufacture the purified proteins at our facility, then lyophilize (freeze dry) the ingredients contained in a glass vial . We then send the products out to customers in vials with tops that allow the use of a syringe to reconstitute the product enabling the end user to remove and use the products.

UNGULATE PREGNANCY TEST - The ungulate pregnancy test initially determines the pregnancy status of cows within days 15-32 of artificial

insemination and day 35 to termination of pregnancy. Pregnancy is necessary for milk production and the dairy industry relies on artificial insemination to increase pregnancy rates. The pregnancy tests (ultra sound and palpation) in use right now can determine the pregnancy status of cows within 35 to 40 days of insemination. Also, palpation includes a risk of inducing an abortion of the calf. The test kit we intend to produce would permit pregnancy status to be determined sooner, which, in turn, would permit a herd manager to repeat the artificial insemination process at an earlier date on cows determined not to be pregnant. Our test also does not include any physical risk to the calf. We believe pregnancy in other hoofed animals can be determined using the same antigen. We have also developed a bovine pregnancy test that is designed to determine if a cow is pregnant 35 days or more after insemination. This would permit herd managers and participants in the cattle auction industry to confirm that a cow is still pregnant. The pig, elk, bison, and sheep industries also utilize artificial insemination, so we plan to develop these pregnancy test kits, as well. We are currently conducting initial clinical testing on the 15-30 day bovine pregnancy test kit and expect that it will be available to market this year. If our continuing development efforts and marketing assessments are satisfactory to us, we plan to have the 35 plus day bovine pregnancy test kit available later in 2002 and the test kits for the other ungulates available in 2003.

The bovine pregnancy test consists of a plastic cartridge containing a membrane which has been sprayed with an antibody. The antibody was created from rabbits and mice that were exposed to a specific purified antigen manufactured at AspenBio. Once a blood sample from a cow is exposed to the antibody on the membrane it will cause the strip to change color indicating the presence of a certain antigen which is only present in the blood of a cow pregnant either day 15- 32 or day 35 to termination of pregnancy depending which test is used. The test strip will be sealed in a foil package along with a syringe and needle for drawing the blood sample to place on the strip.

In order to create the test kits, we would initially produce the active ingredients and send them to a company that manufactures test strips. This company would place the active ingredients onto the test strips. The manufacturer would ship the pregnancy test kits to our warehouse for distribution. We are evaluating manufacturing the tests strips in house, once the volume warrants it and we have relocated into a new facility.

INSULIN/PZI - We have developed a recombinant form of bovine and porcine insulin, which is commonly referred to as PZI. PZI was previously manufactured by Eli Lilly and was used for treatment of human diabetes, until it was phased out of production in the mid-1990s and replaced by recombinant human insulin. We expect to use PZI initially for treatment of feline diabetes. The available human insulin does not successfully replace the cat's own insulin and bovine insulin is more similar in molecular structure to feline insulin. We are currently working to create a recombinant form of PZI that exactly matches the PZI previously manufactured by Eli Lilly. We hope to begin selling PZI in Fall, 2002, if we can obtain a compassionate drug exemption from the Food and Drug Administration to begin manufacturing and marketing PZI while formal approval is pending. We can apply for a compassionate drug exemption based on the need for PZI to treat feline diabetes when there are no other comparable products. Based on our investigation of this process, we are hopeful that we will be able to obtain an exemption. Initially, the manufacture and bottling of PZI will be done by an outside entity because of clean room and FDA requirements. We desire to enter into arrangements for marketing the products with a pharmaceutical company prior to manufacturing them, and preliminary work has been undertaken to locate an interested company. We are also exploring joint venture or other partnering opportunities for reintroducing PZI to the human diabetes market.

We would produce PZI using AspenBio technology at a facility that meets the industry standard of good manufacturing practices (GMP). The GMP facility would then ship the products directly to our customers, to a warehouse for storage or to distributors.

EQUINE PROTEINS - The purified equine protein products we are developing would have both diagnostic and therapeutic uses for horses. We began purifying equine pituitary-derived antigens in 2001, and are currently working on development of diagnostic test kits and recombinant antigens. The diagnostic

test kits can be used to measure hormone levels affecting fertility, thyroid, growth and lactation. Uses of the recombinant antigens include inducing fertility, improving healing of wounds, and inducing lactation. The purification processes we use for the human antigens can be used in manufacturing equine proteins. The therapeutic use of the equine proteins is currently in limited testing on horse farms. The results to date based on discussions with the doctors in the field have been encouraging. AspenBio's preliminary products appear to solve some of the therapeutic problems related to problem breeding situations in horses. We have manufactured preliminary batches of antigens

anticipated to be used in equine test kits. If we determine to market these kits, we would probably try to enter into a distribution agreement with a pharmaceutical company. We expect to make a decision regarding release of these test kits in 2003. Provided the positive results we have experienced to date in our preliminary research continues, the recombinant antigens should be available in 2003, and applications submitted to the FDA in 2004 assuming we are able to partner with another company in the pharmaceutical business.

RAW MATERIALS

The human antigens are purified from human tissue or fluids. We have several sources available for the materials needed. The CEA is produced from a cell line and so does not require any outside materials.

We have recombinant sources for both the protein for the bovine pregnancy test and the PZI. We will initially utilize tissue from slaughter houses for the equine protein products. We have also cultured cell lines and recombinant material for both human and animal proteins, which can be used for therapeutic applications, when produced in a GMP facility. Ultimately, we expect that this type of production will replace the need for tissue or fluids as a source material thereby reducing the chance of contamination from possible impurities.

INTELLECTUAL PROPERTY

We have not filed patents for our human diagnostic antigens, although we treat our protein purification process as proprietary. Much of the purification work is considered an art form and the processes are trade secrets. We have filed for a patent on the process used to purify the CEA for the colon cancer vaccine, because we anticipate that, if successful, the vaccine will be widely used and we will need to protect AspenBio's part in the development.

With respect to the ungulate pregnancy test, we entered into exclusive licensing agreements with the University of Idaho and the University of Wyoming in fall, 2001, for the manufacture, use, sale and distribution of the proteins used in the test. We have titled the pregnancy test "Surbred" and have applied for a trademark to protect the name. We have also filed a provisional patent application for the bovine pregnancy test. We have taken these steps because we believe that the potential widespread use of the ungulate pregnancy test requires protection of our product.

Due to its previous manufacture by Eli Lilly, PZI is not a patentable product and we have not filed a patent on the protein purification process. Due to the status of development to date, we have not filed patent applications with respect to the equine protein products.

MARKETING/COMPETITIVE CONDITIONS

PRODUCT MARKETS

HUMAN DIAGNOSTIC ANTIGENS - The total market for human antigens and tumor markers is approximately $2 million, annually. We currently control approximately 60% of the market, although we do not expect significant additional growth in market share. All of our revenues to date have come from

sales of these products. We expect to continue adding products to our diagnostic protein line. Our primary competitor for supply of human pituitary antigens is Dr. Albert Parlow, a professor at UCLA, but we believe that we have displaced Dr. Parlow as the largest supplier.

UNGULATE PREGNANCY TEST - The available bovine pregnancy tests cannot determine pregnancy status until at least 30 days from insemination. Testing by palpation includes a risk of aborting the calf and testing by using a blood test requires the use of a centrifuge. Our 15-32 day bovine pregnancy test is designed to determine status sooner, does not involve a physical risk to the calf and does not require a centrifuge. According to the USDA Selected Country AI Report of 2000, the population of cows that are artificially inseminated exceeds 100 million. However, due to the political and logistical barriers to penetrating certain markets, we estimate that a population of approximately 77 million cows is reasonably accessible to potential use of our product. Further, there is a population of approximately 10 million cows that are in timed or synchronized breeding programs. Because the first attempt at artificial insemination is often unsuccessful, cows in breeding programs are often inseminated more than once, so our test would then be used more than once for each cow. Based on these markets, we have estimated a market of approximately 100 million bovine pregnancy tests annually, at $5.00 per test translating to a potential market of up to $500 million. The most readily accessible market, the timed or synchronized breeding programs, represents approximately 16 million tests annually (10 million cows with 60% re-inseminated and retested), which would be a market of approximately $68 million annually.

We are currently assessing the potential markets for the bovine pregnancy test to be used 35 days or more after insemination and for pregnancy tests of other ungulates. We will compete against the current pregnancy methods and tests for the bovine market, as well as in the ovine and porcine market.

INSULIN/PZI - PZI is not currently distributed in the United States by any other companies, so we do not expect that we will have competition in this area. We are developing PZI as a product for the feline diabetes market at the request of Blue Ridge Pharmaceuticals. According to a study conducted by Idexx, there are currently 66 million cats in the U.S. and approximately 20% are expected to suffer from diabetes. We estimate this market to be approximately $15 million annually once FDA approval is obtained for general distribution. Also, according to the American Diabetes Association, there are approximately 300,000 human diabetics whose bodies perform better on bovine/porcine insulin than the recombinant human form of insulin currently available. These people would create another market for PZI if we can obtain the necessary FDA approvals and partner with a pharmaceutical company.

EQUINE PROTEINS - Equine diagnostic kits and hormones for therapeutic use are not currently commercially available, so we do not expect to encounter competition in this market. Based on information developed by Dr. Clara Singular, an independent consultant and doctor of veterinary medicine, we estimate a $10 million annual market for therapeutic use of proteins to induce fertility in horses and a $7 million annual market for diagnostic use of proteins to measure thyroid function.

CUSTOMERS/MARKETING

HUMAN ANTIGENS DIVISION - The customers for our human antigen products are the manufacturers of the diagnostic test kits and research facilities and brokers who sell to these same end users. In this area, we have a number of large customers. Monobind and Golden West Biologics, which are brokers, account

for approximately eleven percent (11%) and thirteen percent (13%) of our business, respectively. Bio Rad, an end user, accounts for approximately thirty-five percent (35%) of our business. The loss of these customers could have a material adverse effect on this division of our business.

The National Cancer Institute, through the universities that conduct its research, are also customers for the purchase of CEA.

UNGULATE PREGNANCY TEST - The customers for our bovine pregnancy test will be primarily the artificial insemination (AI) providers. The AI providers include three general categories of business: (1) pharmaceutical companies selling prostaglandins, which are used to induce estrus in cows to be artificially inseminated; (2) pharmaceutical companies selling cattle semen and providing the actual AI services; and (3) AI equipment manufacturers and suppliers. There are a limited number of these AI providers, who service the dairy industry. We would expect the AI providers to market the products, as well. We also expect that industry trade associations would market the bovine pregnancy test, by endorsing the product and then receiving compensation based on the value realized from such endorsements. We would be involved in marketing the bovine pregnancy test, as well, but do not expect to be primarily responsible. We would anticipate a similar customer base and marketing approach for the other ungulate pregnancy tests when they are developed. AspenBio is in discussions with a number of companies positioned to effectively distribute these products.

INSULIN/PZI - We anticipate that the ultimate customers for the PZI would be veterinarians and cat owners. We plan to seek to enter into an agreement with a pharmaceutical company for marketing and distribution if we can develop recombinant PZI that matches the PZI manufactured by E.I. Lilly. If we pursue approval to sell PZI to human diabetics, then they would provide an additional customer base. We would expect to enter into arrangements with a pharmaceutical company for marketing and distribution of PZI if such an expanded use is possible.

EQUINE PROTEIN - We anticipate that the ultimate customers for the equine protein products would be veterinarians and horse owners. However, we anticipate entering into agreements with a pharmaceutical company for marketing and distribution if the clinical testing is successful.

GENERAL OPERATIONS

BACKLOG AND INVENTORY - Our business in not seasonal in nature, so we expect demand to remain relatively steady. Because we produce proteins on demand, we do not maintain a backlog of orders. We have reliable sources of raw materials, do not require significant amounts of raw materials, and can manufacture all of our protein products (other than CEA, which is made from its own cell line). As a result, we do not expend large amounts of capital to maintain inventory.

PAYMENT TERMS - Because we currently act as a supplier to manufacturers of test kits and research facilities, we do not provide extended payment terms.

REVENUES - The vast majority of our revenues come from domestic customers. Less than 2% of our revenues come from foreign customers.

EMPLOYEES - We currently have eight full-time employees. We will hire additional personnel as needed depending upon the implementation and success of our new product lines.

RESEARCH AND DEVELOPMENT

For the period from August, 2000, through December 31, 2000, we spent $28,101 on research and development. For fiscal year 2001, we spent $160,943 on research and development. We expect to spend significantly more over the next few years to develop our new products, primarily on the equine proteins and ungulate pregnancy tests. We will also continue research and development to improve and add antigens to the 15-30 day bovine pregnancy test, in order to improve accuracy and eliminate competition. If we reach an arrangement with a pharmaceutical company to assess the potential for marketing PZI to humans, we would also expect to spend research and development funds on those efforts.

COMPLIANCE

FDA

The Food and Drug Administration (FDA) has regulatory authority over certain of our planned products. Our existing products require no approvals at

our level.

HUMAN PATIENTS - FDA approval is required for therapeutic uses of products. For use on human patients, FDA extensively regulates the testing, manufacturing, labeling, advertising, promotion, export and marketing of therapeutic products. A therapeutic product administered to human patients is regulated as a drug or a biologic drug and requires regulatory approval before it may be commercialized. This would be applicable to AspenBio if we become involved in the manufacture of either the colon cancer vaccine or the sale of PZI to human diabetics.

Product approvals are granted after extensive clinical trials. Any product approvals that are granted remain subject to continual FDA review, and newly discovered or developed safety or efficacy data may result in withdrawal of products from marketing. Moreover, if and when such approval is obtained, the manufacture and marketing of such products remain subject to extensive regulatory requirements administered by the FDA and other regulatory bodies, including compliance with current Good Manufacturing Practices, adverse event reporting requirements and the FDA's general prohibitions against promoting products for unapproved or "off-label" uses. Manufacturers are subject to inspection and market surveillance by the FDA for compliance with these regulatory requirements. Failure to comply with the requirements can, among other things, result in warning letters, product seizures, recalls, fines, injunctions, suspensions or withdrawals of regulatory approvals, operating restrictions and criminal prosecutions. Any such enforcement action could have a material adverse effect on our business. Unanticipated changes in existing regulatory requirements or the adoption of new requirements could also have a material adverse effect on our business.

UNGULATE PREGNANCY TEST - Because the ungulate pregnancy test will be a diagnostic use only, it will not be subject to FDA regulation. However, we will make a notification filing with the FDA, which advises the FDA of the expected uses and labeling of the product.

PZI/FELINE DIABETES APPLICATION - FDA approval will be necessary for PZI to be used for treatment of feline diabetes. New drugs for companion animals must receive New Animal Drug Application approval prior to marketing. The requirements for such approval are similar to those for

human drugs and may require similar clinical testing. We plan to file a compassionate drug exemption application, so that we can manufacture and use PZI while the FDA is conducting the more comprehensive review. This application would be based on the need for PZI to treat diabetic cats and the fact that there are no comparable products manufactured by a USA company. We expect to file the application in Spring, 2002, so that we can begin selling PZI in Fall, 2002. We are hopeful that FDA approval will not be difficult to obtain because PZI was previously approved for this use. If approval is obtained, we would once again be subject to ongoing regulation, which exposes us to the risks associated with compliance failures.

EQUINE PROTEINS - As the equine proteins would have a therapeutic use, they would require regulatory approval similar to that required for PZI.

ENVIRONMENTAL PROTECTION

We are subject to various environmental laws pertaining to the disposal of hazardous medical waste. We contract for disposal of our hazardous waste with a licensed disposal facility. We do not expect to incur liabilities related to compliance with environmental laws; however, we cannot make a definitive prediction.

OTHER LAWS

We are also subject to other federal, state and local laws, pertaining to matters such as safe working conditions and fire hazard control.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The following table lists members of our Board of Directors and our executive officers with the position held by each and their ages as of January 31, 2002. Directors may hold office until removed by resolution of our shareholders, or their resignation or death. Each executive officer's term of office continues until the first meeting of the Board of Directors following the annual meeting of shareholders and until the election and qualification of his successor. All officers serve at the discretion of the Board of Directors.

<Table>
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Name	Age	Position
<S>	<C>	<C>
Roger D. Hurst.....	51	President, Chief Executive Officer and Director
Gregory Pusey.....	49	Secretary and Director
Gail S. Schoettler.....	58	Director

</Table>

ROGER D. HURST, the founder of AspenBio, has served as President and Chief Executive Officer, and as a director, since our formation in July 2000. From 1988 to the sale of the antigen business from Vitro Diagnostics, Inc. to AspenBio, Mr. Hurst served as the President and Chief Executive Officer of the Vitro Diagnostics. Mr. Hurst holds a bachelor's degree from Nebraska Wesleyan University.

GREGORY PUSEY is the President of Advanced Nutraceuticals, Inc., a publicly-held company engaged in manufacturing and marketing of pharmaceutical products and nutritional supplements. Mr. Pusey has been associated with Advanced Nutraceuticals, Inc. and its predecessors since 1997. Since 1988, Mr. Pusey has been the President and a director of Cambridge Holdings, Ltd., a publicly-held real estate development firm. He has also served as President of Livingston Capital, Ltd. since 1987 and President and the General Partner of Graystone Capital, Ltd. from 1987 to 1999, both venture capital firms. Mr. Pusey holds a B.S. degree in finance from Boston College.

GAIL S. SCHOETTLER has served as a U.S. Ambassador, Colorado Lt. Governor, from 1995 to 1999, and Colorado State Treasurer from 1987 to 1995. She was a trustee of the Public Employees Retirement Association, Colorado's $27 billion pension fund, for eight years. Ambassador Schoettler was a founder and director of two banks and currently helps manage her family's ranching, vineyard and real estate businesses. She speaks internationally on politics and business and writes a column for The Denver Post. She is a trustee of several non-profit organizations and the recipient of the French Chevalier of the Legion of Honor, France's highest civilian award. She earned her BA with honors in economics from Stanford University and her MA and PhD in history from the University of California at Santa Barbara.

BIOGRAPHIES OF THE FOLLOWING EMPLOYEES ARE INCLUDED IN THIS PROSPECTUS AS THEY ARE KEY PERSONNEL OF OUR COMPANY.

DR. MARK COLGIN joined AspenBio in 2000 as our Director of Recombinant Technology. He held post-doctoral positions at Colorado State University from 1996 to 2000 where he was a National Institutes of Health post-doctoral fellow. His area of post-doctoral research included gene expression, neurvirology and gene delivery. Dr. Colgin is responsible for the development of our molecular biology and cell culture products. He holds a bachelor's degree in biochemistry and a Ph.D in molecular biology from the University of Wyoming.

CATHY LANDMANN has served as our Director of Laboratory Operations since our purchase of assets from Vitro Diagnostics in 2000. She worked at Vitro Diagnostics from 1992 until the sale and developed quality control protocols to

aid in the development of the antigen product line. At AspenBio, she is responsible for quality control analysis of our products, management of our laboratory stuff and quality assurance of the production facility. Ms. Landmann holds a B.S. degree in medical technology from the University of Florida.

DIANE NEWMAN is our Senior Production Scientist. She joined Vitro Diagnostics in 1996 and served there until she joined the Company when Vitro Diagnostics sold the antigen business to AspenBio. Ms. Newman has been instrumental in developing methods and processes for protein purification. Ms. Newman is our production manager and also works on new product development. She holds a bachelor's degree in biotechnology from the University of Nebraska in Omaha.

DIRECTOR COMPENSATION

Our directors do not currently receive any cash compensation from us for their services of members of the Board of Directors. In August 2001, we issued options to each of Bruce F. Deal, a former director of the Company, and Gail S. Schoettler to purchase 100,000 shares of our common stock at $1.00 per share during a five-year period.

EXECUTIVE COMPENSATION

The following table shows, for the years 1999, 2000 and 2001, the compensation paid to the Chief Executive Officer and to each executive officer whose salary and bonuses for their services in all capacities in 2001, exceeded $100,000. During the year 2000, the compensation was received by these persons from AspenBio from August through December and from Vitro Diagnostics from January through July. For the year 1999, all the compensation was received from Vitro Diagnostics.

SUMMARY COMPENSATION TABLE

<Table>
<Caption>

	Annual Compensation				Awards		Payouts	
Name and Principal Position	Fiscal Year	Salary ($)	Bonus	Other Annual Compensation	Restricted Stock Awards($)	LTIP Options (#)	All Other Payouts ($)	Compensation ($)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Roger D. Hurst	2001	64800	-0-	-0-	-0-	-0-	-0-	-0-
President, Chief Executive	2000	57700	-0-	-0-	-0-	-0-	-0-	-0-
Officer, Secretary and Director	1999	53800	-0-	-0-	-0-	-0-	-0-	-0-

</Table>

None of our executive officers holds any options to purchase our common stock.

2002 STOCK INCENTIVE PLAN

In April 2002, we adopted our 2002 Stock Incentive Plan. The purpose of the plan is to promote our interests and the interests of our shareholders by providing participants a significant stake in our performance and providing an opportunity for the participants to increase their holdings of our common stock. The plan is administered by the Option Committee, which consists of the Board or a committee of the Board, as the Board may from time to time designate, composed of not less than two members of the Board, each of whom shall be a director who is not employed by us. The Option Committee has the authority to select employees and consultants (which may include directors) to receive awards, to determine the number of shares of common stock covered by awards and to set the terms and conditions of awards. The plan authorizes the grant of options to purchase up to 900,000 shares of our common stock. In April 2002, we granted options to purchase 200,000 shares of our common stock to each of two employees. The options are exercisable in annual installments of one third each at $1.25 per share for a term of ten years. In addition to stock options, we may also offer a participant a right to purchase shares of common stock subject to such restrictions and conditions as the Option Committee may determine at the time of grant. Such conditions may include continued services to us or the achievement

of specified performance goals or objectives. No common stock has been issued pursuant to the plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We were organized in July 2000 to purchase the antigen business from Vitro Diagnostics, Inc. The initial capital to complete this purchase and for the startup for our operations was provided primarily by our President and principal shareholder, Roger D. Hurst. Mr. Hurst received 4,861,737 shares of our common stock in consideration of a cash contribution of $470,000. Mr. Hurst received a promissory note for the $400,000 loaned by him to us of which $192,000 has been repaid. The remaining principal balance, together with interest of 8%, is scheduled to be repaid to Mr. Hurst in installments, with all amounts due on April 30, 2005. We may prepay the note at any time without penalty.

Prior to August 1, 2001, we operated as an S Corporation and our shareholders were taxed on their proportionate share of our taxable income. We made a distribution in connection with our S Corporation status to all of our shareholders. We agreed with Roger Hurst not to pay Mr. Hurst his $29,755 distribution and we have made a promissory note in that amount to him which is payable, with interest at 8% per annum, on April 30, 2005. We may prepay the note at any time without penalty.

In November 2000 we leased laboratory equipment and issued a note to a leasing company for $280,000. The note requires monthly payments of $9,053 and we are current on our obligations. The note has been personally guaranteed by Mr. Hurst.

In 2001, we sold 300,000 shares of our common stock to nine persons for a total of $300,000. Bruce F. Deal and Gail S. Schoettler, who were then directors of the Company and members of their immediate families, purchased an aggregate of 90,000 shares of the 300,000 shares in this offering on the same terms as other investors.

In connection with the 2001 private offering, we sent an investor rights declaration regarding piggyback registration and other rights to the purchasers. We also prematurely issued stock certificates to these purchasers prior to filing amended articles of incorporation with the Colorado Secretary of State to increase our authorized shares of common stock. We subsequently filed the amended articles. We also offered to rescind the purchases by refunding the purchase price plus 10% and requested return of the stock certificates and an Amended Investors Rights Declaration. Of the nine purchasers, one purchaser of 50,000 shares accepted the offer of rescission and we paid him $55,000. All of the other purchasers entered into the Amended Investors Rights Declaration which clarifies that we will include their shares in

any registration statement we file between September 30, 2002 and June 30, 2007. In March 2002, we resold the 50,000 shares from the rescinded purchaser to the wife and father-in-law of a director at $1.25 per share, or a total of $62,500.

We have issued to each of Mr. Deal and Ms. Schoettler options to purchase 100,000 shares of our common stock at $1 per share for a five-year term. Mr. Deal resigned as a director in April 2002.

In December 2001, we entered into a Securities Purchase Agreement with Cambridge providing for the sale of 1,000,000 shares of common stock and warrants to purchase up to 830,000 shares of our common stock at $1 per share. Cambridge paid to us $300,000 in December 2001 and an additional $300,000 in March 2001 upon completion of the audit of our financial statements which are included in this Prospectus. We issued to Cambridge 1,000,000 shares of common stock and to Cambridge and its designees 830,000 warrants. Of the 1,000,000 shares issued to Cambridge, 500,000 shares are being distributed on a pro rata basis to the shareholders of Cambridge. At the initial closing of this transaction, Gregory Pusey, President and principal shareholder of Cambridge, became a member of our Board of Directors. Mr. Pusey was subsequently elected as our Secretary. Cambridge transferred 470,000 warrants to various persons, including Mr. Pusey who received 150,000 warrants. Mr. Pusey, and members of his family, will receive approximately 250,000 shares of our common stock in

connection with the distribution of the Cambridge shares.

In connection with the Securities Purchase Agreement with Cambridge, we also entered into an Investor Rights Agreement, Consulting Agreement and Shareholders Agreement. Cambridge has certain registration rights in the Investor Rights Agreement as described in "Shares Eligible for Future Sales." In the Consulting Agreement, Cambridge agreed to provide assistance to us, including our efforts to become a publicly-held company and in marketing our products. In March 2002, we confirmed with Cambridge that it had performed its duties under the Consulting Agreement.

Under the Shareholders Agreement, Mr. Hurst has agreed that, so long as Cambridge owns a minimum of 250,000 shares of our common stock, Mr. Hurst will vote all of his shares of our stock to elect Mr. Pusey to our Board until June 30, 2003. Mr. Hurst also agreed that if at any time through January 20, 2005, he sells 35% or more of the outstanding shares of our common stock, or more than 50% of our common stock owned by him if he owns less than 35% but more than 15% of the outstanding shares of our common stock, other than in a registered sale, he will afford Cambridge the opportunity to participate in such sale.

In March 2002, Mr. Hurst and other shareholders sold an aggregate of 728,245 shares of our common stock at $1.25 per share for a total of $910,306 in a private offering. Mr. Hurst sold 500,000 shares in this offering and received $625,000.

We plan to move to a larger facility on land which Mr. Hurst is attempting to acquire. If Mr. Hurst is successful in acquiring this land, we and Mr. Hurst expect Mr. Hurst to construct a building to our specifications which will be leased by Mr. Hurst to us. We expect the leasing terms to be commercially reasonable.

PRINCIPAL SHAREHOLDERS

The following table shows information as of April 12, 2002, concerning the beneficial ownership of AspenBio common stock by each of AspenBio's directors, each executive officer of AspenBio listed in the Summary Compensation Table, and all directors and executive offices of AspenBio's as a group and each other person known by AspenBio to be the beneficial owner of more than 5% of AspenBio's common stock.

The ownership percentages listed on the table are based on 9,300,000 shares of AspenBio common stock outstanding as of April 12, 2002. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. A person generally is deemed to be the beneficial owner of shares over which he has either voting or investment power. Shares underlying options that are currently exercisable, or that will become exercisable within 60 days, are deemed to be beneficially owned by the person holding the options, and are deemed to be outstanding for the purpose of computing the beneficial ownership percentage of that person, but are not considered to be outstanding for the purpose of computing the ownership percentage of any other person.

Except as otherwise noted, the persons in the group identified in the table have sole voting and sole investment power with respect to all the shares of AspenBio common stock shown as beneficially owned by them.

<Table>
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Name and Address	Number of Shares	Percent
<S>	<C>	<C>
Cambridge Holdings, Ltd.(1) 106 S. University, No. 14 Denver, CO 80209	1,360,000	14.1%
Mark Colgin 8100 Southpark Way, Building B-1	514,000	5.5%

Littleton, Colorado 80120		
Roger D. Hurst 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	4,246,757	45.7%
Cathy Landmann(2) 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	1,085,060	11.7%
Diane Newman 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	514,000	5.5%
Gregory Pusey(3) 106 S. University, No. 14 Denver, CO 80209	1,590,000	16.2%
Kilyn Roth 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	514,000	5.5%
Gail S. Schoettler(4) 11855 East Daley Circle Parker, CO 80134	115,000	1.2%
All Officers and Directors as a Group (3 persons)	5,951,757	60.1%

</Table>

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(1) Includes warrants to purchase 360,000 shares.

(2) Includes 542,530 shares held in a trust (the MCL Trust) in which Ms. Landmann and her husband are the beneficial owners.

(3) Includes 70,000 shares held by his wife and their children. Also includes warrants to purchase 150,000 shares held by Mr. Pusey and 1,000,000 shares and warrants to purchase 360,000 shares held by Cambridge Holdings, Ltd. Mr. Pusey is President, a director and principal shareholder of Cambridge Holdings, Ltd.

(4) Includes options to purchase 100,000 shares.

PLAN OF DISTRIBUTION

Prior to this offering, no public market for our securities existed. A total of up to 1,225,305 shares may be sold pursuant to this prospectus by the shareholders listed below. We are registering the common stock on behalf of the selling shareholders. The common stock may be sold from time to time to purchasers directly by any of the selling shareholders, in one or more transactions at a fixed offering price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. Such prices will be determined by the selling shareholders or by agreement between the selling shareholders and underwriters or dealers. Alternatively, any of the selling shareholders may from time to time offer the common stock through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, concessions or commissions from the selling shareholders and/or the purchasers of common stock for whom they may act as agent. The selling shareholders and any underwriters, dealers or agents that participate in the distribution of common stock may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of common stock by them and any discounts, commissions or concessions received by any such underwriters, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. In addition, 500,000 shares of our common stock held by Cambridge are being distributed to the Cambridge shareholders as a distribution of assets.

The sale of common stock may be effected in transactions (which may involve block transactions) (1) on any national securities exchange or quotation

service on which the offered securities may be listed or quoted at the time of sale, (2) in the over-the-counter market, (3) otherwise than on such exchanges or in the over-the-counter market, (4) in privately negotiated transactions, (5) through the writing of options or other derivative contracts, (6) by a distribution by a selling shareholder to his or his affiliates' beneficial owners or (7) through pledge, mortgage or hypothecation. At the time a particular offering of the common stock is made, if required, a prospectus supplement will be distributed which will set forth the names of the selling shareholders, the aggregate amount and type of securities being offered, and, to the extent required, the terms of the offering including the name or names of any underwriters, broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling

shareholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

To comply with the securities laws of certain jurisdictions, if applicable, the shares will be offered or sold in such jurisdictions only through a registered or licensed brokers or dealers. In addition, in certain jurisdictions the offered shares may not be offered or sold unless they have been registered or qualified for sale in such jurisdictions or any exemption from registration or qualification is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in a distribution of common stock may not simultaneously engage in market-making activities with respect to such common stock for a period of five business days prior to the commencement of such distribution and ending upon the completion of such distribution. In addition, each selling shareholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which provisions may limit the timing of purchases and sales of any of the common stock by the selling shareholders. All of the foregoing may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock.

We will pay substantially all of the expenses incident to the registration, offering and sale of the common stock of the selling shareholders to the public other than commissions and discounts of underwriters, dealers or agents.

<Table>
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Selling Shareholder	Shares owned prior to offering	Shares registered	Shares owned following offering	Percentage of shares following offering
<S>	<C>	<C>	<C>	<C>
A.G. Edwards & Sons CDN Gregory Pusey IRA	10,000	10,000	-0-	--
A.G. Edwards & Sons CDN Jill J. Pusey IRA	10,000	10,000	-0-	--
John Bealer and Natalia Bealer	15,000	15,000	-0-	--
Robert M. Bearman	14,000	14,000	-0-	--
Carylyn K. Bell	8,000	8,000	-0-	--
J. Daniel Bell	20,000	20,000	-0-	--
Charles Schwab & Co Inc fbo Allison Colgin, IRA	25,000	25,000	-0-	--

</Table>

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<Caption>

Selling Shareholder	Shares owned prior to offering	Shares registered	Shares owned following offering	Percentage of shares following offering
<S>	<C>	<C>	<C>	<C>
Mark Colgin	514,000	14,000	500,000	5.4%
William F. Colgin	307,958	95,000	212,958	2.3%
James L. Cruce and Gail L. Tibbetts JTWROS	20,000	20,000	-0-	--
Ann A. Deal	25,000	25,000	-0-	--
Bruce F. Deal	25,000	25,000	-0-	--
Jon Diack and Karen Diack JTWROS	14,000	14,000	-0-	--
Teresa Ehrlich	40,000	40,000	-0-	--
Warren Ehrlich	245,000	245,000	-0-	--
Robert G. Hopper	12,000	12,000	-0-	--
Colin P. Hubbard Trust	10,000	10,000	-0-	--
Blair Kittleson	20,000	20,000	-0-	--
Cathy Landmann	542,530	42,530	500,000	5.4%
Lincoln Trust Company Custodian FBO-Don Weaver	12,000	12,000	-0-	--
MCL Trust	542,530	42,530	500,000	5.4%
Earnest Mathis	20,000	20,000	-0-	--
Jeff McGonegal	8,000	8,000	-0-	--
Charles J. Neerdaels and Nicole R. Nelson, as Trustees of the Neerdaels-Nelson Family Trust	100,000	100,000	-0-	--
Diane Newman	514,000	14,000	500,000	5.4%
Kathleen G. Palma	120,000	120,000	-0-	--
Christopher Pusey	10,000	10,000	-0-	--
Jill Pusey CDN for Jacqueline Pusey	10,000	10,000	-0-	--

</Table>

<Table>
<Caption>

Selling Shareholder	Shares owned prior to offering	Shares registered	Shares owned following offering	Percentage of shares following offering
<S>	<C>	<C>	<C>	<C>
Jill J. Pusey	40,000	40,000	-0-	--
Kilyn Roth	514,000	14,000	500,000	5.4%
Gail S. Schoettler	15,000	15,000	-0-	--
James Schoettler	25,000	25,000	-0-	--
Steve Skaer	20,000	20,000	-0-	--
Iris Smith	33,623	33,623	-0-	--
Michael Smith	33,622	33,622	-0-	--
Tom Weinberger	25,000	25,000	-0-	--
David White	8,000	8,000	-0-	--
Donald Yager	10,000	10,000	-0-	--

</Table>

DESCRIPTION OF CAPITAL STOCK

The following summary description of our capital stock is qualified in its entirety by reference to our articles of incorporation, as amended, and our bylaws.

GENERAL

AUTHORIZED, ISSUED AND OUTSTANDING CAPITAL STOCK

We are authorized to issue 15,000,000 shares of common stock. As of April 12, 2002, there were 9,300,000 shares of common stock outstanding.

FULLY PAID

The issued and outstanding shares of common stock, and any shares of common stock issuable upon the stock incentive plan or upon the exercise of warrants for common stock, will be duly authorized, validly issued, fully paid and non-assessable.

COMMON STOCK

LISTING

This is the first public offering of our securities. Prior to this offering, there has been no public market for our common stock. We expect to have the common stock traded on the OTC Bulletin Board, which is maintained by the National Association of Securities Dealers, Inc., after this registration statement is declared effective.

DIVIDENDS

Holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors out of funds legally available therefor. We do not expect to pay cash dividends on the common stock in the foreseeable future.

RIGHTS UPON LIQUIDATION, DISSOLUTION OR WINDING UP

In the event of a liquidation, dissolution or winding up of our company, holders of common stock would have the right to a ratable portion of assets remaining after payment of liabilities. Holders of common stock will have no preemptive rights.

VOTING

Holders of common stock are entitled to one vote per share for each share held of record on all matters submitted to a vote of shareholders.

TRANSFER AGENT

The transfer agent for our common stock is Corporate Stock Transfer, Inc., 3200 Cherry Creek South, Denver, Colorado 80209, (303) 282-4800.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Colorado Business Corporation Act provides the power to indemnify and pay the litigation expenses of any officer, director or agent who has made party to any proceeding. Our Articles of Incorporation also provide for indemnification of our officers and directors for liabilities arising out of their service to us to the maximum extent permitted by law. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling AspenBio as provided in the foregoing provisions, we have been informed that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and thus cannot be enforced.

Our Articles of Incorporation authorize us also to purchase and maintain insurance for our directors and officers to insure that such person entitled to the indemnification are properly indemnified.

Article Seventh(c) of our Articles of Incorporation requires us to indemnify each of our directors and officers to the maximum extent permitted by CBCA.

SHARES ELIGIBLE FOR FUTURE SALE

As of April 12, 2002, we had 9,300,000 shares of common stock

outstanding. All 9,300,000 shares of common stock are "restricted securities" under the Securities Act. A total of up to 1,225,305 shares may be sold pursuant to this prospectus by the shareholders listed in the "Plan of Distribution." In addition, 500,000 shares held by Cambridge are being distributed to the Cambridge shareholders pursuant

to this prospectus. The remaining restricted shares may be sold in the public market upon the expiration of specified holding periods under SEC Rule 144, subject to the volume, manner of sale and other limitations of Rule 144.

In general, under Rule 144, a person holding restricted securities for at least one year, may, within any three-month period, sell in ordinary brokerage transaction, a number of shares equal to one percent of a company's then outstanding common stock. If the company's stock is traded on a stock exchange or The Nasdaq Stock Market, the volume limitation becomes the greater of one percent of the outstanding common stock or the average weekly trading volume during the four-calendar weeks prior to the person's sales.

Sales under Rule 144 are also subject to manner of sale provisions, notice requirements and the availability of current public information about us. A shareholder who is not an "affiliate" of ours and has held the shares for at least two years, may sell the shares without any quantity limitations, manner of sale provisions or public information requirements. For purposes of Rule 144, an "affiliate" is a person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is in common control with, such issuer.

As of the date of this Prospectus, there were options to purchase 600,000 shares of common stock outstanding, of which 200,000 shares are exercisable currently. An additional 500,000 shares are reserved for issuance under our 2002 Stock Incentive Plan.

Also as of the date of this Prospectus, there were outstanding warrants to purchase 830,000 shares of our common stock. We have entered into an Investor Rights Agreement with Cambridge and the holders of the warrants in which we agreed to register the shares held by Cambridge and the shares underlying the warrants upon the request, one time only, between September 30, 2002 and June 30, 2006. We have also agreed to permit them to include their shares in any other Registration Statement we file prior to June 30, 2007. We granted similar "piggyback" registration rights to eight other shareholders who own an aggregate of 532,958 shares, of which 320,000 shares are included in this Prospectus.

LEGAL MATTERS

The validity of the AspenBio common stock offered by this prospectus will be passed upon for AspenBio by Patton Boggs, LLP, Denver, Colorado. An attorney with Patton Boggs, LLP owns 14,000 shares of our common stock and warrants to purchase 10,000 shares of our common stock.

EXPERTS

AspenBio's audited financial statements as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and the five-month period ended December 31, 2000, have been included herein and in the registration statement in reliance upon the report of Larry O'Donnell, CPA, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Larry O'Donnell, CPA, P.C. as experts in accounting and auditing. The financial statements of Vitro Diagnostics for the year ended October 31, 1999 have been included herein and in the registration statement in reliance upon the report of Larry O'Donnell, CPA, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Larry O'Donnell, CPA, P.C. as experts in accounting and auditing.

The financial statements of Vitro Diagnostics for the year ended October 31, 2000 have been included herein and in the registration statement in reliance upon the report of

Cordovano and Harvey, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Cordovano and Harvey, P.C. as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including the exhibits, schedules and amendments to the registration statement, under the Securities Act of 1933 with respect to the shares of common stock covered by this prospectus. This prospectus does not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, please be aware that the reference is only a summary and that you should refer to the exhibits that are part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings, including the registration statement, are also available to you on the SEC's website at http://www.sec.gov.

As a result of this offering, we will become subject to the information reporting requirements of the Securities Exchange Act of 1934, and, in connection therewith, will file periodic reports, proxy statements and other information with the SEC.

INDEX TO FINANCIAL STATEMENTS

<Table>
<Caption>

AspenBio, Inc.

<S> <C>

Vitro Diagnostics, Inc.

</Table>

[LARRY O'DONNELL, CPA, P.C. LETTERHEAD]

Independent Auditor's Report

Board of Directors and Stockholders
AspenBio, Inc.

I have audited the accompanying balance sheets of AspenBio, Inc. as of December 31, 2001 and 2000 and the related statements of income, stockholders' equity and cash flows for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that I 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. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AspenBio, Inc. as of December 31, 2001 and 2000 and the results of its operations and cash flows for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000 in conformity with generally accepted accounting principles in the United States of America.

February 4, 2002

AspenBio, Inc.
Balance Sheets
December 31, 2001 and 2000

Assets

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Current assets		
Cash	$ 423,765	$ 107,590
Accounts receivable	231,429	40,765
Inventories	358,374	177,058
Prepaid expenses	108,901	75,581
Total current assets	1,122,469	400,994
Property and equipment		
Laboratory equipment	209,002	175,243
Computer equipment	30,676	30,677
Leasehold improvements	27,645	27,645
Office equipment	22,205	22,205
	289,528	255,770
Accumulated depreciation	87,510	27,169
	202,018	228,601

Other Assets		
Intangible assets, net amortization of 2001 $60,712; 2000 $17,857	619,965	624,978
Security deposit	6,925	6,925
Non current inventory	32,860	19,500
	659,750	651,403
	$ 1,984,237	$ 1,280,998

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Balance Sheets (Continued)
December 31, 2001 and 2000

Liabilities and Stockholders' Equity

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Current liabilities		
Short term notes	$ 68,946	$ 85,957
Current portion of long-term debt	285,562	84,290
Accounts payable	37,915	83,835
Accrued liabilities	4,014	3,289
Accrued income taxes	11,000	
Total current liabilities	407,437	257,371
Long-term debt-less current portion	320,921	586,859
Stockholders' equity		
Common stock, no par value, authorized 15,000,000 shares, issued 2001 8,800,000 shares; 2000 5,432,798 shares	1,217,927	500,000
Retained earnings (deficit)	37,952	(63,232)
	1,255,879	436,768
	$ 1,984,237	$ 1,280,998

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Statements of Income
Year Ended December 31, 2001 and
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Sales	$ 1,123,269	$ 288,910
Cost of sales	161,160	68,236
Gross profit	962,109	220,674
Operating expenses		
General lab expenses	120,399	59,192
General and administrative	374,281	121,924
Research and development	160,943	28,101
Depreciation and amortization	109,488	45,025
	765,111	254,242
Operating income (loss)	196,998	(33,568)
Interest expense	84,814	29,664
Income (loss) before income taxes	112,184	(63,232)
Income taxes	11,000	
Net income (loss)	$ 101,184	$ (63,232)
Basic and diluted earnings per share	$ .01	$ (.01)
Basic and diluted weighted average shares outstanding	7,964,749	5,432,798

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Statements of Stockholders' Equity
Year Ended December 31, 2001 and
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>
<Caption>

	Common Stock		Retained
	Shares	Amount	Earnings

<S>	<C>	<C>	<C>
Insurance of common stock for cash	5,432,798	$ 500,000	
Net loss for the period			$ (63,232)
Balance, December 31, 2000	5,432,798	500,000	(63,232)
Issuance of common stock for compensation	2,284,244	137,055	
Issuance of common stock for cash	1,082,958	580,874	
Net income for the year			101,184
Balance, December 31, 2001	8,800,000	$ 1,217,927	$ 37,952

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Statements of Cash Flows
Year Ended December 31, 2001 and
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Cash flows from operating activities		
Net income (loss)	$ 101,184	$ (63,232)
Adjustments to reconcile net income to net cash (used) by operating activities		
Depreciation and amortization	103,196	45,026
Stock issued for compensation	137,055	
(Increase) decrease in:		
Accounts receivable	(190,664)	167,377
Inventories	(194,676)	(56,243)
Prepaid expenses	(33,320)	(18,904)
Increase (decrease) in:		
Accrued liabilities	725	(5,948)
Accounts payable	(45,920)	17,986
Accrued income taxes	11,000	
Net cash provided (used) by operating activities	(111,420)	86,062
Cash flows from investing activities		
Purchases of property and equipment	(33,758)	
Purchases of intangible assets	(37,842)	
Purchase of Vitro Diagnostics, Inc.		(250,000)
Net cash provided (used) by investing activities	(71,600)	(250,000)

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Statements of Cash Flows (Continued)
Year Ended December 31, 2001 and
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Cash flows from financing activities		
New borrowings		
Long-term		743,512
Short-term		50,000
Debt reduction		
Long- term	(64,676)	(188,983)
Short- term	(17,001)	(833,001)
Proceeds from issuing common stock	580,872	500,000
Net cash provided (used) by financing activities	499,195	271,528
Net increase in cash	316,175	107,590
Cash at beginning of year		107,590
Cash at end of the year	$ 423,765	$ 107,590
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ 51,360	$ 29,664
Income taxes		
Schedule of noncash investing and financing transactions		
Notes payable incurred to purchase Vitro Diagnostics, Inc.		$ 900,000

</Table>

See Notes to Financial Statements

AspenBio, Inc.
Notes to Financial Statements

1. Summary of significant accounting policies

Nature of operations - The Company was organized on July 24, 2000 and on August 1, 2000 purchased the entire assets and liabilities (excluding one patent and two patents pending) of Vitro Diagnostic, Inc. The president and a shareholder was also the president and a shareholder of Vitro Diagnostic, Inc.

The Company purifies human pituitary antigens and tumor markets, and animal hormones throughout the United States.

Cash and cash equivalents - For purposes of the statement of cash flows, the Company considers all highly liquid debt with original maturities of ninety days or less, to be cash equivalents.

Concentration of credit risk - At December 31, 2001, the Company's cash in financial institutions exceeded the federally insured deposit limit by approximately $325,000. The Company has not experienced any losses in such accounts.

Fair value of financials instruments - The Company's financial instruments includes accounts receivable, accounts payable, notes payable and long-term debt. The fair market value of accounts receivable and accounts payable approximate their carrying values because their maturities are generally less than one year. Long-term notes receivable and debt obligations are estimated to approximate their carrying values based upon their stated interest rates.

Inventories - Inventories are stated at the lower of cost (first-in, first-out) or market. Goods in process inventory which is not expected to be completed and sold in the next fiscal year is classified as non current.

Property and equipment - Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided primarily by the straight-line method over the estimated useful lives of the related assets.

Intangible assets - Intangible assets are stated at cost net of accumulated amortization. Amortization is provided on a straight-line basis generally over fifteen years. In January 2002 the Company will discontinue amortizing the cost in excess of fair value of purchased assets under the provisions of FAS 142. Instead they will be tested for impairment.

1. Summary of significant accounting policies (continued)

Income taxes - At inception, the Company, with the consent of its shareholders, elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes from inception to August 1, 2001. On August 1, 2001, the Company revoked the election.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount expected to be realized. Income tax expense is payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Use of estimates - 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Revenues from the sale of products are recognized upon shipment to the customer. Management provides an estimated allowance for uncollectable accounts receivable based upon an assessment of amounts outstanding and evaluation of specific customer account balances. As of December 31, 2001 and 2000 no allowance was deemed necessary.

Stock options - The Company accounts for stock options issued to employees in accordance with APB No.25.

1. Summary of significant accounting policies (continued)

The Company has elected to adopt the disclosure requirements of SFAS No. 123 "Accounting for Stock-based Compensation". This statement requires that the Company provide proforma information regarding net income (loss) and income (loss) per share as if compensation cost for the Company's stock options granted had been determined in accordance with the fair value based method prescribed in SFAS No. 123. Additionally, SFAS No. 123 generally requires that the Company record options issued to non-employees, based on the fair value of the options.

Income (Loss) per share - Basic earnings per share includes no dilution and is computed by dividing net earnings (loss) available to stockholders by the weighted number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the Company's earnings. During the years ended December 31, 2001 and 2000, there were no dilutive securities.

Recent accounting pronouncements - The Financial Accounting Standards Board (FASB) has recently issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, SFAS No. 142, Goodwill and Other Intangible Assets, SFAS No. 143, Accounting for Asset Retirement Obligations and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

SFAS No. 141, Business Combinations, requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. SFAS No. 142, Goodwill and Other Intangible Assets, addresses accounting for the acquisition of intangible assets and accounting for goodwill and other intangible assets after they have been initially recognized in the financial statements, which is effective for fiscal years beginning after December 15, 2001; however, certain provisions of this Statement apply to goodwill and other intangible assets acquired between July 1, 2001 and the effective date of SFAS 142.

Major provisions of these Statements and their effective dates for the Company are as follows:

o All business combinations initiated after June 30, 2001 must use the purchase method of accounting, with the pooling of interest method of accounting prohibited.

1. Summary of significant accounting policies (continued)

- Intangible assets acquired in a business combination must be recorded separately from goodwill if they arise from contractual or other legal rights or are separable from the acquired entity.

- Goodwill, as well as intangible assets with indefinite lives, acquired after June 30, 2001, will not be amortized. In the year of adoption, all previously recognized goodwill and intangible assets with indefinite lives will no longer be subject to amortization.

- Goodwill, tested by business segment and intangible assets with indefinite lives will be tested for impairment annually and whenever there is an impairment indicator.

Management will adopt SFAS No. 141 and 142 as of January 1, 2002, and anticipates that the impact on the 2002 financial statements will be a reduction in annual amortization expense of approximately $28,000.

SFAS No. 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 will be effective for the Company for the fiscal year beginning January 1, 2003 and early adoption is encouraged. SFAS No. 143 requires that the fair value of a liability for an asset's retirement obligation be recorded in the period in which it is incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. The Company estimates that the new standard will not have a material impact on its financial statements but is still in the process of evaluating the impact on its financial statements.

SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for the Company on January 1, 2003, and addresses accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of and APB Opinion No. 30, Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business. SFAS No. 144 retains the fundamental provisions of SFAS No. 121 and expands the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The Company estimates that the new standard will not have a material impact on its financial statements but is still in the process of evaluating the impact on its financial statements.

2. Purchase of assets of Vitro Diagnostics, Inc.

On August 1, 2000 the Company purchased the entire assets and liabilities (excluding one patent and two patents pending) of Vitro Diagnostics, Inc. for $250,000 cash, a $450,000 promissory note and assumed all liabilities and leases. The promissory note was paid during 2000. The president and a shareholder of the Company was also the president and a shareholder of Vitro Diagnostics, Inc. The transaction was recorded as follows:

<Table>

Cash	$ 7,454
Receivables	208,142
Inventory	140,315
Prepaid expenses	56,677
Property and equipment	255,770
Other assets	6,925
Cost in excess of value of purchased assets	642,835
Total assets	1,318,118
Accounts payable and accruals	75,086
Notes payable	202,577
Total liabilities	277,663
Net purchase	$ 1,040,455

The Company also assumed certain operating leases.

3. Inventories

Inventories consisted of the following at December 31:

	2001	2000
Finished goods	$ 131,100	$ 80,019
Goods in process	37,271	7,035
Raw materials	190,003	90,004
Noncurrent goods in process	32,860	19,500
	$ 391,234	$ 196,558

4. Intangible assets

Cost in excess of value of purchased assets	$642,835	$642,835
Licenses	30,000	
Patents and trademarks	7,842	
	680,677	642,835
Accumulated amortization	60,712	17,857
	$619,965	$624,978

5. Notes payable

The following is a summary of notes payable at December 31:

Short-term		
Sun Trust, 6%, unsecured	$ 30,107	$ 38,949
US Bank, 13%, credit line of $50,000	38,839	47,008

	--------	--------
	$ 68,946	$ 85,957
	=========	=========

</Table>

<Table>
<Caption>

Long-term	2001	2000
<S>	<C>	<C>
Colorado Business Leasing, 11%, monthly payments of $9,053, collateralized by equipment due October, 2003	$172,917	$257,637
President and shareholder, 8%, unsecured no fixed due date	433,566	413,512
	--------	--------
	606,483	671,149
Current maturities	285,562	84,290
	--------	--------
	$320,921	$586,859
	=========	=========

</Table>

5. Notes payable (continued)

Future maturities of long-term debt for each of the years ended December 31: 2002 $285,562; 2003 $79,106; thereafter $241,815. Subsequent to December 31, 2001, approximately $192,000 was repaid on the above 8% loan, and therefore the payment amount has been included in current maturities for 2002. The Company anticipates entering into a revised loan agreement with the holder of the 8% loan in April 2002, reflecting revised payment terms of interest payable monthly and approximately $35,000 payable in April 2002 and the remaining balance outstanding payable in April 2003.

6. Lease obligations

Leases:

The Company leases its facilities on a month to month basis. The lease currently requires monthly payments of $8,129.46. Rent expense under the lease was $58,000 and $28,335 for the periods ended December 31, 2001 and 2000, respectively.

The Company leases laboratory equipment under leases which are classified as operating leases. Rent expense under the leases was $122,800 and $30,922 for the periods ended December 31, 2001 and 2000, respectively.

Future minimum lease payments for each of the years ended December 31: 2002 $40,500; 2003 $31,100; 2004 $19,000.

7. Income taxes

Income taxes at the federal statutory rate is reconciled to the Company's actual income taxes as follows:

<Table>
<Caption>

	2001	2000
<S>	<C>	<C>
Federal income tax at statutory rate (34%)	$ 38,000	$(21,500)
State income tax net of federal tax effect	2,400	
Effect of graduated rates	(10,000)	
Effect of S Corporation election	(19,400)	21,500
	$ 11,000	$

</Table>

8. Stockholders' equity

On August 1, 2001, the Board of Directors approved the increase in the authorized shares from 100,000 to 15,000,000.

Also on August 1, 2001, the Board of Directors approved a split in the outstanding shares such that the then outstanding shares of 15,550 became 8,000,000. The effect of this approximate 514 for 1 split, has been retroactively reflected in the accompanying financial statements for all periods presented.

Also, on August 1, 2001 the Board of Directors granted stock options to two directors totaling 200,000 shares for $1 per share. The value of the options are minimal.

On December 28, 2001, with Board of Directors' approval the Company entered into an agreement sell 1,000,000 shares of common stock for total consideration of $600,000, of which 50% of the shares and consideration was completed upon signing the agreement and the reminder was payable upon completion of specified conditions, which were completed and funding paid on March 12, 2002. As part of the agreement, the Company also agreed to issue warrants to purchase 830,000 shares of common stock at $1 per share.

9. Concentrations

Major customers - The Company had three customers who accounted for 39%, 13% and 11% of its sales during the year ended December 31, 2001. At December 31, 2001, one customer accounted for 54% of the Company's accounts receivable. The Company had one customer who accounted for 80% of its sales during the period ended December 31, 2000. At December 31, 2000, one customer accounted for 33% of the Company's accounts receivable.

Credit risk - The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers.

Raw materials - The Company purchases substantially all of its raw materials from one supplier.

AspenBio, Inc.
Notes to Financial Statements (Continued)

10. Subsequent events

Subsequent to year end the Company adopted an Incentive Stock Option plan consisting of 900,000 shares, reserving 400,000 shares for issuance to employees and other qualified individuals. Options to be issued under the plan are required to be at fair value and expire ten years from the date of grant.

Subsequent to year end, the Company, with the approval of its Board began preparing a Form S-1 Registration statement for filing with the Securities and Exchange Commission to have its stock become publicly traded.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Vitro Diagnostics, Inc.

We have audited the balance sheet of Vitro Diagnostics, Inc. as of October 31, 2000, (not separately included herein) and the related statements of operations, shareholders equity, and cash flows, for the year ended October 31, 2000. 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. The financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 1999, were audited by other auditors whose report dated January 18, 2000 ,expressed an unqualified opinion on those statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of Vitro Diagnostics, Inc. as of October 31, 2000, and the results of its operations and its cash flows for the year ended October 31, 2000, in conformity with generally accepted accounting principles.

/s/ Cordovano and Harvey, P.C.
- ----------
Cordovano and Harvey, P.C.
Denver, Colorado
December 22, 2000

Larry O'Donnell, CPA, P.C.
Telephone (303) 745-4545
2280 South Xanadu Way
Suite 370 Aurora, Colorado 80014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
and Shareholders Vitro Diagnostics, Inc.

I have audited the balance sheet of Vitro Diagnostics, Inc. as of October 31, 1999 (not separately included herein), and the related statements of operations, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vitro Diagnostics, Inc. as of October 31, 1999 and the results of its operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ Larry O'Donnell, CPA,P.C.
- ----------
Larry O'Donnell, CPA, P.C.
January 18, 2000

VITRO DIAGNOSTICS, INC.
Statements of Operations

<Table>
<Caption>

	For the Years Ended October 31,	
	2000	1999

<S>	<C>	<C>
Revenue:		
Product sales	$ 821,564	$ 835,452
Cost of goods sold	346,604	288,565
Gross profit	474,960	546,887
Operating expenses:		
Selling, general and administrative	465,547	363,882
Rent and facility fees, related party	5,250	--
Research and development	407,295	276,484
Total operating expenses	878,092	640,366
Loss from operations	(403,132)	(93,479)
Other income (expense):		
Interest income	7,171	--
Interest expense	(20,894)	(52,866)
Miscellaneous income	9,292	5,542
Loss before income taxes	(407,563)	(140,803)
Provision for income taxes	--	--
Net loss	$ (407,563)	$ (140,803)
Basic and diluted loss per common share	$ (0.05)	$ (0.02)
Basic and diluted weighted average common shares outstanding	8,469,239	7,097,000

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

VITRO DIAGNOSTICS, INC.
Statement of Shareholders' Equity
For the Years ended October 31, 2000 and 1999

<Table>
<Caption>

	Common Stock		Additional Paid-in	Retained	
	Shares	Par Value	Capital	Deficit	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance, October 31, 1998	6,419,816	$ 6,420	$ 3,529,909	$(3,028,361)	$ 507,968
Common stock issued in exchange for services	149,842	150	27,150	--	27,300
Sale of common stock	485,429	485	251,515	--	252,000
Stock options exercised	1,400,000	1,400	122,600	--	124,000
Net loss for the year ended October 31, 1999	--	--	--	(140,803)	(140,803)

Balance, October 31, 1999	8,455,087	8,455	3,931,174	(3,169,164)	770,465
Net contributed capital received in Purchase Agreement with related party	--	--	354,770	--	354,770
Stock options exercised	79,748	80	1,320	--	1,400
Office and facility use contributed by an affiliate company	--	--	5,250	--	5,250
Net loss for the year ended October 31, 2000	--	--	--	(407,563)	(407,563)
Balance, October 31, 2000	8,534,835	$ 8,535	$ 4,292,514	$(3,576,727)	$ 724,322

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

VITRO DIAGNOSTICS, INC.
Statements of Cash Flows

<Table>
<Caption>

	For the Years Ended October 31,	
	2000	1999
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$ (407,563)	$ (140,803)
Transactions not requiring cash:		
Depreciation and amortization	14,346	13,763
Office and facility use contributed by affiliate	5,250	--
Stock issued in exchange for services	--	27,300
Changes in current assets and current liabilities:		
(Increase) decrease in accounts receivable, inventories, prepaid expenses and deposits, net of sale to AspenBio	172,791	(68,130)
Increase (decrease) in accounts payable, accrued expenses and payroll taxes payable, net of sale to AspenBio	71,831	(73,890)
Net cash used in operating activities	(143,345)	(241,760)
Cash flows from investing activities:		
Proceeds from Purchase Agreement	250,000	--
Property and equipment purchases	(29,683)	(17,953)
Payments for patents	(50,244)	(48,612)
Issuance of note receivable	--	(6,825)
Proceeds from receipts on note receivable	6,500	325
Proceeds from AspenBio note receivable	450,000	--
Net cash provided by (used) in investing activities	626,573	(73,065)
Cash flows from financing activities:		
Proceeds from issuance of notes payable	195,000	150,000
Principal payments of notes payable	(134,495)	(162,636)

Sale of common stock	1,400	376,000
Net cash provided by financing activities	61,905	363,364
Net change in cash and cash equivalents	545,133	48,539
Cash and cash equivalents, beginning of year	44,291	(4,248)
Cash and cash equivalents, end of year	$ 589,424	$ 44,291

</Table>

<Table>
<Caption>

Supplemental disclosure of cash flow information: Cash paid during the year for:

<S>	<C>	<C>
Interest.....	$ 20,894	$ 51,854
Income taxes.....	$ --	$ --

Non-cash investing and financing transactions:

Net assets and debt sold to AspenBio in exchange for promissory note	$ 450,000	$ --
Cashless exercise of stock options.....	$ 62	$ --

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

VITRO DIAGNOSTICS, INC.

Summary of Significant Accounting Policies

Use of estimates

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

Cash equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Revenue and cost recognition

The Company utilizes the accrual method of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Inventory

Inventory is valued utilizing the lower of cost or market value determined on the first-in first-out (FIFO) valuation method. Physical inventories are conducted quarterly. As of October 31, 2000, the Company had no inventory (See note A).

Property, equipment and depreciation

Property and equipment are stated at cost. Depreciation is calculated on the straight-line method. As of October 31, 2000, the Company had no depreciable assets (See Note A). Depreciation expense totaled $10,487 for the year ended October 31, 2000.

Patents and amortization

Patents consist of costs incurred to acquire patents. Amortization commences once a patent is granted. If a patent is denied, the costs incurred are charged to operations in the year the patent is denied. The Company amortizes its patent over a period of twenty years. Amortization expense totaled $3,859 for the year ended October 31, 2000.

Income taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income and tax credits that are available to offset future federal income taxes.

Earnings/(loss) per share

The Company reports loss per share using a dual presentation of basic and diluted loss per share. Basic loss per share excludes the impact of common stock equivalents. Diluted loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. Common stock options outstanding at October 31, 2000 were not included in the diluted loss per share as all 1,162,344 options were anti-dilutive. Therefore, basic and diluted losses per share at October 31, 2000 were equal.

Stock-based compensation

SFAS No. 123, "Accounting for Stock-Based Compensation" was issued in October 1995 (SFAS 123). This accounting standard permits the use of either a "fair value based method" or the "intrinsic value method" defined in Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" (APB 25) to account for stock-based compensation arrangements. SFAS 123 requires the fair value based method of accounting for stock issued to non-employees in exchange for services.

Companies that elect to use the method provided in APB 25 are required to disclose pro forma net income and pro forma earnings per share information that would have resulted from the use of the fair value based method. The Company has elected to continue to determine the value of stock-based compensation arrangements under the provisions of APB 25. Pro forma disclosures have been included in Note D.

Fair value of financial instruments

SFAS 107, "Disclosure About Fair Value of Financial Instruments," requires certain disclosures regarding the fair value of financial instruments. The carrying amounts of cash, accounts payable and other accrued liabilities approximate fair value due to the short-term maturity of the instruments.

VITRO DIAGNOSTICS, INC.
Notes to Financial Statements

NOTE A: NATURE OF ORGANIZATION

The Company was incorporated under the laws of Nevada on March 31, 1986. From November of 1990 through July 31, 2000, the Company was engaged in the development, manufacturing and marketing of purified human antigens ("Diagnostics") and the development of therapeutic products (Therapeutics"). The Company's sales have been solely attributable to the manufacturing of the purified human antigens.

On August 7, 2000, the Company sold its Diagnostics operations to AspenBio, Inc. ("AspenBio"), a private affiliated company owned by the former president and director. The transaction was effective for accounting purposes on July 31, 2000. AspenBio purchased all of the assets and liabilities of the Company, excluding the patents, in exchange for $250,000 and a $450,000 promissory note. The promissory note was paid in full as of October 31, 2000. Because the transaction occurred between related parties, the Company's gain on the sale was recorded to equity as an increase to additional paid-in capital. The net increase to additional paid-in capital of $354,770 was calculated as follows:

<Table>
<Caption>

Description	Amount	Totals
<S>	<C>	<C>
Cash	$ 6,517	
Receivables	208,142	
Inventory	335,198	
Furniture and equipment, net	54,212	
Other assets	11,058	
Total Assets		615,127
Payables and accruals	(67,319)	
Debt	(202,578)	
Total Liabilities *		(269,897)
Net assets sold to AspenBio		345,230
Cash	250,000	
Promissory note	450,000	
Consideration received from AspenBio		700,000
Net contributed capital received from AspenBio		$ 354,770

</Table>

* Does not include $283,726 in off-balance sheet operating leases transferred to AspenBio in the sale.

Following the sale of its Diagnostics operations, the Company began devoting all efforts to its therapeutic drug development. The Company's target area for its

therapeutic products is the treatment of human infertility. The Company was granted a patent for its product VITROPIN(TM) on November 23, 1999. VITROPIN(TM) is a highly purified urinary follicle-stimulating hormone (FSH) preparation produced according to the Company's patented purification process. The Company is developing additional FSH-related drugs including VITROPIN-C(TM) and VITROCELL(TM), and a syringe for administration of fertility drugs called VITROJECT(TM).

The Company expects continuing losses over the next several years as research and development efforts continue. Management plans to finance operations with funds obtained through the sale of the Diagnostics operations, issuances of equity or debt securities, and in the longer term, research and development contract revenue and revenue from product sales and royalties.

NOTE B: RELATED PARTY TRANSACTIONS

During the period from August 1, 2000 through October 31, 2000, AspenBio contributed the use of its office space and facilities to the Company. The use of the office space and facilities were valued at $1,750 per month based on the market rate in the local area and is included in the accompanying financial statements as rent and facility fees, related party with a corresponding credit to contributed capital.

NOTE C: INCOME TAXES

A reconciliation of the U.S. statutory federal income tax rate to the effective rate is as follows:

<Table>
<Caption>

	October 31,	
	2000	1999
<S>	<C>	<C>
U.S. federal statutory graduated rate	34.00%	26.51%
State income tax rate, net of federal benefit	3.14%	3.49%
Contributed office and facility use	(0.46)%	0.00%
Net operating loss for which no tax benefit is currently available	(36.68)%	(30.00)%
	0.00%	0.00%

</Table>

At October 31, 2000, deferred taxes consisted of a net tax asset of $817,690, due to operating loss carryforwards of $2,181,755, which was fully allowed for in the valuation allowance of $817,690. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The deferred tax assets for the years ended October 31, 2000 and 1999 were $157,791 and $42,243, respectively. The change in the valuation allowance from October 31, 1999 through October 31, 2000 was $157,791. Net operating loss carryforwards will expire through 2020.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer impaired and the allowance is no longer required.

NOTE D: SHAREHOLDERS' EQUITY

During the year ended October 31, 2000, the Company issued 62,248 shares of its $.001 par value common stock through the exercise of 82,656 common stock options. The option holders surrendered 20,408 options as consideration for the stock received.

During the year ended October 31, 2000, the Company sold 17,500 shares of its $.001 par value common stock for $1,400 through the exercise of 17,500 common stock options at $.08 per share.

During the year ended October 31, 2000, the Company granted 35,000 options to directors with exercise prices equal to the common stock market value on the date of grant. The weighted average exercise price and weighted average fair value of these options as of October 31, 2000 were $1.42 and $.72, respectively.

All stock options have been issued under the Company's 1992 Stock Option Plan. An aggregate of 3,000,000 common shares has been reserved for issuance under the 1992 Plan. All stock options were fully vested on the date of grant. The following schedule summarizes the changes in the Company's stock option plan:

<Table>
<Caption>

	Options Outstanding and Exercisable		
	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price Per Share
<S>	<C>	<C>	<C>
Balance at October 31, 1998.....	2,440,000	$.07 to $.79	$ 0.10
Options granted.....	220,000	$.63 to $.79	0.64
Options exercised.....	(1,400,000)	$.07 to $.19	0.09
Options canceled.....	--	--	--
Balance at October 31, 1999.....	1,260,000	$.07 to $.79	0.22
Options granted.....	35,000	$1.19 to $1.50	1.42
Options exercised.....	(100,156)	$.08 to $1.00	0.59
Options canceled.....	--	--	--
Balance at October 31, 2000.....	1,194,844	$.07 to $1.50	$ 0.25

</Table>

Pro forma information regarding net income and earnings per share is required by SFAS 123 as if the Company had accounted for its granted stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate.....6.00%
Dividend yield.....0.00%
Volatility factor.....50.00%
Weighted average expected life.....5 years

The Black-Scholes options valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. However, the Company has presented the pro forma net loss and pro forma basic and diluted loss per common share using the assumptions noted above.

<Table>
<Caption>

	For the Years Ended October 31,

	2000	1999
<S>	<C>	<C>
Pro forma net loss	$ (455,336)	$ (211,203)
Pro forma basic and diluted net loss per common share	$ (0.05)	$ (0.03)

</Table>

NOTE E: SUBSEQUENT EVENT

On November 3, 2000, the Company granted 4,000 options to directors with exercise prices equal to the common stock market value on the date of grant. The weighted average exercise price and weighted average fair value of these options on November 3, 2000 were $1.16 and $.59, respectively.

Effective December 2, 2000, the Company's Board of Directors adopted an Equity Incentive Plan (the "Plan"), which replaced the Company's 1992 Stock Option Plan. One million shares of common stock are authorized to be awarded under the Plan. Awards may take the form of stock options, non-qualified stock options, restricted stock awards, stock bonuses and other stock grants

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered (other than underwriting discounts and commissions, if any) are set forth below. Each item listed is estimated, except for the Securities and Exchange Commission registration fee.

<Table>
<Caption>

<S>	<C>
Securities and Exchange Commission registration fee	$ 396.82
Accounting fees and expenses	15,000.00
Legal fees and expenses	40,000.00
Registrar and transfer agent's fees and expenses	2,500.00
Printing and engraving expenses	15,000.00
Miscellaneous	7,103.18
Total expenses	$ 80,000.00

</Table>

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 7-109-102 of the Colorado Business Corporation Act ("CBCA") provides that a corporation may indemnify any director made a party to any proceeding against expenses reasonably incurred by him in connection with the defense or settlement of the action, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation. To the extent that a director or officer is successful on the merits or otherwise in the defense of any action referred to above, the corporation is required under Colorado law to indemnify that person against reasonable expenses incurred in connection therewith.

Article Seventh(c) of our Articles of Incorporation requires us to indemnify each of our directors and officers to the maximum extent permitted by

CBCA.

Article Seventh(d) of the Registrant's Certificate of Incorporation provides that no director shall be liable to the Registrant or its shareholders for monetary damages for breach of his fiduciary duty as a director. However, a director will be liable for any breach of his duty of loyalty to the Registrant or its shareholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, any transaction from which the director derived an improper personal benefit, or voting for or assenting to a distribution that is unlawful under Colorado law.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since its inception on July 24, 2000, the Registrant has made the following sales of securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"):

From July through December 2000, the Registrant sold 5,432,798 shares of its Common Stock (as adjusted for a stock split in 2001) to Roger D. Hurst, President of the Company, and Cathy Landmann, Director of Laboratory Operations of the Company, for $500,000 in cash. In January 2001, the Registrant sold 282,958 shares (as adjusted for the stock split) to William F. Colgin, Jr. for $15,458. Mr. Colgin is an attorney and is the brother of Dr. Mark Colgin, the Company's Director of Recombinant Technology. All of these shares were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act.

Effective January 1, 2001, the Registrant issued 2,284,244 shares of its Common Stock to four key employees for services rendered valued at $137,055. These shares were issued without registration in reliance on Rule 701 and the exemption from registration under Section 4(2) of the Securities Act.

During the period from July 1, 2001 to December 28, 2001, the Registrant issued 300,000 shares of its Common Stock to nine persons at $1.00 per share for aggregate consideration of $300,000. All of these shares were issued without registration in reliance on the exemption from registration under Section 3(b) of the Securities Act and SEC Rule 504. The Registrant also believes that the Section 4(2) exemption would also be available due to the limited size of the offering and the qualifications of the offerees.

In connection with the 2001 private offering, the Registrant sent an investor rights declaration regarding piggyback registration and other rights to the Purchasers. The Registrant also prematurely issued stock certificates to these purchasers prior to filing amended articles of incorporation with the Colorado Secretary of State to increase the Registrant's authorized shares of common stock. The Registrant subsequently filed the amended articles. The Registrant also offered to rescind the purchases by refunding the purchase price plus 10% and requested return of the stock certificates and an Amended Investors Rights Declaration. Of the nine purchasers, one purchaser of 50,000 shares accepted the offer of rescission and the Registrant paid him $55,000. In March 2002, the Registrant resold the 50,000 shares to the wife and father-in-law of a director at $1.25 per share, or a total of $62,500. The shares were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act and Rules 505 and 506.

In December 2001, the Registrant entered into an agreement to sell 1,000,000 shares and warrants to purchase up to 830,000 shares to Cambridge Holdings, Ltd. and its designees for $600,000. These securities were issued without registration in reliance on the exemption from registration under Section 3(b) of the Securities Act and SEC Rule 504. These securities were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(e) Exhibits

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
3.1	Articles of Incorporation of the Registrant filed July 24, 2000
3.1.1	Articles of Amendment to the Articles of Incorporation of the Registrant filed December 26, 2001

EXHIBIT NO.	DESCRIPTION
3.2	Bylaws of the Registrant
4.1(a)	Specimen Certificate of Common Stock
(b)	Specimen Warrant and Agreement to Amend Warrants
5.1	Opinion of Patton Boggs LLP as to legality of 1,725,305 of the shares of AspenBio common stock being registered*
10.1	Agreement for Purchase of Assets and Assumption of Liabilities by and among Vitro Diagnostics, Inc., Erik Van Horne, James Musick, AspenBio, and Roger Hurst, dated August 7, 2000
10.2(a)	Securities Purchase Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
10.3	Investor Rights Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
10.4(a)	Consulting Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
(b)	Letter, dated March 14, 2002, confirming performance and termination of the Consulting Agreement
10.5	Shareholders Agreement, dated December 28, 2001, among AspenBio, Cambridge Holdings and Roger Hurst
10.6	Amended Investor Rights Declaration dated December 28, 2001, between AspenBio and Shareholders of AspenBio
10.7	2002 Stock Incentive Plan
10.8	Technology Transfer Agreement, dated October 29, 2001 between AspenBio and the University of Wyoming**
10.9	License Agreement for Determination of Pregnancy Status of Ungulates, dated September 25, 2001, between AspenBio and the Idaho Research Foundation Inc.
10.10	Promissory Note, dated August 7, 2000, made by AspenBio to Roger D. Hurst and Amended and Restated Promissory Note, dated April 1, 2002
10.11	Promissory Note, dated April 1, 2002 made by AspenBio to Roger D. Hurst.
10.12	Promissory Note, dated November 1, 2000, made by AspenBio to Colorado Business Leasing
10.13	Stock Option Agreement, dated August 21, 2001, between AspenBio and Gail Schoettler
10.14	Stock Option Agreement, dated August 21, 2001, between AspenBio and Bruce Deal
23.1	Consent of Larry O'Donnell, CPA, P.C.

23.2 Consent of Cordovano and Harvey, P.C.

23.3 Consent of Patton Boggs LLP*

* to be filed by amendment
** Filed under an application for confidential treatment.

(b) Financial Statement Schedule

No financial statement schedules are required.

ITEM 17. 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 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 a 20% 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."

(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 foregoing provisions, 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 Securities 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form S-1 and authorizes this Registration Statement to be signed on its behalf by the undersigned, in the City of Littleton, State of Colorado, on April 11, 2002.

ASPENBIO, INC.
(Registrant)

By: /s/ Roger D. Hurst

Roger D. Hurst, President

In accordance with the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the date stated.

Date: April 11, 2002 /s/ Roger D. Hurst

Roger D. Hurst, President, Chief Executive Officer, Chief Financial Officer and Director

Date: April 11, 2002 /s/ Gregory Pusey

Gregory Pusey, Secretary and Director

Date: April 11, 2002 /s/ Gail S. Schoettler

Gail S. Schoettler, Director

EXHIBIT INDEX

<Table>
<Caption>

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23.3	Consent of Patton Boggs LLP*

</Table>

* to be filed by amendment

** filed under an application for confidential treatment.

EXHIBIT 3.1

ARTICLES OF INCORPORATION

OF

ASPENBIO, INC.

The undersigned, who, if a natural person, is eighteen years of age or older, hereby establishes a corporation pursuant to the Colorado Business Corporation Act as amended and adopts the following Articles of Incorporation:

FIRST:: The name of the corporation is AspenBio, Inc.

SECOND: The corporation shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon corporations organized under the laws of Colorado. In addition, the corporation may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes. The corporation may conduct part or all of its business in any part of Colorado, the United States or the world and may hold, purchase, mortgage, lease and convey real and personal property in any of such places.

THIRD: (1) The aggregate number of shares which the corporation shall have authority to issue is 100,000 shares of common stock. The shares of this class of common stock shall have unlimited voting rights and shall constitute the sole voting group of the corporation, except to the extent any additional voting group or groups may hereafter be established in accordance with the Colorado Business Corporation Act. The shares of this class shall also be entitled to receive the net assets of the corporation upon dissolution.

a. Each shareholder of record shall have one vote for each share of stock standing in his name on the books of the corporation and entitled to vote, except that in the election of directors each

shareholder shall have as many votes for each share held by him as there are directors to be elected and for whose election the shareholder has a right to vote. Cumulative voting shall not be permitted in the election of directors or otherwise.

b. Unless otherwise ordered by a court of competent jurisdiction, at all meetings of shareholders one-third of the shares of a voting group entitled to vote at such meeting, represented in person or by proxy, shall constitute a quorum of that voting group.

FOURTH: The number of directors of the corporation shall be fixed by the bylaws, or if the bylaws fail to fix such a number, then by resolution adopted from time to time by the board of directors, provided that the number of directors shall not be more than five nor less than one. One director shall constitute the initial board of directors. The following person is elected to serve as the corporation's initial director until the first annual meeting of shareholders or until his successor is duly elected and qualified:

<TABLE>
<CAPTION>

Name	Address
<S>	<C>
Roger D. Hurst	8100 Southpark Way, Unit B-1 Littleton, Colorado 80120

</TABLE>

FIFTH: The street address of the initial registered office of the corporation is 370 17th Street, Suite 5350, Denver, Colorado 80202. The name of the initial registered agent of the corporation at such address is Cathy S. Krendl.

SIXTH: The address of the initial principal office of the corporation is 8100 Southpark Way, Unit B-1, Littleton, Colorado 80120.

SEVENTH: The following provisions are inserted for the management of the

business and for the conduct of the affairs of the corporation, and the same are in furtherance of and not in limi-

tation or exclusion of the powers conferred by law.

(a) Conflicting Interest Transactions. As used in this paragraph, "conflicting interest transaction" means any of the following: (i) a loan or other assistance by the corporation to a director of the corporation or to an entity in which a director of the corporation is a director or officer or has a financial interest; (ii) a guaranty by the corporation of an obligation of a director of the corporation or of an obligation of an entity in which a director of the corporation is a director or officer or has a financial interest; or (iii) a contract or transaction between the corporation and a director of the corporation or between the corporation and an entity in which a director of the corporation is a director or officer or has a financial interest. No conflicting interest transaction shall be void or voidable, be enjoined, be set aside, or give rise to an award of damages or other sanctions in a proceeding by a shareholder or by or in the right of the corporation, solely because the conflicting interest transaction involves a director of the corporation or an entity in which a director of the corporation is a director or officer or has a financial interest, or solely because the director is present at or participates in the meeting of the corporation's board of directors or of the committee of the board of directors which authorizes, approves or ratifies a conflicting interest transaction, or solely because the director's vote is counted for such purpose if: (A) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a

quorum; or (B) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the shareholders entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved or ratified in good faith by a vote of the shareholders; or (C) a conflicting interest transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves or ratifies the conflicting interest transaction.

(b) Loans and Guaranties for the Benefit of Directors. Neither the board of directors nor any committee thereof shall authorize a loan by the corporation to a director of the corporation or to an entity in which a director of the corporation is a director or officer or has a financial interest, or a guaranty by the corporation of an obligation of a director of the corporation or of an obligation of an entity in which a director of the corporation is a director or officer or has a financial interest, until at least ten days after written notice of the proposed authorization of the loan or guaranty has been given to the shareholders who would be entitled to vote thereon if the issue of the loan or guaranty were submitted to a vote of the shareholders. The requirements of this paragraph (b) are in addition to, and not in substitution for, the provisions of paragraph (a) of Article SEVENTH.

(c) Indemnification. The corporation shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, agent, fiduciary or employee of the corporation against any claim, liability or expense arising against or incurred by such person

made party to a proceeding because he is or was a director, officer, agent, fiduciary or employee of the corporation or because he is or was serving another entity or an employee benefit plan as a director, officer, partner, trustee, employee, fiduciary or agent at the corporation's request. The corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

(d) Limitation on Director's Liability. No director of this corporation shall have any personal liability for monetary damages to the corporation or its shareholders for breach of his fiduciary duty as a director, except that this provision shall not eliminate or limit the personal liability of a director to the corporation or its shareholders for monetary damages for: (i) any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) voting for or assenting to a distribution in violation of Colorado Revised Statutes Section 7-106-401 or the articles of incorporation if it is established that the director did not perform his duties in compliance with Colorado Revised Statutes Section 7-108-401, provided that the personal liability of a director in this circumstance shall be limited to the amount of the distribution which exceeds what could have been distributed without violation of Colorado Revised Statutes Section 7-106-401 or the articles of incorporation; or (iv) any transaction from which the director directly or indirectly derives an improper personal benefit. Nothing contained herein will be construed to deprive any director of his right to all defenses ordinarily available to a director nor will anything herein be construed to deprive any director of any right he may have for contribution from any other director or other person.

(e) Negation of Equitable Interests in Shares or Rights. Unless a person

is recognized as a shareholder through procedures established by the corporation pursuant to Colorado Revised Statutes Section 7-107-204 or any similar law, the corporation shall be entitled to treat the registered holder of any shares of the corporation as the owner thereof for all purposes permitted by the Colorado Business Corporation Act, including without limitation all rights deriving from such shares, and the corporation shall not be bound to recognize any equitable or other claim to, or interest in, such shares or rights deriving from such shares on the part of any other person including without limitation, a purchaser, assignee or transferee of such shares, unless and until such other person becomes the registered holder of such shares or is recognized as such, whether or not the corporation shall have either actual or constructive notice of the claimed interest of such other person. By way of example and not of limitation, until such other person has become the registered holder of such shares or is recognized pursuant to Colorado Revised Statutes Section 7-107-204 or any similar applicable law, he shall not be entitled: (i) to receive notice of the meetings of the shareholders; (ii) to vote at such meetings; (iii) to examine a list of the shareholders; (iv) to be paid dividends or other distributions payable to shareholders; or (v) to own, enjoy and exercise any other rights deriving from such shares against the corporation. Nothing contained herein will be construed to deprive any beneficial shareholder, as defined in Colorado Revised Statutes Section 7-113-101(1), of any right he may have pursuant to Article 113 of the Colorado Business Corporation Act or any subsequent law.

EIGHTH: The name and address of the incorporator is:

Cathy S. Krendl
370 17th Street, Suite 5350
Denver, Colorado 80202

Dated the 24th day of July, 2000.

Incorporator

Cathy S. Krendl hereby consents to the appointment as the initial registered agent for

AspenBio, Inc.

Initial Registered Agent

EXHIBIT 3.1.1.

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
ASPENBIO, INC.

The undersigned corporation, pursuant to Section "7-110-106, Colorado Revised Statutes (C.R.S.), delivers these Articles of Amendment to its Articles of Incorporation to the Colorado Secretary of State for filing, and states as follows:

1. The name of the corporation is AspenBio, Inc.

2. The following amendment to its Articles of Incorporation was adopted on August 1, 2001.

3. The text of the amendment adopted is:

The first sentence of Article THIRD (1) is amended to read as set forth below:

THIRD: (1) The aggregate number of shares which the corporation shall have authority to issue is 15,000,000 shares of common stock.

4. The amendment was adopted by the shareholders. The number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by the voting group.

5. The amendment is to be effective upon filing.

6. The address to which the Secretary of State may send a copy of this document upon completion of filing is: Noel E. Berger, 370 17th Street, Suite 5350, Denver, CO 80202.

ASPENBIO, INC.

By:

Roger D. Hurst, President

EXHIBIT 3.2
EFFECTIVE: JULY 24, 2000

BYLAWS

OF

ASPENBIO, INC.

ARTICLE I

Offices

The principal office of the corporation shall be designated from time to time by the corporation and may be within or outside of Colorado.

The corporation may have such other offices, either within or outside Colorado, as the board of directors may designate or as the business of the corporation may require from time to time.

The registered office of the corporation required by the Colorado Business Corporation Act to be maintained in Colorado may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the board of directors.

ARTICLE II

Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders shall be held during the month of July of each year on a date and at a time fixed by the board of directors of the corporation (or by the president in the absence of action by the board of directors), beginning with the year 2001, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors is not held on the day fixed as provided herein for any annual meeting of the shareholders, or any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as it may conveniently be held.

A shareholder may apply to the district court in the county in Colorado where the corporation's principal office is located or, if the corporation has no principal office in Colorado, to the district court of the county in which the corporation's registered office is located to seek an order that a shareholder meeting be held (i) if an annual meeting was not

held within six months after the close of the corporation's most recently ended fiscal year or fifteen months after its last annual meeting, whichever is earlier, or (ii) if the shareholder participated in a proper call of or proper demand for a special meeting and notice of the special meeting was not given within thirty days after the date of the call or the date the last of the demands necessary to require calling of the meeting was received by the corporation pursuant to C.R.S. Section 7-107-102(1)(b), or the special meeting was not held in accordance with the notice.

Section 2. Special Meetings. Unless otherwise prescribed by statute, special meetings of the shareholders may be called for any purpose by the president or by the board of directors. The president shall call a special meeting of the shareholders if the corporation receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by holders of shares representing at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the meeting.

Section 3. Place of Meeting. The board of directors may designate any place, either within or outside Colorado, as the place for any annual meeting or any special meeting called by the board of directors. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting is called other than by the board, the place of meeting shall be the principal office of the corporation.

Section 4. Notice of Meeting. Written notice stating the place, date, and hour of the meeting shall be given not less than ten nor more than sixty days before the date of the meeting, except that (i) if the number of authorized shares is to be increased, at least thirty days' notice shall be given, or (ii) any other longer notice period is required by the Colorado Business Corporation Act. The secretary shall be required to give such notice only to shareholders entitled to vote at the meeting except as otherwise required by the Colorado Business Corporation Act.

Notice of a special meeting shall include a description of the purpose or purposes of the meeting. Notice of an annual meeting need not include a description of the purpose or purposes of the meeting except the purpose or purposes shall be stated with respect to (i) an amendment to the articles of incorporation of the corporation, (ii) a merger or share exchange in which the corporation is a party and, with respect to a share exchange, in which the corporation's shares will be acquired, (iii) a sale, lease, exchange or other disposition, other than in the usual and regular course of business, of all or substantially all of the property of the corporation or of another entity which this corporation controls, in each case with or without the goodwill, (iv) a dissolution of the corporation, (v) restatement of the articles of incorporation, or (vi) any other purpose for which a statement of purpose is required by the Colorado Business Corporation Act. Notice shall be given personally or by mail, private carrier, telegraph, teletype, electronically transmitted facsimile or other form of wire or

wireless communication by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed and if in a comprehensible form, such notice shall be deemed to be given and effective when deposited in the United States mail, properly addressed to the shareholder at his address as it appears in the corporation's current record of shareholders, with first class postage prepaid. If notice is given other than by mail, and provided that such notice is in a comprehensible form, the notice is given and effective on the date actually received by the shareholder.

If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at corporate expense. No notice need be sent to any shareholder if three successive notices mailed to the last known address of such shareholder have been returned as undeliverable until such time as another address for such shareholder is made known to the corporation by such shareholder. In order to be entitled to receive notice of any meeting, a shareholder shall advise the corporation in writing of any change in such shareholder's mailing address as shown on the corporation's books and records.

When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place of such meeting is announced before adjournment at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which may have been transacted at the original meeting. If the adjournment is for more than 120 days, or if a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting as of the new record date.

A shareholder may waive notice of a meeting before or after the time and date of the meeting by a writing signed by such shareholder. Such waiver shall be delivered to the corporation for filing with the corporate records, but this delivery and filing shall not be conditions to the effectiveness of the waiver. Further, by attending a meeting either in person or by proxy, a shareholder waives objection to lack of notice or defective notice of the meeting unless the shareholder objects at the beginning of the meeting to the holding of the meeting or the transaction of business at the meeting because of lack of notice or defective notice. By attending the meeting, the shareholder also waives any objection to consideration at the meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the shareholder objects to considering the matter when it is presented.

Section 5. Fixing of Record Date. For the purpose of determining shareholders entitled to (i) notice of or vote at any meeting of shareholders or any adjournment thereof, (ii) receive distributions or share dividends, (iii) demand a special meeting, or (iv) make a determination of shareholders for any

other proper purpose, the board of directors may fix a future date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days, and, in case of a meeting of shareholders, not less than ten days, prior to the date on which the particular action requiring such determination of

shareholders is to be taken. If no record date is fixed by the directors, the record date shall be the day before the notice of the meeting is given to shareholders, or the date on which the resolution of the board of directors providing for a distribution is adopted, as the case may be. When a determination of shareholders entitled to vote at any meeting of shareholders is made as provided in this section, such determination shall apply to any adjournment thereof unless the board of directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. Unless otherwise specified when the record date is fixed, the time of day for such determination shall be as of the corporation's close of business on the record date.

Notwithstanding the above, the record date for determining the shareholders entitled to take action without a meeting or entitled to be given notice of action so taken shall be the date a writing upon which the action is taken is first received by the corporation. The record date for determining shareholders entitled to demand a special meeting shall be the date of the earliest of any of the demands pursuant to which the meeting is called.

Section 6. Voting Lists. After a record date is fixed for a shareholders' meeting the secretary shall make, at the earlier of ten days before such meeting or two business days after notice of the meeting has been given, a complete list of the shareholders entitled to be given notice of such meeting or any adjournment thereof. The list shall be arranged by voting groups and within each voting group by class or series of shares, shall be in alphabetical order within each class or series, and shall show the address of and the number of shares of each class or series held by each shareholder. For the period beginning the earlier of ten days prior to the meeting or two business days after notice of the meeting is given and continuing through the meeting and any adjournment thereof, this list shall be kept on file at the principal office of the corporation, or at a place (which shall be identified in the notice) in the city where the meeting will be held. Such list shall be available for inspection on written demand by any shareholder (including for the purpose of this Section 6 any holder of voting trust certificates) or his agent or attorney during regular business hours and during the period available for inspection. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Any shareholder, his agent or attorney may copy the list during regular business hours and during the period it is available for inspection, provided (i) the shareholder has been a shareholder for at least three months immediately preceding the demand or holds at least five percent of all outstanding shares of any class of shares as of the date of the demand, (ii) the demand is made in \good faith and for a purpose reasonably related to the demanding shareholder's interest as a shareholder, (iii) the shareholder describes with reasonable particularity the purpose and the records the shareholder desires to inspect, (iv) the records are directly connected with the described purpose, and (v) the shareholder pays a reasonable charge covering the costs of labor and material for such copies, not to exceed the estimated cost of production and reproduction.

Section 7. Recognition Procedure for Beneficial Owners. The board of directors may adopt by resolution a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution may set forth (i) the types of nominees to which it applies, (ii) the rights or privileges that the corporation will recognize in a beneficial owner, which may include rights and privileges other than voting, (iii) the form of certification and the information to be contained therein, (iv) if the certification is with respect to a record date, the time within which the certification must be received by the corporation, (v) the period for which the nominee's use of the procedure is effective, and (vi)

such other provisions with respect to the procedure as the board deems necessary or desirable. Upon receipt by the corporation of a certificate complying with the procedure established by the board of directors, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the registered holders of the number of shares specified in place of the shareholder making the certification.

Section 8. Quorum and Manner of Acting. One-third of the votes entitled to be cast on a matter by a voting group represented in person or by proxy, shall constitute a quorum of that voting group for action on the matter. If less than one-third of such votes are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice, for a period not to exceed 120 days for any one adjournment. If a quorum is present at such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, unless the meeting is adjourned and a new record date is set for the adjourned meeting.

If a quorum exists, action on a matter other than the election of directors by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless the vote of a greater number or voting by classes is required by law or the articles of incorporation.

Section 9. Proxies. At all meetings of shareholders, a shareholder may vote by proxy by signing an appointment form or similar writing, either personally or by his duly authorized attorney-in-fact. A shareholder may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy, or to the corporation. The transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the shareholder transmitted or authorized the transmission of the appointment. The proxy appointment form

or similar writing shall be filed with the secretary of the corporation before or at the time of the meeting. The appointment of a proxy is effective when received by the corporation and is valid for eleven months unless a different period is expressly provided in the appointment form or similar writing.

Any complete copy, including an electronically transmitted facsimile, of an appointment of a proxy may be substituted for or used in lieu of the original appointment for any purpose for which the original appointment could be used.

Revocation of a proxy does not affect the right of the corporation to accept the proxy's authority unless (i) the corporation had notice that the appointment was coupled with an interest and notice that such interest is extinguished is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment, or (ii) other notice of the revocation of the appointment is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment. Other notice of revocation may, in the discretion of the corporation, be deemed to include the appearance at a shareholders' meeting of the shareholder who granted the proxy and his voting in person on any matter subject to a vote at such meeting.

The death or incapacity of the shareholder appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment.

The corporation shall not be required to recognize an appointment made irrevocable if it has received a writing revoking the appointment signed by the shareholder (including a shareholder who is a successor to the shareholder who granted the proxy) either personally or by his attorney-in-fact, notwithstanding that the revocation may be a breach of an obligation of the shareholder to another person not to revoke the appointment.

Subject to Section 11 and any express limitation on the proxy's authority appearing on the appointment form, the corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

Section 10. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote, except in the election of directors, and each fractional share shall be entitled to a corresponding fractional vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares of any class or classes are limited or denied by the articles of incorporation as permitted by the Colorado Business Corporation Act. Cumulative voting shall not be permitted in the election of

directors or for any other purpose. Each record holder of stock shall be entitled to vote in the election of directors and shall have as many votes for each of the shares owned by him as there are directors to be elected and for whose election he has the right to vote.

At each election of directors, that number of candidates equaling the number of directors to be elected, having the highest number of votes cast in favor of their election, shall be elected to the board of directors.

Except as otherwise ordered by a court of competent jurisdiction upon a finding that the purpose of this Section would not be violated in the circumstances presented to the court, the shares of the corporation are not entitled to be voted if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and the first corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation except to the extent the second corporation holds the shares in a fiduciary capacity.

Redeemable shares are not entitled to be voted after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

Section 11. Corporation's Acceptance of Votes. If the name signed on a vote, consent, waiver, proxy appointment, or proxy appointment revocation corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and give it effect as the act of the shareholder. If the name signed on a vote, consent, waiver, proxy appointment or proxy appointment revocation does not correspond to the name of a shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and to give it effect as the act of the shareholder if:

(i) the shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;

(ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(v) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-tenants or fiduciaries, and the person signing appears to be acting on behalf of all the co-tenants or fiduciaries; or

(vi) the acceptance of the vote, consent, waiver, proxy appointment or proxy appointment revocation is otherwise proper under rules established by the corporation that are not inconsistent with this Section 11.

The corporation is entitled to reject a vote, consent, waiver, proxy appointment or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

Neither the corporation nor its officers nor any agent who accepts or rejects a vote, consent, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this Section is liable in damages for the consequences of the acceptance or rejection.

Section 12. Informal Action by Shareholders. Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if a written consent (or counterparts thereof) that sets forth the action so taken is signed by all of the shareholders entitled to vote with respect to the subject matter thereof and received by the corporation. Such consent shall have the same force and effect as a unanimous vote of the shareholders and may be stated as such in any document. Action taken under this Section 12 is effective as of the date the last writing necessary to effect the action is received by the corporation, unless all of the writings specify a different effective date, in which case such specified date shall be the effective date for such action. If any shareholder revokes his consent as provided for herein prior to what would otherwise be the effective date, the action proposed in the consent shall be invalid. The record date for determining shareholders entitled to take action without a meeting is the date the corporation first receives a writing upon which the action is taken.

Any shareholder who has signed a writing describing and consenting to action taken pursuant to this Section 12 may revoke such consent by a writing signed by the shareholder describing the action and stating that the shareholder's prior consent thereto is revoked, if such writing is received by the corporation before the effectiveness of the action.

Section 13. Meetings by Telecommunication. Any or all of the shareholders may participate in an annual or special shareholders' meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE III

Board of Directors

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its board of directors, except as otherwise provided in the Colorado Business Corporation Act or the articles of incorporation.

Section 2. Number, Qualifications and Tenure. The number of directors of the corporation shall be fixed from time to time by the board of directors, within a range of no less than one or more than five, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. A director shall be a natural person who is eighteen years of age or older. A director need not be a resident of Colorado or a shareholder of the corporation.

Directors shall be elected at each annual meeting of shareholders. Each director shall hold office until the next annual meeting of shareholders following his election and thereafter until his successor shall have been elected and qualified. Directors shall be removed in the manner provided by the

Colorado Business Corporation Act. Any director may be removed by the shareholders, with or without cause, at a meeting called for that purpose. The notice of the meeting shall state that the purpose or one of the purposes of the meeting is removal of the director. A director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

Section 3. Vacancies. Any director may resign at any time by giving written notice to the secretary. Such resignation shall take effect at the time the notice is received by the secretary unless the notice specifies a later effective date. Unless otherwise specified in the notice of resignation, the corporation's acceptance of such resignation shall not be necessary to make it effective. Any vacancy on the board of directors may be filled by the affirmative vote of a majority of the shareholders at a special meeting called for that purpose or by the board of directors. If the directors remaining in office constitute fewer than a quorum of the board, the directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. If elected by the directors, the director shall hold office until the next annual shareholders' meeting at which directors are elected. If elected by the

shareholders, the director shall hold office for the unexpired term of his predecessor in office; except that, if the director's predecessor was elected by the directors to fill a vacancy, the director elected by the shareholders shall hold office for the unexpired term of the last predecessor elected by the shareholders.

Section 4. Regular Meetings. A regular meeting of the board of directors shall be held without notice immediately after and at the same place as the annual meeting of shareholders. The board of directors may provide by resolution the time and place, either within or outside Colorado, for the holding of additional regular meetings without other notice.

Section 5. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any one director. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or outside Colorado, as the place for holding any special meeting of the board of directors called by them, provided that no meeting shall be called outside the State of Colorado unless a majority of the board of directors has so authorized.

Section 6. Notice. Notice of the date, time and place of any special meeting shall be given to each director at least two days prior to the meeting by written notice either personally delivered or mailed to each director at his business address, or by notice transmitted by private courier, telegraph, telex, electronically transmitted facsimile or other form of wire or wireless communication. If mailed, such notice shall be deemed to be given and to be effective on the earlier of (i) five days after such notice is deposited in the United States mail, properly addressed, with first class postage prepaid, or (ii) the date shown on the return receipt, if mailed by registered or certified mail return receipt requested, provided that the return receipt is signed by the director to whom the notice is addressed. If notice is given by telex, electronically transmitted facsimile or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective when sent, and with respect to a telegram, such notice shall be deemed to be given and to be effective when the telegram is delivered to the telegraph company. If a director has designated in writing one or more reasonable addresses or facsimile numbers for delivery of notice to him, notice sent by mail, telegraph, telex, electronically transmitted facsimile or other form of wire or wireless communication shall not be deemed to have been given or to be effective unless sent to such addresses or facsimile numbers, as the case may be.

A director may waive notice of a meeting before or after the time and date of the meeting by a writing signed by such director. Such waiver shall be delivered to the secretary for filing with the corporate records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. Further, a director's attendance at or participation in a meeting waives any required notice to him of the meeting unless at the beginning of the meeting, or promptly upon his later arrival, the director objects to holding the meeting or transacting

business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors fixed by the board of directors pursuant to Article III, Section 2 or, if no number is fixed, a majority of the number in office immediately before the meeting begins, shall constitute a quorum for the transaction of business at any meeting of the board of directors.

Section 8. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 9. Compensation. By resolution of the board of directors, any director may be paid any one or more of the following: his expenses, if any, of attendance at meetings, a fixed sum for attendance at each meeting, a stated salary as director, or such other compensation as the corporation and the director may reasonably agree upon. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors or committee of the board at which action on any corporate matter is taken shall be presumed to have assented to all action taken at the meeting unless (i) the director objects at the beginning of the meeting, or promptly upon his arrival, to the holding of the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting, (ii) the director contemporaneously requests that his dissent or abstention as to any specific action taken be entered in the minutes of the meeting, or (iii) the director causes written notice of his dissent or abstention as to any specific action to be received by the presiding officer of the meeting before its adjournment or by the secretary promptly after the adjournment of the meeting. A director may dissent to a specific action at a meeting, while assenting to others. The right to dissent to a specific action taken at a meeting of the board of directors or a committee of the board shall not be available to a director who voted in favor of such action.

Section 11. Committees. By resolution adopted by a majority of all the directors in office when the action is taken, the board of directors may designate from among its members an executive committee and one or more other committees, and appoint one or more members of the board of directors to serve on them. To the extent provided in the resolution, each committee shall have all the authority of the board of directors, except that no such committee shall have the authority to (i) authorize distributions, (ii) approve or propose to shareholders actions or proposals required by the Colorado Business Corporation Act to be approved by shareholders, (iii) fill vacancies on the board of directors or any committee thereof, (iv) amend

articles of incorporation, (v) adopt, amend or repeal the bylaws, (vi) approve a plan of merger not requiring shareholder approval, (vii) authorize or approve the reacquisition of shares unless pursuant to a formula or method prescribed by the board of directors, or (viii) authorize or approve the issuance or sale of shares, or contract for the sale of shares or determine the designations and relative rights, preferences and limitations of a class or series of shares, except that the board of directors may authorize a committee or officer to do so within limits specifically prescribed by the board of directors. The committee shall then have full power within the limits set by the board of directors to adopt any final resolution setting forth all preferences, limitations and relative rights of such class or series and to authorize an amendment of the articles of incorporation stating the preferences, limitations and relative rights of a class or series for filing with the Secretary of State under the Colorado Business Corporation Act.

Sections 4, 5, 6, 7, 8 or 12 of Article III, which govern meetings, notice, waiver of notice, quorum, voting requirements and action without a

meeting of the board of directors, shall apply to committees and their members appointed under this Section 11.

Neither the designation of any such committee, the delegation of authority to such committee, nor any action by such committee pursuant to its authority shall alone constitute compliance by any member of the board of directors or a member of the committee in question with his responsibility to conform to the standard of care set forth in Article III, Section 14 of these bylaws.

Section 12. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors or any committee designated by the board of directors may be taken without a meeting if a written consent (or counterparts thereof) that sets forth the action so taken is signed by all of the directors entitled to vote with respect to the action taken. Such consent shall have the same force and effect as a unanimous vote of the directors or committee members and may be stated as such in any document. Unless the consent specifies a different effective time or date, action taken under this Section 12 is effective at the time or date the last director signs a writing describing the action taken, unless, before such time, any director has revoked his consent by a writing signed by the director and received by the president or the secretary of the corporation.

Section 13. Telephonic Meetings. The board of directors may permit any director (or any member of a committee designated by the board) to participate in a regular or special meeting of the board of directors or a committee thereof through the use of any means of communication by which all directors participating in the meeting can hear each other during the meeting. A director participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 14. Standard of Care. A director shall perform his duties as a director, including without limitation his duties as a member of any committee of the board, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons herein designated. However, he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director shall not be liable to the corporation or its shareholders for any action he takes or omits to take as a director if, in connection with such action or omission, he performs his duties in compliance with this Section 14.

The designated persons on whom a director is entitled to rely are (i) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented, (ii) legal counsel, public accountant, or other person as to matters which the director reasonably believes to be within such person's professional or expert competence, or (iii) a committee of the board of directors on which the director does not serve if the director reasonably believes the committee merits confidence.

ARTICLE IV

Officers and Agents

Section 1. General. The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer, each of whom shall be appointed by the board of directors and shall be a natural person eighteen years of age or older. One person may hold more than one office. The board of directors or an officer or officers so authorized by the board may appoint such other officers, assistant officers, committees and agents, including a chairman of the board, assistant secretaries and assistant treasurers, as they may consider necessary. Except as expressly prescribed by these bylaws, the board of directors or the officer or officers authorized by the board shall from time to time determine the procedure for the appointment of officers, their authority and duties and their compensation, provided that the board of directors may change the authority, duties and compensation of any

officer who is not appointed by the board.

Section 2. Appointment and Term of Office. The officers of the corporation to be appointed by the board of directors shall be appointed at each annual meeting of the board held after each annual meeting of the shareholders. If the appointment of officers is not made at such meeting or if an officer or officers are to be appointed by another officer or officers of the corporation, such appointments shall be made as determined by the board of directors or the appointing person or persons. Each officer shall hold office until the first of the following

occurs: his successor shall have been duly appointed and qualified, his death, his resignation, or his removal in the manner provided in Section 3.

Section 3. Resignation and Removal. An officer may resign at any time by giving written notice of resignation to the president, secretary or other person who appoints such officer. The resignation is effective when the notice is received by the corporation unless the notice specifies a later effective date.

Any officer or agent may be removed at any time with or without cause by the board of directors or an officer or officers authorized by the board. Such removal does not affect the contract rights, if any, of the corporation or of the person so removed. The appointment of an officer or agent shall not in itself create contract rights.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors, or by the officer or officers authorized by the board, for the unexpired portion of the officer's term. If an officer resigns and his resignation is made effective at a later date, the board of directors, or officer or officers authorized by the board, may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date if the board of directors or officer or officers authorized by the board provide that the successor shall not take office until the effective date. In the alternative, the board of directors, or officer or officers authorized by the board of directors, may remove the officer at any time before the effective date and may fill the resulting vacancy.

Section 5. President. The president shall preside at all meetings of shareholders and all meetings of the board of directors unless the board of directors has appointed a chairman, vice chairman, or other officer of the board and has authorized such person to preside at meetings of the board of directors. Subject to the direction and supervision of the board of directors, the president shall be the chief executive officer of the corporation, and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. Unless otherwise directed by the board of directors, the president shall attend in person or by substitute appointed by him, or shall execute on behalf of the corporation written instruments appointing a proxy or proxies to represent the corporation, at all meetings of the stockholders of any other corporation in which the corporation holds any stock. On behalf of the corporation, the president may in person or by substitute or by proxy execute written waivers of notice and consents with respect to any such meetings. At all such meetings and otherwise, the president, in person or by substitute or proxy, may vote the stock held by the corporation, execute written consents and other instruments with respect to such stock, and exercise any and all rights and powers incident to the ownership of said stock, subject to the instructions, if any, of the board of directors. The president shall have custody of the treasurer's bond, if any. The president shall have such additional authority and duties as are appropriate and customary for the office of president and chief executive officer, except as the same may be expanded or limited by the board of directors from time to time.

Section 6. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president, if any (or, if more than one, the vice presidents in the order designated by the board of directors, or if the board makes no such designation, then the vice president designated by the president, or if neither the board nor the president makes any such designation, the senior vice president as determined by first election to that office), shall have the powers and perform

the duties of the president.

Section 7. Secretary. The secretary shall (i) prepare and maintain as permanent records the minutes of the proceedings of the shareholders and the board of directors, a record of all actions taken by the shareholders or board of directors without a meeting, a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation, and a record of all waivers of notice of meetings of shareholders and of the board of directors or any committee thereof, (ii) see that all notices are duly given in accordance with the provisions of these bylaws and as required by law, (iii) serve as custodian of the corporate records and of the seal of the corporation and affix the seal to all documents when authorized by the board of directors, (iv) keep at the corporation's registered office or principal place of business a record containing the names and addresses of all shareholders in a form that permits preparation of a list of shareholders arranged by voting group and by class or series of shares within each voting group, that is alphabetical within each class or series and that shows the address of, and the number of shares of each class or series held by, each shareholder, unless such a record shall be kept at the office of the corporation's transfer agent or registrar, (v) maintain at the corporation's principal office the originals or copies of the corporation's articles of incorporation, bylaws, minutes of all shareholders' meetings and records of all action taken by shareholders without a meeting for the past three years, all written communications within the past three years to shareholders as a group or to the holders of any class or series of shares as a group, a list of the names and business addresses of the current directors and officers, a copy of the corporation's most recent corporate report filed with the Secretary of State, and financial statements showing in reasonable detail the corporation's assets and liabilities and results of operations for the last three years, (vi) have general charge of the stock transfer books of the corporation, unless the corporation has a transfer agent, (vii) authenticate records of the corporation, and (viii) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary. The directors and/or shareholders may however respectively designate a person other than the secretary or assistant secretary to keep the minutes of their respective meetings.

Any books, records, or minutes of the corporation may be in written form or in any form capable of being converted into written form within a reasonable time.

Section 8. Treasurer. The treasurer shall be the principal financial officer of the corporation, shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and shall deposit the same in accordance with the instructions of the board of directors. Subject to the limits imposed by the board of directors, he shall receive and give receipts and acquittances for money paid in on account of the corporation, and shall pay out of the corporation's funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the board, give the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation. He shall have such other powers and perform such other duties as may from time to time be prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

The treasurer shall also be the principal accounting officer of the corporation. He shall prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account as required by the Colorado Business Corporation Act, prepare and file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit and prepare and furnish to the president and the board of directors statements of account showing the financial position of the corporation and the results of its operations.

ARTICLE V

Stock

Section 1. Certificates. The board of directors shall be authorized to issue any of its classes of shares with or without certificates. The fact that the shares are not represented by certificates shall have no effect on the rights and obligations of shareholders. If the shares are represented by certificates, such shares shall be represented by consecutively numbered certificates signed, either manually or by facsimile, in the name of the corporation by the president or vice president and the secretary or assistant secretary. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, such certificate may nonetheless be issued by the corporation with the same effect as if he were such officer at the date of its issue. All certificates shall be consecutively numbered, and the names of the owners, the number of shares, and the date of issue shall be entered on the books of the corporation. Each certificate representing shares shall state upon its face:

(i) That the corporation is organized under the laws of Colorado;

(ii) The name of the person to whom issued;

(iii) The number and class of the shares and the designation of the series, if any, that the certificate represents;

(iv) The par value, if any, of each share represented by the certificate; and

(v) Any restrictions imposed by the corporation upon the transfer of the shares represented by the certificate.

If shares are not represented by certificates, within a reasonable time following the issue or transfer of such shares, the corporation shall send the shareholder a complete written statement of all of the information required to be provided to holders of uncertificated shares by the Colorado Business Corporation Act.

Section 2. Consideration for Shares. Certificated or uncertificated shares shall not be issued until the shares represented thereby are fully paid. The board of directors may authorize the issuance of shares for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed or other securities of the corporation. Future services shall not constitute payment or partial payment for shares of the corporation. The promissory note of a subscriber or an affiliate of a subscriber shall not constitute payment or partial payment for shares of the corporation unless the note is negotiable and is secured by collateral, other than the shares being purchased, having a fair market value at least equal to the principal amount of the note. For purposes of this Section 2, "promissory note" means a negotiable instrument on which there is an obligation to pay independent of collateral and does not include a non-recourse note.

Section 3. Lost Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock, the board of directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as the board may prescribe. The board of directors may in its discretion require an affidavit of lost certificate and/or a bond in such form and amount and with such surety as it may determine before issuing a new certificate.

Section 4. Transfer of Shares. Upon surrender to the corporation or to a transfer agent of the corporation of a certificate of stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and receipt of such documentary stamps as may be required by law and evidence of compliance with all applicable securities laws and other restrictions, the corporation shall issue a new certificate to the person entitled thereto, and cancel the old certificate. Every such transfer of stock shall be entered on the

stock books of the corporation which shall be kept at its principal office or by the person and at the place designated by the board of directors.

Except as otherwise expressly provided in Article II, Sections 7 and 11, and except for the assertion of dissenters' rights to the extent provided in Article 113 of the Colorado Business Corporation Act, the corporation shall be entitled to treat the registered holder of any shares of the corporation as the owner thereof for all purposes, and the corporation shall not be bound to recognize any equitable or other claim to, or interest in, such shares or rights deriving from such shares on the part of any person other than the registered holder, including without limitation any purchaser, assignee or transferee of such shares or rights deriving from such shares, unless and until such other person becomes the registered holder of such shares, whether or not the corporation shall have either actual or constructive notice of the claimed interest of such other person.

Section 5. Transfer Agent, Registrars and Paying Agents. The board may at its discretion appoint one or more transfer agents, registrars and agents for making payment upon any class of stock, bond, debenture or other security of the corporation. Such agents and registrars may be located either within or outside Colorado. They shall have such rights and duties and shall be entitled to such compensation as may be agreed.

ARTICLE VI

Indemnification of Certain Persons

Section 1. Indemnification. For purposes of Article VI, a "Proper Person" means any person (including the estate or personal representative of a director) who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that he is or was a director, officer, employee, fiduciary or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any foreign or domestic profit or nonprofit corporation or of any partnership, joint venture, trust, profit or nonprofit unincorporated association, limited liability company, or other enterprise or employee benefit plan. The corporation shall indemnify any Proper Person against reasonably incurred expenses (including attorneys' fees), judgments, penalties, fines (including any excise tax assessed with respect to an employee benefit plan) and amounts paid in settlement reasonably incurred by him in connection with such action, suit or proceeding if it is determined by the groups set forth in Section 4 of this Article that he conducted himself in good faith and that he reasonably believed (i) in the case of conduct in his official capacity with the corporation, that his conduct was in the corporation's best interests, or (ii) in all other cases (except criminal cases), that his conduct was at least not opposed to the corporation's best interests, or (iii) in the case of any criminal proceeding, that he had no reasonable cause to believe his conduct was unlawful. Official capacity means, when used with respect to a director, the office of director and, when used with respect to any other Proper Person, the office in a corporation held by the officer or the employment, fiduciary or agency relationship undertaken by the employee, fiduciary, or agent on behalf of the corporation. Official capacity does not include service for any other domestic or foreign corporation or other person or employee benefit plan.

A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement in (ii) of this Section 1. A director's conduct with respect to an employee benefit plan for a purpose that the director did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirement of this section that he conduct himself in good faith.

No indemnification shall be made under this Article VI to a Proper Person with respect to any claim, issue or matter in connection with a proceeding by or in the right of a corporation in which the Proper Person was adjudged liable to the corporation or in connection with any proceeding charging

that the Proper Person derived an improper personal benefit, whether or not involving action in an official capacity, in which he was adjudged liable on the basis that he derived an improper personal benefit. Further, indemnification under this section in connection with a proceeding brought by or in the right of the corporation shall be limited to reasonable expenses, including attorneys' fees, incurred in connection with the proceeding.

Section 2. Right to Indemnification. The corporation shall indemnify any Proper Person who was wholly successful, on the merits or otherwise, in defense of any action, suit, or proceeding as to which he was entitled to indemnification under Section l of this Article VI against expenses (including attorneys' fees) reasonably incurred by him in connection with the proceeding without the necessity of any action by the corporation other than the determination in good faith that the defense has been wholly successful.

Section 3. Effect of Termination of Action. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person seeking indemnification did not meet the standards of conduct described in Section 1 of this Article VI. Entry of a judgment by consent as part of a settlement shall not be deemed an adjudication of liability, as described in Section 2 of this Article VI.

Section 4. Groups Authorized to Make Indemnification Determination. Except where there is a right to indemnification as set forth in Sections 1 or 2 of this Article or where indemnification is ordered by a court in Section 5, any indemnification shall be made by the corporation only as determined in the specific case by a proper group that indemnification of the Proper Person is permissible under the circumstances because he has met the applicable standards of conduct set forth in Section 1 of this Article. This determination shall be made by the board of directors by a majority vote of those present at a meeting at which a quorum is present, which quorum shall consist of directors not parties to the proceeding ("Quorum"). If a Quorum cannot be obtained, the determination shall be made by a majority vote of a committee of the board of directors designated by the board, which committee shall consist of two or more directors not parties to the proceeding, except that directors who are parties to the proceeding may participate in the designation of directors for the committee. If a Quorum of the board of directors cannot be obtained and the committee cannot be established, or even if a Quorum is obtained or the committee is designated and a majority of the directors constituting such Quorum or committee so directs, the determination shall be made by (i) independent legal counsel selected by a vote of the board of directors or the committee in the manner specified in this Section 4 or, if a Quorum of the full board of directors cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full board (including directors who are parties to the action) or (ii) a vote of the shareholders.

Authorization of indemnification and advance of expenses shall be made in the same manner as the determination that indemnification or advance of expenses is permissible except that, if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of expenses shall be made by the body that selected such counsel.

Section 5. Court-Ordered Indemnification. Any Proper Person may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction for mandatory indemnification under Section 2 of this Article, including indemnification for reasonable expenses incurred to obtain court-ordered indemnification. If a court determines that the Proper Person is entitled to indemnification under Section 2 of this Article, the court shall order indemnification, including the Proper Person's reasonable expenses incurred to obtain court-ordered indemnification. If the court determines that such Proper Person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he met the standards of conduct set forth in Section 1 of this Article or was adjudged liable in the proceeding, the court may order such indemnification as the court deems proper except that if the Proper Person has been adjudged liable, indemnification shall be limited to reasonable expenses incurred in connection with the proceeding and

reasonable expenses incurred to obtain court-ordered indemnification.

Section 6. Advance of Expenses. Reasonable expenses (including attorneys' fees) incurred in defending an action, suit or proceeding as described in Section 1 may be paid by the corporation to any Proper Person in advance of the final disposition of such action, suit or proceeding upon receipt of (i) a written affirmation of such Proper Person's good faith belief that he has met the standards of conduct prescribed by Section 1 of this Article VI, (ii) a written undertaking, executed personally or on the Proper Person's behalf, to repay such advances if it is ultimately determined that he did not meet the prescribed standards of conduct (the undertaking shall be an unlimited general obligation of the Proper Person but need not be secured and may be accepted without reference to financial ability to make repayment), and (iii) a determination is made by the proper group (as described in Section 4 of this Article VI) that the facts as then known to the group would not preclude indemnification. Determination and authorization of payments shall be made in the same manner specified in Section 4 of this Article VI.

Section 7. Additional Indemnification to Certain Persons Other Than Directors. In addition to the indemnification provided to officers, employees, fiduciaries or agents because of their status as Proper Persons under this Article, the corporation may also indemnify and advance expenses to them if they are not directors of the corporation to a greater extent than is provided in these bylaws, if not inconsistent with public policy, and if provided for by general or specific action of its board of directors or shareholders or by contract.

Section 8. Witness Expenses. The sections of this Article VI do not limit the corporation's authority to pay or reimburse expenses incurred by a director in connection with an appearance as a witness in a proceeding at a time when he has not been made a named as a defendant or respondent in the proceeding.

Section 9. Report to Shareholders. Any indemnification of or advance of expenses to a director in accordance with this Article VI, if arising out of a proceeding by or on behalf

of the corporation, shall be reported in writing to the shareholders with or before the notice of the next shareholders' meeting. If the next shareholder action is taken without a meeting at the instigation of the board of directors, such notice shall be given to the shareholders at or before the time the first shareholder signs a writing consenting to such action.

ARTICLE VII

Provision of Insurance

By action of the board of directors, notwithstanding any interest of the directors in the action, the corporation may purchase and maintain insurance, in such scope and amounts as the board of directors deems appropriate, on behalf of any person who is or was a director, officer, employee, fiduciary or agent of the corporation, or who, while a director, officer, employee, fiduciary or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic profit or nonprofit corporation or of any partnership, joint venture, trust, profit or nonprofit unincorporated association, limited liability company, other enterprise or employee benefit plan, against any liability asserted against, or incurred by, him in that capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of Article VI or applicable law. Any such insurance may be procured from any insurance company designated by the board of directors of the corporation, whether such insurance company is formed under the laws of Colorado or any other jurisdiction of the United States or elsewhere, including any insurance company in which the corporation has an equity interest or any other interest, through stock ownership or otherwise.

ARTICLE VIII

Miscellaneous

Section 1. Seal. The board of directors may adopt a corporate seal, which shall be circular in form and shall contain the name of the corporation and the words, "Seal, Colorado."

Section 2. Fiscal Year. The fiscal year of the corporation shall be as established by the board of directors.

Section 3. Amendments. The board of directors shall have power, to the maximum extent permitted by the Colorado Business Corporation Act, to make, amend and repeal the bylaws of the corporation at any regular or special meeting of the board unless the shareholders, in making, amending or repealing a particular bylaw, expressly provide that the directors may not amend or repeal such bylaw. The shareholders also shall have the power to make, amend or repeal the bylaws of the corporation at any annual meeting or at any special meeting called for that purpose.

Section 4. Receipt of Notices by the Corporation. Notices, shareholder writings consenting to action, and other documents or writings shall be deemed to have been received by the corporation when they are actually received: (1) at the registered office of the corporation in Colorado; (2) at the principal office of the corporation (as that office is designated in the most recent document filed by the corporation with the secretary of state for Colorado designating a principal office) addressed to the attention of the secretary of the corporation; (3) by the secretary of the corporation wherever the secretary may be found; or (4) by any other person authorized from time to time by the board of directors or the president to receive such writings, wherever such person is found.

Section 5. Gender. The masculine gender is used in these bylaws as a matter of convenience only and shall be interpreted to include the feminine and neuter genders as the circumstances indicate.

Section 6. Conflicts. In the event of any irreconcilable conflict between these bylaws and either the corporation's articles of incorporation or applicable law, the latter shall control.

Section 7. Definitions. Except as otherwise specifically provided in these bylaws, all terms used in these bylaws shall have the same definition as in the Colorado Business Corporation Act.

EXHIBIT 4.1(a)

Subject to Provisions on Reverse Side

Incorporated under the laws
of the State of Colorado

Number Shares

------ ------

AspenBio, Inc.

Common Stock

This certifies that _____ is the registered holder of _____ Shares of AspenBio, Inc. transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunder affixed this ____ day of _____ A.D. _____.

- ---------- ----------
Secretary President

For Value Received, _____ hereby sell, assign and transfer unto_____
_____
represented by the within Certificate, and do hereby irrevocably constitute and appoint _____
Attorney to transfer the said Shares on the books of the within named Corporation with full power of substitution in the premises.

Dated

In presence of

- ---------- ----------

EXHIBIT 4.1(b)

The securities represented by this Warrant and issuable upon exercise hereof have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or under the provisions of any applicable state securities laws, but have been acquired by the registered holder hereof for purposes of investment and in reliance on statutory exemptions under the 1933 Act, and under any applicable state securities laws. These securities and the securities issued upon exercise hereof may not be sold, pledged, transferred or assigned, nor may this Warrant be exercised, except in a transaction which is exempt under the provisions of the 1933 Act and any applicable state securities laws or pursuant to an effective registration statement.

VOID AFTER 3:00 P.M. MOUNTAIN TIME ON JANUARY __, 2007

WARRANT TO PURCHASE _____ SHARES OF COMMON STOCK

ASPENBIO, INC.

No.

FOR VALUE RECEIVED, AspenBio, Inc. (the "Company"), a Colorado corporation with its principal offices located at 8100 Southpark Way, Bldg. B-1, Littleton, CO 80120, hereby certifies that _____, a _____ corporation with its principal offices located at _____ (the "Holder") is entitled, subject to the provisions of this Warrant, to purchase from the Company, at any time, or from time to time during the period commencing on the date hereof and expiring at 3:00 p.m. Mountain Time, on January __, 2007 (the "Expiration Date"), up to _____ fully paid and non-assessable shares of the Company's Common Stock (the "Warrant Stock") at a price of $1.00 per share (the "Exercise Price"). The number of shares of Warrant Stock and the Exercise Price may be adjusted from time to time as hereinafter set forth.

The Holder agrees with the Company that this Warrant is issued, and all the rights hereunder shall be held subject to, all of the conditions, limitations and provisions set forth herein.

1. Exercise of Warrant.

1.1 Exercise Procedures. Subject to the limitations set forth below in this Section 1 and in Section 6 hereof, this Warrant may be exercised in whole or in part, during the period expiring at 3:00 p.m. Mountain Time on the Expiration Date or, if such day is a day on which banking institutions in Denver, Colorado are authorized by law to close, then on the next succeeding day that shall not be such a day, by presentation and surrender of this Warrant to the Company at its principal office, or at the office of its transfer agent, if any, with the Warrant Exercise Form attached hereto duly executed and accompanied by payment (either in cash or by certified or official bank check, payable to the order of the Company) of the Exercise Price for the number of shares specified in such form and instruments of transfer, if appropriate, duly executed by the Holder or his or her duly authorized attorney. As soon as practicable after each such exercise

of the Warrants the Company shall issue and deliver to the Holder a certificate or certificates for the Warrant Stock, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the shares purchasable hereunder. Upon receipt by the Company of this Warrant, together with the Exercise Price, at its office, or by the transfer agent of the Company, if any, at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the shares of Warrant Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares of Warrant Stock shall not then be actually delivered to the Holder. The Holder shall pay any and all documentary, stamp or similar issue or transfer taxes and fees payable in respect of the issue or delivery of shares of Warrant Stock on exercise of this

Warrant.

2. Fractional Shares. The Company shall not be required to issue a fractional share upon the exercise of this Warrant, but rather the aggregate number of shares issuable will be rounded up or down to the nearest full share.

3. Limitation on Transfer. Subject to the provisions of Sections 6 and 7 hereof, any assignment or transfer of this Warrant shall be made by presentation and surrender of this Warrant to the Company at its principal office or at the office of its transfer agent, if any, accompanied by a duly executed Assignment Form, provided that the transfer complies with Section 7 of this Agreement. Upon the presentation and surrender of these items to the Company, the Company, at its sole expense, shall execute and deliver to the new Holder a new Warrant, in the name of the new Holder as named in the Assignment Form, and the Warrant presented or surrendered shall at that time be cancelled.

4. Rights of the Holder. The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or in equity, and the rights of the Holder are limited to those expressed in this Warrant.

5. Anti-Dilution Provisions.

5.1 Adjustment for Recapitalization. If the Company shall at any time subdivide all its outstanding shares of Common Stock (or other securities at the time receivable upon the exercise of the Warrant) by recapitalization, reclassification or split-up thereof, or if the Company shall declare a stock dividend or distribute shares of Common Stock to all of its stockholders without receipt of cash payment or other valid consideration, the number of shares of Common Stock subject to this Warrant immediately prior to such subdivision shall be proportionately increased, and if the Company shall at any time combine the outstanding shares of Common Stock by recapitalization, reclassification or combination thereof, the number of shares of Common Stock subject to this Warrant immediately prior to such combination shall be proportionately decreased. Any such adjustment and adjustment to the Exercise Price pursuant to this Section 5.1 shall be effective at the close of business on the effective date of such subdivision or combination or if any adjustment is the result of a stock dividend or distribution then the effective date for such adjustment based thereon shall be the record date therefor.

Whenever the number of shares of Warrant Stock purchasable upon the exercise of this Warrant is adjusted, as provided in this Section 5.1, the Exercise Price shall be adjusted to the nearest cent by multiplying such Exercise Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of shares of Warrant Stock purchasable upon the exercise immediately prior to such adjustment, and (y) the denominator of which shall be the number of shares of Warrant Stock so purchasable immediately thereafter.

5.2 Adjustment for Reorganization, Consolidation, Merger, Etc. In case of any reorganization of the Company (or any other corporation, the securities of which are at the time receivable on the exercise of this Warrant) or if the Company (or any such other corporation) shall consolidate with or merge into another corporation or convey all or substantially all of its assets to another corporation, then, and in each such case, the Holder of this Warrant upon the exercise thereof as provided in Section 1 at any time after the consummation of such reorganization, consolidation, merger or conveyance, shall be entitled to receive, in lieu of the securities and property receivable upon the exercise of this Warrant prior to such consummation, the securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised this Warrant immediately prior thereto; in each such case, the terms of this Warrant shall be applicable to the securities or property receivable upon the exercise of this Warrant after such consummation.

5.3 Adjustment for Issuances Below the Exercise Price. If the Company shall issue any additional shares of Common Stock without consideration or for a consideration per share less than $1.00 per share (as appropriately adjusted for

any combinations or divisions or recapitalizations affecting the Common Stock after issuance of this Warrant), on such date, the Exercise Price in effect immediately prior to each such issuance shall forthwith be adjusted, as follows: (i) if such issuance occurs within 12 months of the date hereof, to a price equal to the issuance price (and if the issuance is without consideration, then to $.01 per share); and (ii) if the issuance occurs during the period commencing 12 months from the date hereof and ending 24 months from the date hereof, to a price equal to a price determined by multiplying the Exercise Price by a fraction, the numerator of which shall be sum of (w) the number of shares of Common Stock outstanding immediately prior to such issuance and (x) the number of shares of Common Stock that the aggregate consideration received by the Company for such issuance would purchase at $1.00 per share; and the denominator of which shall be the sum of (y) the number of shares of Common Stock outstanding immediately prior to such issuance and (z) the number of additional shares of such Common Stock. For purposes of this Section 5.3, if any securities are issued by the Company which are convertible into Common Stock or which may be exercised to acquire Common Stock, then the aggregate maximum number of shares of Common Stock deliverable upon conversion or exercise of the securities assuming the satisfaction of any conditions to convertibility or exercisability, shall be deemed to have been issued at the time such securities were issued. Upon the termination or expiration of the convertibility or exercisability of any such securities, the Exercise Price, to the extent in any way affected by or computed using such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock actually issued upon the conversion or exercise of such securities.

6. Restrictions on Exercise Imposed by Federal and State Securities Laws. Holder hereby acknowledges that neither this Warrant nor any of the securities that may be acquired upon exercise of this Warrant have been registered under the 1933 Act or under the securities laws of any state. The Holder acknowledges that, upon exercise of this Warrant, the securities to be issued upon such exercise may come under applicable federal and state securities (or other) laws requiring registration, qualification or approval of governmental authorities before such securities may be validly issued or delivered upon notice of such exercise. With respect to any such securities, this Warrant may not be exercised by, and securities shall not be issued to, any Holder in which such exercise would be unlawful. As a condition to exercise, the Company may require the Holder to sign a representation letter confirming compliance with this Agreement and applicable federal and state securities laws and other applicable laws.

7. Transfer to Comply With the 1933 Act. This Warrant and any Warrant Stock may not be sold, transferred, pledged, hypothecated or otherwise disposed of except as follows:

(1) To a person who, in the opinion of counsel to the Company, is a person to whom this Warrant or the Warrant Stock may legally be transferred without registration and without delivery of a current prospectus under the 1933 Act with respect thereto and then only against receipt of an agreement of such person to comply with the provisions of this Section 7 with respect to any resale or other disposition of such securities, or

(2) To any person upon delivery of a prospectus then meeting the requirements of the 1933 Act relating to such securities and the offering thereof for such sale or disposition, and thereafter to all successive assignees.

8. Legend. Unless the shares of Warrant Stock have been registered under the 1933 Act, upon exercise of any of the Warrants and the issuance of any of the shares of Warrant Stock, all certificates representing shares shall bear on the face thereof substantially the following legend, as well as any other legends necessary to comply with applicable state and federal laws for the issuance of such shares:

> The shares represented by this Certificate have not been registered under the United States Securities Act of 1933, as amended ("the 1933 Act") or any state securities laws and are "restricted securities" as that term is defined in Rule 144 under the 1933 Act. The

shares may not be offered for sale, sold, pledged, hypothecated or otherwise transferred except pursuant to an effective registration statement under the 1933 Act or pursuant to an exemption from registration under the 1933 Act the availability of which is to be established to the satisfaction of the Company.

9. Registration Rights. The Holder shall be entitled to certain registration rights as set forth in the Investor Rights Agreement between the Company and Cambridge Holdings, Ltd., dated December 20, 2001.

10. Redemption. At any time beginning thirty months after the date hereof and ending thirty days prior to the Expiration Date, that the Current Market Price (but only if the Common Stock is publicly traded and determined pursuant to Section 1.2c(1) or (2)) of a single Share of Common Stock exceeds $2.00 for a period of at least thirty consecutive trading days preceding a notice by the Company of redemption, the Company shall have the right to call this Warrant for redemption upon 30 days' written notice at a price of $.01 per Warrant, calculated by multiplying $.01 times the number of Shares of Warrant Stock. During the 30 day period immediately following the giving of such notice, the Holder shall have the right to exercise this Warrant. Upon expiration of the 30 day period, all rights of the Holder shall terminate, other than the right to receive the redemption price of $.01 per Warrant, without interest. Within five business days of the expiration of the 30 day period, the Holder shall return this Warrant to the Company and the Company shall mail a redemption check to the Holder pursuant to Section 11 of this Warrant. The redemption price shall be subject to adjustment upon the occurrence of certain events as provided in Section 5 of this Warrant.

11. Notices. All notices required hereunder shall be in writing and shall be deemed given when telegraphed, sent by facsimile, delivered personally or within three days after mailing when mailed by certified or registered mail, return receipt requested, at the address of such party as set forth on the first page, or at such other address of which the Company or Holder has been advised by notice hereunder.

12. Applicable Law. This Warrant is issued under and shall for all purposes be governed by and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed on its behalf, in its corporate name, by its duly authorized officer, all as of the day and year first above written.

ASPENBIO, INC., a Colorado corporation

Dated: ----------

By: ----------
Authorized Officer

WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of AspenBio, Inc., a Colorado corporation, and hereby makes payment of $_____ in payment therefor. The undersigned understands that exercise of the within Warrant is subject to, among other things, the limitations provided in Section 1 and compliance with Section 6 of the within Warrant.

Signature

Social Security or Taxpayer
Identification Number

Date

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____, hereby sells, assigns and transfers unto

Name:

(Please type or print in block letters)

Address:
---

the right to purchase Common Stock of AspenBio, Inc. represented by this Warrant to the extent of ____ Shares as to which such right is exercisable and does hereby irrevocably constitute and appoint _____ Attorney to transfer the same on the books of the Company with full power of substitution in the premises. The undersigned understands that assignment of this Warrant is subject to compliance with Section 7 of the Warrant and the Assignee's acknowledgement of the provisions and restrictions of the Warrant.

Signature: Dated:
--- ---

Notice: The signature on this Assignment must correspond with the name as it appears upon the face of this Warrant in every particular, without alteration or enlargement or any change whatever.

AGREEMENT TO AMEND WARRANTS

This Agreement to Amend Warrants is made as of February ___, 2002 (the "Agreement"), among AspenBio, Inc., a Colorado corporation (the "Company") and each of the several persons or entities listed on the signature page to this agreement (the "Holders").

RECITALS

WHEREAS, the Company and Cambridge Holdings, Ltd., ("Cambridge") previously entered into that certain Securities Purchase Agreement dated effective December 28, 2002 (the Purchase Agreement") pursuant to which Cambridge purchased shares of the common stock and warrants to purchase the common stock of the Company (the "Warrants");

WHEREAS, in accordance with the Purchase Agreement, Cambridge directed the Company to issue the Warrants to the Holders pursuant to the schedule attached hereto as Exhibit A;

WHEREAS, as a condition to the issuance of a portion of the Warrants, Cambridge agreed to provide certain consulting services to the Company. Cambridge has already provided substantial assistance, knowledge and expertise to the Company and the parties now desire to modify the Warrants to remove this condition from the Warrants; and

WHEREAS, certain of the Holders have requested that all the Warrants be modified to include a cashless exercise consistent with customary practice in transactions of this type.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to legally be bound, agree as follows:

1. AMENDMENT TO WARRANTS. Each Holder hereby acknowledges and agrees that each Warrant is hereby amended as follows:

1.1 AMENDMENT OF SECTION 1. Section 1 of each Warrant shall be deleted and replaced with the following:

Exercise of Warrant.

1.1 Exercise Procedures. Subject to the limitations set forth below in this Section 1 and in Sections 6 and 7 hereof, this Warrant may be exercised in whole or in part, during the period expiring at 3:00 p.m. Mountain Time on the Expiration Date or, if such day is a day on which banking institutions in Denver, Colorado are authorized by law to close, then on the next succeeding day that shall not be such a

day, by presentation and surrender of this Warrant to the Company at its principal office, or at the office of its transfer agent, if any, with the Warrant Exercise Form attached hereto duly executed and accompanied by payment (either in cash or by certified or official bank check, payable to the order of the Company) of the Exercise Price for the number of shares specified in such form and instruments of transfer, if appropriate, duly executed by the Holder or his or her duly authorized attorney. As soon as practicable after each such exercise of the Warrants the Company shall issue and deliver to the Holder a certificate or certificates for the Warrant Stock, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the shares purchasable hereunder. Upon receipt by the Company of this Warrant, together with the Exercise Price, at its office, or by the transfer agent of the Company, if any, at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the shares of Warrant Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares of Warrant Stock shall not then be actually delivered to the Holder. The Holder shall pay any and all documentary, stamp or similar issue or transfer taxes and fees payable in respect of the issue or delivery of shares of Warrant Stock on exercise of this Warrant.

1.2 Conversion Right.

The Holder shall have the right (the "Conversion Right") to convert this Warrant into shares of the Company's Common Stock as provided in this Section 1.2 at any time or from time to time prior to the Expiration Date.

a. Upon exercise of the Conversion Right with respect to a particular number of shares of Warrant Stock (the "Conversion Shares"), the Company shall deliver to the Holder, without payment by the Holder of any Exercise Price or any cash or other consideration, that number of shares equal to the quotient obtained by dividing the Net Value (as hereinafter defined) of the Conversion Shares by the Current Market Price (as hereinafter defined) of a single Share, determined in each case as of the close of business on the Conversion Date (as hereinafter defined). The "Net Value" of the Conversion Shares shall be determined by subtracting the Exercise Price of one share from the Current Market Price of one share and multiplying the remainder by the number of Warrants being converted. No fractional shares shall be issuable upon exercise of the Conversion Right, and if the number of shares to be issued in accordance with the foregoing formula is other than a whole number, the Company shall pay to the Holder the net amount in cash equal to the Current Market Price of the resulting fractional share.

b. The Conversion Right may be exercised by the Holder by the surrender of the Warrant at the principal office of the Company or at the office of the Company's transfer agent, if any, together with a written statement specifying that the Holder thereby intends to exercise the Conversion Right and indicating the

number of shares of Warrant Stock subject to the Warrant which are being surrendered (referred to in subparagraph 1.2(a) above as the Conversion Shares) in exercise of the Conversion Right. Such conversion shall be effective upon receipt by the Company of the Warrant, or on such later date as is specified therein (the "Conversion Date"), but not later than the Expiration Date. Certificates for the shares issuable upon exercise of the Conversion Right, together with a check in payment of any fractional amount and, in the case of a partial exercise a new Warrant evidencing the Warrant Stock remaining subject to the Warrant, shall be issued as of the Conversion Date and shall be delivered to the Holder within seven days following the Conversion Date.

c. The "Current Market Price" shall be determined as follows:

(1) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange or quoted on either the National Market System or the Small Cap Market of the automated quotation service operated by The Nasdaq Stock Market, Inc. ("Nasdaq"), the current value shall be the last reported sale price of that security on such exchange or system on the day for which the current market price is to be determined or, if no such sale is made on such day, the average of the highest closing bid and lowest asked price for such day on such exchange or system; or

(2) If the Common Stock is not so listed or quoted or admitted to unlisted trading privileges, the Current Market Value shall be the average of the last reported highest bid and lowest asked prices quoted on the Nasdaq Electronic Bulletin Board, or, if not so quoted, then by the National Quotation Bureau, Inc. on the last business day prior to the day for which the Current Market Price is to be determined; or

(3) If the Common Stock is not so listed or quoted or admitted to unlisted trading privileges and bid and asked prices are not reported, the Current Market Price shall be determined in such reasonable manner as may be prescribed in good faith from time to time by the Board of Directors of the Company.

1.2 WARRANT CONVERSION EXERCISE FORM. Each Warrant shall include the "Warrant Conversion Exercise Form" attached hereto as Exhibit B.

2. NO OTHER AMENDMENTS. Except for the amendments set forth in Section 1 of this Agreement, all of the provisions of the Warrants shall remain in full force and effect without any modifications of any kind.

3. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have read and executed this Agreement effective as of the date and year first written above.

<TABLE>
<CAPTION>
HOLDERS: COMPANY:
<S> <C>

ASPENBIO, INC.

- ----------
John Altshuler

- ----------
Robert Bearman

- ----------
Roger Hurst, President

- ----------
Jeff McGonegal

- ----------
Scott Menefee

- ----------
Gregory Pusey

- ----------
Tom Weinberger

CAMBRIDGE HOLDINGS, LTD.

- ----------
Gregory Pusey, President
</TABLE>

EXHIBIT A

WARRANT HOLDERS

<TABLE>
<CAPTION>

WARRANT NUMBER	HOLDER	NUMBER OF SHARES
<S>	<C>	<C>
W-1	John Altshuler	5,000
W-2	Robert Bearman	5,000
W-3	Cambridge Holdings, Ltd.	255,000
W-4	Jeff McGonegal	30,000
W-5	Scott Menefee	5,000
W-6	Gregory Pusey	100,000
W-7	Tom Weinberger	100,000
W-8	John Altshuler	5,000
W-9	Robert Bearman	5,000
W-10	Cambridge Holdings, Ltd.	135,000
W-11	Jeff McGonegal	30,000
W-12	Scott Menefee	5,000
W-13	Gregory Pusey	50,000
W-14	Tom Weinberger	100,000

</TABLE>

EXHIBIT B

WARRANT CONVERSION EXERCISE FORM

TO: AspenBio, Inc.

Pursuant to Section 1.2 of the Warrant Agreement, the Holder hereby irrevocably elects to convert Warrants into shares of the Company's Common Stock. The undersigned understands that exercise of the Warrant is subject to, among other things, the limitations provided in Section 1 and compliance with Section 6 of the Warrant. A conversion calculation is attached hereto.

The undersigned requests that certificates for such shares be issued as follows:

Name:

Address:

Deliver to:
---

and that a new Warrant Certificate for the balance remaining of the Warrants, if any, subject to the Warrant be registered in the name of, and delivered to, the undersigned at the address stated above.

Signature: Date:
--- ---

CALCULATION OF WARRANT CONVERSION

Net Value of the Conversion Shares
Current Market Price

<TABLE>
<S> <C>
Current Market Price Per Share $

Net Value of the Conversion Shares (Current Market Price Per Share - Exercise Price) Number of Shares of Warrant Stock

$ - $ =
--- --- ---

x =
--- --- ---

Shares to be Issued

Cash in Lieu of Fractional Shares $ (1)

</TABLE>

(1) AspenBio, Inc. to pay for fractional shares in cash @ Current Market Price Per Share.

EXHIBIT 10.1

PURCHASE AGREEMENT

TABLE OF CONTENTS

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AGREEMENT FOR PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

Vitro Diagnostics, Inc., a Nevada corporation (the "Seller"), Erik D. Van Horn ("Van Horn") and James R. Musick ("Musick") agree with AspenBio, Inc., a Colorado corporation (the "Buyer") and Roger D. Hurst ("Hurst") as follows in consideration of the mutual covenants and agreements contained herein this _____ day of _____, 2000.

1. RECITALS. One division of the operating business of the Seller as it now exists and as it is intended to continue under the ownership of the Buyer is sometimes referred to as the "Antigen Division." The Seller will sell to the Buyer, subject to the terms and conditions of this Agreement, all of the assets associated with the Antigen Division except for certain excluded assets which are described in Exhibit A attached hereto ("Excluded Assets)". The Buyer will buy all the assets in consideration of a purchase price as set forth below and in further consideration of the assumption of all of the liabilities associated with the Antigen Division except for certain Excluded Liabilities. Hurst joins in this Agreement as the shareholder of the Buyer.

2. ASSETS. The Buyer agrees to buy, and the Seller agrees to sell, subject to the terms and conditions hereof, all of the assets of the Antigen Division including but not limited to those described in Exhibit B attached hereto but specifically excluding the Excluded Assets (Exhibit A and Exhibit B together the "Assets"). In addition to the Assets shown on Exhibit B, the Assets also include all off-book assets which are used or useable in the Seller's Antigen Division, including all previously expensed supplies, written-off inventory, records, trade goodwill, proprietary information, and other intangible assets owned and used by the Seller in the conduct of the Antigen Division, as well as all assets of the Antigen Division arising in the ordinary course of its business from and after the date of the schedule set forth on Exhibit B.

3. ASSUMPTION OF LIABILITIES. As partial consideration for the purchase of the Assets, the Buyer agrees to assume all of the liabilities associated with the Antigen Division, including those which arise in the ordinary course of the Seller's business between July 31, 2000 and the Closing Date subject to the limitations contained in paragraph 9(e), except for those Excluded Liabilities set forth on Exhibit C (the "Excluded Liabilities"). All of such liabilities except the Excluded Liabilities are hereinafter referred to as the "Assumed Liabilities." The Buyer agrees to pay the Assumed Liabilities as

they become due unless Buyer in good faith contests such liabilities with the third party creditor, in which case Buyer agrees to indemnify the Seller for the Seller's costs reasonably and actually incurred as a result of such contest with the third party creditor. Without limitation Buyer and Hurst agree to pay certain specific liabilities set forth on Exhibit D (the "Specific Liabilities") as they become due and (2) if the Specific Liabilities are not sooner satisfied, within ninety (90) days to pay the remaining Specific Liabilities or to cause the removal of Seller as the obligor of the Specific Liabilities and the removal or satisfaction of any lien upon Seller's assets as a result of the Specific Liabilities.

4. PURCHASE PRICE. As further consideration for the purchase of the Assets, including without limitation of Buyer's Specific Liabilities the Buyer will pay to the Seller the sum of $700,000. Buyer agrees to pay any sales taxes resulting from this transaction. The purchase price will be paid as follows:

(a) CASH PRICE. The sum of $700,000 in cash or certified funds, $250,000 of which shall be delivered in cash or certified funds by the Buyer at Closing, and the rest by a promissory note in the principal amount of $450,000, at 8% interest with principal and interest payable by September 7, 2000, which note shall be personally guaranteed by Hurst.

(b) ALLOCATION OF PRICE. All consideration will be allocated among the Assets and the other obligations of Seller as shown on Exhibit B.

5. EFFECTIVE DATE. The closing will be deemed to be effective as of the close of Seller's business on July 31, 2000.

6. AGREEMENT AND CASHLESS EXERCISE.

(a) VOTING AGREEMENT. Hurst agrees to subject 400,000 of his shares in Seller to a Voting Agreement in the form attached hereto as Exhibit E.

(b) CASHLESS EXERCISE. Seller agrees to amend the Stock Option Plan and to permit employees of Sellers who have options to exercise such options through a cashless exercise provided that such employees agree to execute the Voting Agreement and a release in form and substance reasonably acceptable to Seller.

7. CLOSING. The closing of all transactions provided for herein will occur at the offices of legal counsel for the Buyer on August 7, 2000. All actions to be taken at closing will be considered to be taken simultaneously, and no document, agreement, or instrument will be considered to be delivered until all items which are to be delivered at the closing have been delivered. At the closing, the following actions will occur:

(a) CERTIFICATES. The Buyer and the Seller each will execute a certificate stating that all representations and warranties made by them respectively in this Agreement continue to be true at the time of closing.

(b) BUYER'S LEGAL OPINION. The Buyer will deliver to the Seller an opinion of Buyer's legal counsel, in the form attached hereto as Exhibit F.

(c) SELLER'S LEGAL OPINION. The Seller will deliver to the Buyer an opinion of Seller's legal counsel, in the form attached hereto as Exhibit G.

(d) FAIRNESS DETERMINATION. Certain stockholders will execute a Fairness Determination in the form of Exhibit H.

(e) BILL OF SALE AND ASSIGNMENT. The Seller will execute and deliver to the Buyer a bill of sale and assignments, in the form of Exhibits I, J, and K attached hereto, conveying merchantable title to all of the Assets, free and clear of all liens, except as permitted by paragraph 9(e).

(f) LIST OF SPECIFIC LIABILITIES. The Seller will deliver to the Buyer a list of all Specific Liabilities as of the Closing, which list will be consistent with the representations and warranties of Seller herein.

(g) ASSUMPTION OF LIABILITIES. The Seller and the Buyer will execute and deliver to one another an assignment and assumption of all Assumed Liabilities with respect to all of the Assumed Liabilities in the form of Exhibit L attached hereto.

(h) PAYMENT. Buyer will pay the purchase price provided for herein by delivering the sum of $250,000 in cash or certified funds and a promissory note in the principal amount of $450,000 in the form attached hereto as Exhibit M. Hurst will execute and deliver a Personal Guarantee in the form of Exhibit N.

(i) VOTING AGREEMENT. The Voting Agreement in the form attached hereto as Exhibit E shall have been executed.

(j) RELEASE AND SETTLEMENT AGREEMENT. The parties shall have executed the Release and Settlement Agreement in the form attached hereto as Exhibit O.

(k) RECORDS. The Seller will deliver to the Buyer all accounting records, customer lists, contracts, orders, and other documents relating to the Antigen Division, provided that the Buyer will, however, permit reasonable access to such documents, including copying thereof, for the purpose of permitting the Seller to complete tax returns and conduct other necessary post-closing business.

(l) ASSIGNMENTS OF CONTRACTS. Seller will execute appropriate assignments to Buyer of all material contracts relating to the Antigen Division, including assignment of the confidentiality and employment agreements of employees, all of which assignments will be in form and substance satisfactory to Buyer and which will be accompanied, if necessary in the judgment of legal counsel for Buyer, with any acknowledgement or consent required by any other party to such contracts.

(m) INSURANCE POLICIES. The Seller will cause to be transferred to the Buyer all of the Seller's insurance policies, as described on Schedule 9(j), including all deposits and credits associated therewith.

(n) OTHER ACTS. The parties will execute any other documents reasonably required to carry out the intent of this Agreement, including specific transfer documents to be executed by the Seller with respect to any of the Assets which require separate documents of transfer.

(o) RESIGNATION OF HURST. Hurst agrees to execute a resignation mutually acceptable to the parties.

8. REPRESENTATIONS AND WARRANTIES BY SELLER. The Seller represents and warrants to the Buyer as follows:

(a) CORPORATE STATUS. The Seller is duly incorporated and in good standing under the laws of the state of Nevada.

(b) CORPORATE ACTIONS. All actions required of Seller hereunder, including the execution of this Agreement and consummation of all transactions provided for herein, have

been duly authorized by appropriate actions of its shareholders and directors, and all such agreements and instruments executed pursuant thereto will be valid and enforceable against the Seller in accordance with the terms hereof.

9. REPRESENTATIONS AND WARRANTIES BY SELLER, VAN HORN AND MUSICK. To the best of their knowledge, the Seller, Van Horn, and Musick represent and warrant to the Buyer as follows (the Seller's best knowledge for the purpose of Section 9 is the best knowledge of Van Horn and Musick):

(a) FINANCIAL STATEMENTS. The financial statements of the Seller as of the end of its most recently completed fiscal year attached hereto as Schedule 9(a) (the "Audited Statements") have been prepared in accordance with generally accepted accounting principles consistently applied and are true and correct in all material respects as of the dates thereof. The Audited Statements are collectively referred to as the "Seller's Financial Statements." There has not been and will be no material adverse change in the Seller's

financial condition or its business or operations from the date of April 30, 2000 through the date of Closing, except those incurred in the ordinary course of business.

(b) ACCOUNTS RECEIVABLE AND LIABILITIES. The accounts receivable shown on the Seller's Financial Statements and all other accounts receivable arising from and after the date of the Financial Statements have arisen in the ordinary course of Seller's business. The amounts of such accounts receivable, as of the dates on Seller's Financial Statements, are substantially true and correct. All liabilities have arisen or will arise in the ordinary course of the Antigen Division, and all of such liabilities can be satisfied by payment in full of the amounts thereof in a manner and on a schedule consistent with Seller's past practices as previously disclosed to Buyer. Seller agrees not to interfere in the Buyer's collection of the accounts receivable.

(c) INVENTORY. All of the inventory of the Seller shown on the Seller's Financial Statements as of the dates thereof was in the possession of Seller and has been valued and will be valued at the lower of cost or fair market value.

(d) ASSETS. The Assets constitute all of the property, including for example, intangible technology and know-how, which are now used in the Antigen Division. The Assets are adequate and appropriate for the conduct of the Antigen Division as now conducted. The Seller has good and merchantable title to all the Assets, subject only to liens and encumbrances shown in Schedule 9(e), all of which are to be assumed and paid when and as due by the Buyer. All Assets are sold "as is" after due inspection and examination by the Buyer, and the warranties made in this Agreement are in lieu of all other warranties, including any warranty implied by law, all of which are expressly excluded.

(e) SPECIFIC LIABILITIES. The Specific Liabilities include only the liabilities shown in Exhibit D. Seller has not incurred any liability other than the Assumed Liabilities and the Excluded Liabilities.

(f) ABSENCE OF CHANGE. There has been and will be no material adverse change in the nature of the Seller's operations or the value of the Assets from and after the date of the Interim Financial Statements through August 7, 2000.

(g) ABSENCE OF LIENS. The Assets will be transferred free and clear of any lien or claim of any nature including liens for taxes, except for (i) sales or use taxes arising from the sale hereunder, which the Buyer agrees to pay and (ii) the Assumed Liabilities.

(h) MATERIAL AGREEMENTS. Schedule 9(h) is a true and correct list of all material contracts, leases, and other agreements to which the Seller is a party, all of which will be assigned at Closing to Buyer. The Seller is not in violation of any such agreement, nor will the execution and consummation of this Agreement, including the assignment of the agreements listed in Schedule 9(h) to the Buyer, cause any breach of any contract or acceleration or material change in any obligation of the Seller which will affect the Antigen Division or the Assets except with respect to the Specific Liabilities.

(i) LITIGATION. The Seller is not a party to any litigation, nor to the best knowledge of Seller, is any litigation threatened or pending, except as shown in Schedule 9(i) attached hereto. The Seller is not aware of any set of facts or circumstances which would give rise to any claim materially affecting the Antigen Division or the authority of the Buyer to consummate the transactions provided for herein.

(j) INSURANCE. The Seller has maintained full and adequate insurance with respect to the operation of the Antigen Division. All of the Seller's insurance policies, including the name of the carrier and the amount of coverage, are accurately and completely shown on Schedule 9(j) attached hereto. All such insurance will remain in effect through August 15, 2000, and all of such insurance may be assumed by the Buyer at the election of the Buyer.

(k) EMPLOYEES. Schedule 9(k) attached hereto sets forth a complete list of the employees of the Seller, the rate of compensation of each, and all benefits applicable to each such employee. The Seller has previously

delivered to the Buyer a copy of the Seller's standard employee manual, setting forth other employee policies, all of which remain in effect without change or addition and will continue to remain in effect through Closing. The Seller has no agreements with any employee or any other obligation to any employee except as set forth in Schedule 9(k). The Seller is not subject to any pending or threatened labor disputes. None of the Seller's employees are represented by a labor union or other collective bargaining unit, nor is the Seller aware of any effort to organize the employees of the Seller.

(l) TAXES. The Seller has timely and correctly prepared and filed all tax returns, including federal and state income tax returns and sales tax returns, and the Seller has paid all taxes due pursuant to such tax returns as well as any other taxes, including real and personal property taxes for which the Seller is liable, except for certain property taxes which are accrued but not yet due, as shown in detail on Schedule 9(l) attached hereto. The Seller has not filed for and is not now subject to any extension of time with respect to the filing of any tax return. The Seller has provided to the Buyer true and correct copies of all federal and state income tax returns filed by the Seller for the past three fiscal years. The Seller is not aware of any actual or threatened tax audit nor of any set of facts which would give rise to any tax audit.

The financial statements reflect an adequate reserve, as of the date thereof, for income taxes now due for the present tax year. The Seller maintains all required payroll tax accounts, and the Seller has timely deposited all employee and employer withholding taxes into such trust accounts.

(m) COMPLETE DISCLOSURE. This Agreement and the exhibits and schedules thereto do not contain any untrue statement of a material fact by the Seller; this Agreement and such related agreements and instruments do not omit to state any material fact necessary in order to make the statements made herein or therein, in the light of the circumstances under which they are made, not misleading.

10. REPRESENTATIONS AND WARRANTIES BY THE BUYER AND HURST. The Buyer and Hurst represent and warrant as follows:

(a) CORPORATE STATUS. The Buyer is a corporation duly incorporated and existing in good standing under the laws of the state of Colorado.

(b) CORPORATE ACTIONS. All transactions provided for herein and all obligations of the Buyer related hereto have been duly authorized by all requisite corporate action, and all agreements entered into, including the execution and consummation of this Agreement and all exhibits hereto, will be valid and fully enforceable against the Buyer in accordance with the terms thereof.

(c) NO CONFLICTING AGREEMENTS. The Buyer is not a party to any contract, agreement, or other obligation which is in default or which will become in default or subject to any acceleration or penalty by reason of the execution and consummation of this Agreement.

(d) LITIGATION. The Buyer is not subject to any litigation or other claim, including any governmental investigation, actual, pending, or threatened, to the best of their respective knowledge.

(e) COMPLETE DISCLOSURE. This Agreement and the exhibits and schedules thereto do not contain any untrue statement of a material fact by the Buyer; this Agreement and such related agreements and instruments do not omit to state any material fact necessary in order to make the statements made herein or therein by the Buyer, in light of the circumstances under which they are made, not misleading.

11. INDEMNIFICATION. The parties hereto agree to indemnify one another as follows:

(a) INDEMNIFICATION FOR CLAIMS. As used herein, the term "Claims" refers to any losses, damages, liabilities, or claims including costs or expenses (including but not limited to attorneys' fees and other expenses of investigation in defense of any such claims) which arise as a result of any

breach or violation of the covenants, agreements, warrants, or representations contained in this Agreement or to which Roger Hurst is subject as a result of his service as an officer and director of Seller to the extent permitted by law. Any party who must indemnify for a Claim shall be referred to as an "Indemnifying Party" and any party who has suffered or is threatened with suffering losses in connection with such a Claim shall be referred to as an "Indemnified Party." The Indemnifying Party will be obligated to indemnify the

Indemnified party with respect to any Claim occasioned by a breach or violation of this Agreement or any ancillary agreement on the part of the Indemnifying Party.

(b) PROCEDURES.

(i) Promptly after an Indemnified Party has received notice of or has knowledge of any claim by a person not a party to this Agreement (a "Third Person") or the commencement of any action or proceeding by a Third Person, the Indemnified Party shall, as a condition precedent to a claim with respect thereto being made against an Indemnifying Party, give the Indemnifying Party written notice of such claim or the commencement of such action or proceeding (the "Notice of Claim"). The Notice of Claim shall state the nature and the basis of such claim and a reasonable estimate of the amount thereof.

(ii) The Indemnifying Party shall have right to defend and settle, at its own expense and by its own counsel, any such matter so long as the Indemnifying Party pursues the same in good faith and diligently. If the Indemnifying Party undertakes to defend or settle, it shall notify the Indemnified Party of its intention to do so within seven (7) calendar days of receiving the Notice of Claim, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in the defense thereof and in any settlement thereof. Such cooperation shall include, but shall not be limited to, furnishing the Indemnifying Party with any books, records or information reasonably requested by the Indemnifying Party that are in the Indemnified Party's possession or control. Notwithstanding the foregoing, the Indemnified Party shall have the right to participate in any matter through counsel of its own choosing at its own expense; provided that the Indemnifying Party's counsel shall always be lead counsel and shall determine all litigation and settlement steps, strategy and the like. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability, except as provided below and except to the extent such participation is requested by the Indemnifying Party, in which event the Indemnified Party shall be reimbursed by the Indemnifying Party for reasonable additional legal expenses, out-of-pocket expenses.

(iii) The Indemnifying Party shall not, in the defense of such asserted liability, consent to the entry of any judgment or award, or enter into any settlement, except in either event with the prior consent of the Indemnified Party, which shall not be unreasonably withheld or delayed. If the Indemnifying Party desires to accept a final and complete settlement of any such Third Person claim in which no admission of material wrongdoing is required of the Indemnified Party and the Indemnified Party refuses to consent to such settlement, then the Indemnifying Party's liability under this Section 11 with respect to such Third Person claim shall be limited to the amount so offered in settlement by said Third Person, and the Indemnified Party shall reimburse the Indemnifying Party for any additional costs of defense which it subsequently incurs with respect to such claim. If the Indemnifying Party does not undertake to defend such matter to which the Indemnified Party is entitled to indemnification hereunder, or fails diligently to pursue such defense, the Indemnified Party may undertake such defense through counsel of its choice, at the cost and expense of the Indemnifying Party, and the Indemnified Party may settle such matter, and the Indemnifying Party shall reimburse the Indemnified Party for the amount

paid in such settlement and any other liabilities or expenses incurred by the Indemnified Party in connection therewith.

(c) LIMITATION ON INDEMNIFICATION. No claim for indemnification shall be made hereunder until the aggregate amount of actual or probable losses of any Indemnified Party subject to indemnification from the Indemnifying Party equals or exceeds the sum of $25,000. Nonetheless, an Indemnified Party may provide an Indemnifying Party with notice of Claims of less than $25,000 as provided for in Section 11(a) and may permit the Indemnifying Party to defend, settle, or otherwise resolve such claims in order to avoid having the aggregate amount for which such Indemnifying Party may be liable exceed $25,000.

12. LEASE. The Antigen Division is presently conducted on the premises subject to a lease with First Industrial LP (the "Lease"). The Lease shall be assigned to, and assumed by, the Buyer.

13. CONDITIONS TO CLOSING. The obligations of the parties to close the transactions provided for herein are subject to the following conditions as well as to any other conditions express or implied in this Agreement:

(a) SELLER'S CONDITIONS. The obligations of the Seller are subject to the following conditions:

(i) COMPLIANCE WITH AGREEMENT. All representations, warranties, covenants, and other agreements contained herein on the part of the Buyer will be true and correct at the time of Closing.

(ii) CORPORATE ACTION. The sale will have been approved by all requisite corporate action by the Seller.

(iii) LEGAL OPINION. The Seller will have received a favorable opinion of Buyer's legal counsel in the form required by Section 7(b).

(b) BUYER'S CONDITIONS. The obligations of the Buyer to complete the transactions provided for herein are subject to the following conditions:

(i) COMPLIANCE WITH AGREEMENT. All representations, warranties, covenants and other agreements contained herein on the part of the Seller will be true and correct at closing.

(ii) NO LEGAL ACTION. No investigation or action by any governmental regulatory agency having jurisdiction over the Seller or the Assets will have been commenced which will interfere with or jeopardize the ability of the Buyer to acquire the Assets and continue conducting the Antigen Division.

(iii) LEGAL OPINION. The Buyer will have received a favorable opinion of Seller's legal counsel in the form required by Section 7(c).

(iv) CASHLESS EXERCISE. The Seller shall amend the 1992 Stock Option Plan to permit a cashless exercise.

14. TERMINATION.

(a) RIGHT TO TERMINATE. This Agreement may be terminated at any time by mutual agreement of the parties or it may be terminated by the party in whose favor a condition runs upon a failure of such condition as set forth in Section 13 to be satisfied in full.

(b) RIGHTS ON TERMINATION. If this Agreement terminates pursuant to Section 14(a) for any reason other than a willful failure to satisfy the conditions set forth in Section 13, this Agreement will terminate without liability to either party and each party will, upon such termination, be responsible for its own expenses incurred in connection herewith.

15. FINDER'S FEES. Each of the parties represents and warrants to each of the other parties that it has not incurred any obligation for any sales commission, brokerage fee, finder's fee, or other similar obligation in connection with the transactions provided for herein.

16. ASSIGNMENTS AND ASSUMPTIONS. Seller and Buyer shall cooperate to obtain the assignment and assumption agreement of the material agreements listed in Schedule 9(h) and the Specific Liabilities.

17. MISCELLANEOUS.

(a) SURVIVAL OF AGREEMENT. This Agreement and all terms, warranties, and provisions hereof will be true and correct as of the time of closing and will survive the closing. All representations and warranties and other obligations of the parties hereunder will continue in effect for a period of two (2) years.

(b) NOTICES. All notices required or permitted hereunder or under any related agreement or instrument will be deemed delivered when delivered personally or mailed, by certified mail, return receipt requested, or registered mail, to the parties at the following addresses or to such addresses as the respective parties may in writing hereafter direct:

(i) To Seller:

8100 Southpark Way, B-1
Littleton, CO 80120

with a copy to:

Overton Babiarz & Associates, PC
7720 E. Belleview Avenue, Suite 200
Englewood, CO 80111
Attention: David J. Babiarz, Esq.

(ii) To Buyer:

8100 Southpark Way, B-1
Littleton, CO 80120

with a copy to:

Krendl Krendl Sachnoff & Way
370 Seventeenth Street, Suite 5350
Denver, CO 80202
Attention: Cathy S. Krendl, Esq.

(c) SUCCESSORS AND ASSIGNS. This Agreement will be binding upon the parties hereto and their respective successors, personal representatives, heirs and assigns; however, no party hereto will have any right to assign any of its obligations pursuant to this Agreement except with the prior written consent of all of the other parties.

(d) MERGER. This Agreement and the Exhibits and other documents related hereto set forth the entire agreement of the parties with respect to the subject matter hereof and may not be amended or modified except in writing subscribed to by all of such parties.

(e) GOVERNING LAW. This Agreement is entered into in the city and county of Denver, state of Colorado, it will be performed in part within the city and county of Denver, and it will be governed in all respects by the laws of Colorado.

(f) MODIFICATION OR SEVERANCE. In the event that any provision of this Agreement is found by any court or other authority of competent jurisdiction to be illegal or unenforceable, such provision will be severed or modified to the extent necessary to render it enforceable, and as so severed or modified, this Agreement will continue in full force and effect.

Dated the day and year first above set forth.

<TABLE>
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VITRO DIAGNOSTICS, INC. ASPENBIO, INC.

By: By:

James R. Musick, Vice President Roger D. Hurst, President

James R. Musick Roger D. Hurst

Erik D. Van Horn
</TABLE>

VITRO DIAGNOSTICS/ASPEN BIO LIST OF EXHIBITS AND SCHEDULES

EXHIBITS

A. Excluded Assets

B. Assets and Allocation of Price

C. Excluded Liabilities

D. Specific Liabilities

E. Voting Agreement

F. Buyer's Legal Opinion Letter

G. Seller's Legal Opinion Letter

H. Fairness Determination

I. Assignment and Bill of Sale

J. Assignment and Assumption of Lease Agreement

K. Intellectual Property Assignment Agreement

L. Assumption Agreement

M. Promissory Note

N. Personal Guarantee

O. Release and Settlement Agreement

SCHEDULES

9(a) Audited Statements

9(a)(i) Interim Financial Statements

9(e) List of Liens

9(h) List of Material Contracts

9(i) Litigation

9(j) List of Insurance Policies

9(k) Employees and Benefits

EXHIBIT 10.2(a)

ASPENBIO, INC.

SECURITIES PURCHASE AGREEMENT

DECEMBER 28, 2001

TABLE OF CONTENTS

<Table>
<Caption>

</Table>

<Table>
<Caption>

</Table>

ASPENBIO, INC.
SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement") is made and entered into as of December 28, 2001, by and among ASPENBIO, INC., a Colorado corporation (the "Company"), and Cambridge Holdings, Ltd., a Colorado corporation (the "Purchaser").

RECITALS

WHEREAS, the Company has authorized the sale and issuance of 1,000,000 shares of its Common Stock (the "Shares") and Warrants to purchase up to 830,000 shares of Common Stock at $1.00 per share (the "Warrants") and the Shares and the Warrants are collectively referred to as the "Securities";

WHEREAS, the Purchaser desires to purchase the Securities on the terms and conditions set forth herein;

WHEREAS, the Company desires to secure certain consulting services of the Purchaser in connection with taking the Company public; and

WHEREAS, the Company desires to issue and sell the Securities to Purchaser on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT TO SELL AND PURCHASE.

AUTHORIZATION OF SECURITIES. On or prior to the First Closing (as defined in Section 2 below), the Company shall have authorized (a) the sale and issuance to Purchaser of the Securities and (b) the issuance of such shares of Common Stock to be issued upon exercise of the Warrants (the "Warrant Shares"). The Warrants shall be issued to the designees of the Purchaser listed in Purchaser's Schedule 1.1 and in the forms attached hereto as Exhibits A-1 and A-2. Such designees

shall each execute a Subscription Agreement in the form attached hereto as Exhibit I prior to receipt of the Warrants.

SALE AND PURCHASE. Subject to the terms and conditions hereof, at the Closings (as hereinafter defined) the Company hereby agrees to issue and sell to the Purchaser, and the Purchaser agrees to purchase from the Company, the Securities at an aggregate purchase price of $600,000. As further consideration for the purchase of the Securities, Purchaser agrees to perform certain consulting services for the Company as set forth in the Consulting Agreement in the form attached hereto as Exhibit H (the "Consulting Agreement") pursuant to which the Purchaser may forfeit 330,000 of the Warrants as provided in the Consulting Agreement.

CLOSING, DELIVERY AND PAYMENT.

CLOSING. The first closing of the sale and purchase of the Securities under this Agreement (the "First Closing") shall take place at 9:00 a.m. on the date hereof, at the offices of Patton Boggs, LLP, 1660 Lincoln Street, Suite 1900, Denver, CO 80264. The second closing will take place at 9:00 AM at Patton Boggs, LLP on the second business day subsequent to delivery by the Company to Purchaser of financial statements of the Company consisting of audited balance sheets as at December 31, 2001 and 2000 and audited statements of income and cash flow for the year ended December 31, 2001 and for the period from inception to December 31, 2000 (which shall include an audited balance sheet and audited statements of income and cash flow for Vitro Diagnostics, Inc. for the period between January 1, 2000 and August 31, 2000. (the "Second Closing"). The Company's audited statements shall be prepared by Larry O'Donnell, C.P.A., and shall be in accordance with generally accepted accounting principles.

DELIVERY AT THE FIRST CLOSING. At the First Closing, subject to the terms and conditions hereof, the Company will deliver to the Purchaser a certificate representing the 500,000 Shares to be purchased at the First Closing by the Purchaser, against payment of $300,000 by certified check, or wire transfer made payable to the order of the Company, and the parties will execute and deliver the Related Agreements (as defined below), except for the Warrants and the Consulting Agreement.

DELIVERY AT THE SECOND CLOSING. At the Second Closing, subject to the terms and conditions hereof, the Company will deliver to the Purchaser a certificate representing 500,000 Shares and the Warrants to be purchased at the Second Closing by the Purchaser against payment of $300,000 by certified check, or wire transfer made payable to the order of the Company and the parties will execute and deliver the Consulting Agreement.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth on a Schedule of Exceptions delivered by the Company to the Purchaser at the Closing specifically identifying the relevant Section hereof, the Company hereby represents and warrants to Purchaser as of the date of this Agreement as set forth below.

ORGANIZATION, GOOD STANDING AND QUALIFICATION. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement, the Warrant and the Investor Rights Agreement in the form attached hereto as Exhibit B (the "Investor Rights Agreement"), the Shareholders Agreement in the form attached hereto as Exhibit C (the "Shareholders Agreement") and the Consulting Agreement in the form attached hereto as Exhibit H (the "Consulting Agreement") (collectively, the "Related Agreements"), to issue and sell the Securities and the Warrant Shares, and to carry out the provisions of this Agreement and the Related Agreements and to carry on its business as presently conducted and as presently proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

SUBSIDIARIES. Except as provided in the Schedule of Exceptions, the Company has no Subsidiaries and does not own or control any equity security or other interest of any other

corporation, limited partnership or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement. As used in this Agreement, the term "Subsidiary" or "Subsidiaries" means any domestic or foreign corporation or other business organization, whether or not incorporated, of which more than fifty percent (50%) of either the equity interest in, or the voting control of such corporation or organization is, directly or indirectly, beneficially owned by the Company.

CAPITALIZATION; VOTING RIGHTS.

The authorized capital stock of the Company, immediately prior to the First Closing, consists of 15,000,000 shares of Common Stock, 8,300,000 shares of which are issued and outstanding.

Options to purchase 200,000 shares have been granted and are currently outstanding (as listed on Exhibit D), and 900,000 shares of Common Stock are reserved for future issuance to officers, directors, employees and consultants of the Company.

Other than as set forth on Exhibit D, and except as may be granted pursuant to this Agreement and the Related Agreements, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or shareholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities.

The number and class of the Company's equity securities issuable upon exercise or conversion of all outstanding options, warrants and other convertible securities of the Company are as set forth on Exhibit D. The number of shares issuable upon exercise or conversion of such securities will not be adjusted as a result of the transactions contemplated by this Agreement except with respect to the Warrant Shares.

All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued to the persons listed on Exhibit D hereto and are fully paid and nonassessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

The Warrant Shares have been duly and validly reserved for issuance. When issued in compliance with the provisions of this Agreement, the Securities and the Warrant Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances; provided, however, that the Shares and the Warrant Shares may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed.No stock plan, stock purchase, stock option or other agreement or understanding between the Company and any holder of any equity securities or rights to purchase equity securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of any merger, consolidated sale of stock or assets, change in control or any other transaction(s) by the Company.

AUTHORIZATION; BINDING OBLIGATIONS. All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization of this Agreement and the Related Agreements, the performance of all obligations of the Company hereunder and thereunder at the Closings and the authorization, sale, issuance and delivery of the Securities pursuant hereto and the Warrant Shares has been taken or will be taken prior to the Closing. This Agreement and the Related Agreements, when executed and delivered, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable

bankruptcy, insolvency, reorganization, moratorium or other laws of general

application affecting enforcement of creditors' rights and (b) general principles of equity that restrict the availability of equitable remedies. The sale of the Securities and the subsequent exercise of the Warrants into Warrant Shares are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

FINANCIAL STATEMENTS. The Company has made available to the Purchaser (a) its audited balance sheet as at December 31, 2000 and audited statement of income and cash flow for the period from inception to December 31, 2000, and (b) its unaudited balance sheet as at December 15, 2001 (the "Statement Date") and unaudited consolidated statement of income and cash flow for the period ending on the Statement Date (collectively, the "Financial Statements"), copies of which are attached hereto as Exhibit E. The Financial Statements, together with the notes thereto, are complete and correct in all material respects, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except as disclosed therein, and present fairly the financial condition and position of the Company as of December 31, 2000 and the Statement Date; provided, however, that the unaudited financial statements have been prepared in accordance with customary internal bookkeeping practices of the Company. No verification from any third party has been obtained with respect to the information contained in the unaudited financial statements.

LIABILITIES. To the Company's knowledge, the Company has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) except for liabilities or obligations reflected or reserved against in the Financial Statements, and except current liabilities incurred in the ordinary course of business subsequent to the Statement Date which have not been, either in any individual case or in the aggregate, materially adverse.

AGREEMENTS; ACTION.

Except for agreements explicitly contemplated hereby, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, affiliates or any affiliate thereof.

There are no agreements, understandings, instruments, contracts, proposed transactions, judgments, orders, writs or decrees to which the Company is a party or to its knowledge by which it is bound which may involve (i) obligations (contingent or otherwise) of, or payments to, the Company in excess of $25,000 (other than obligations of, or payments to, the Company arising from purchase or sale agreements entered into in the ordinary course of business), or (ii) the transfer or license of any patent, copyright, trade secret or other proprietary right to or from the Company (other than licenses arising from the purchase of "off the shelf" or other standard products), or (iii) provisions restricting the development, manufacture or distribution of the Company's products or services, or (iv) indemnification by the Company with respect to infringements of proprietary rights (other than indemnification obligations arising from purchase, sale or license agreements entered into in the ordinary course of business).

The Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or any other liabilities (other than with respect to dividend obligations, distributions, indebtedness and other obligations incurred in the

ordinary course of business or as disclosed in the Financial Statements) individually in excess of $25,000 or, in the case of indebtedness and/or liabilities individually less than $25,000, in excess of $100,000 in the aggregate, (iii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

For the purposes of subsections (b) and (c) above, all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same person or entity (including persons or entities

the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

OBLIGATIONS TO RELATED PARTIES. There are no obligations of the Company to officers, directors, shareholders, or employees of the Company other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Company). None of the officers, directors or shareholders of the Company, or any members of their immediate families, are indebted to the Company. No officer, director or shareholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company). Except as may be disclosed in the Financial Statements, the Company is not a guarantor or indemnitor of any indebtedness of any other person, firm or corporation.

CHANGES. Since the Statement Date, there has not been to the Company's knowledge:

Any change in the assets, liabilities, financial condition, prospects or operations of the Company from that reflected in the Financial Statements, other than changes in the ordinary course of business, none of which individually or in the aggregate has had or is reasonably expected to have a material adverse effect on such assets, liabilities, financial condition, prospects or operations of the Company;

Any resignation or termination of any officer, key employee or group of employees of the Company; and the Company does not know of the impending resignation or termination of employment of any such officer, key employee or group of employees;

Any material change, except in the ordinary course of business, in the contingent obligations of the Company by way of guaranty, endorsement, indemnity, warranty or otherwise;

Any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the properties, business or prospects or financial condition of the Company;

Any waiver by the Company of a valuable right or of a material debt owed to it;

Any direct or indirect loans made by the Company to any shareholder, employee, officer or director of the Company, other than advances made in the ordinary course of business;

Any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder;

Any declaration or payment of any dividend or other distribution of the assets of the Company;

Any labor organization activity related to the Company;

Any debt, obligation or liability incurred, assumed or guaranteed by the Company, except those for immaterial amounts and for current liabilities incurred in the ordinary course of business;

Any sale, assignment or transfer of any patents, trademarks, copyrights, trade secrets or other intangible assets;

Any change in any material agreement to which the Company is a party or by which it is bound which materially and adversely affects the business, assets, liabilities, financial condition, operations or prospects of the Company;

Any other event or condition of any character that, either individually or cumulatively, has materially and adversely affected the business, assets,

liabilities, financial condition, prospects or operations of the Company; or

Any arrangement or commitment by the Company to do any of the acts described in subsection (a) through (m) above.

TITLE TO PROPERTIES AND ASSETS; LIENS, ETC. The Company has good and marketable title to its properties and assets, including the properties and assets reflected in the most recent balance sheet included in the Financial Statements, and good title to its leasehold estates, in each case subject to no mortgage, pledge, lien, lease, encumbrance or charge, other than (a) those resulting from taxes which have not yet become delinquent, (b) minor liens and encumbrances which do not materially detract from the value of the property subject thereto or materially impair the operations of the Company, and (c) those that have otherwise arisen in the ordinary course of business. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Company are in good operating condition and repair and are reasonably fit and usable for the purposes for which they are being used. To the Company's knowledge, the Company is in compliance with all material terms of each lease to which it is a party or is otherwise bound.

INTELLECTUAL PROPERTY.

To the Company's knowledge, the Company and each of its Subsidiaries owns or possesses adequate licenses or other rights to use all of the patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, trade secrets, copyrights, copyright applications, licenses, domain names, and other intellectual property (collectively, the "Intellectual Property") necessary for the conduct of its business as of the date hereof and as presently proposed to be conducted. Section 3.11 of Schedule of Exceptions sets forth, with respect to each item of Intellectual Property of the Company registered with any domestic or foreign governmental agency (i) a brief description of such item of Intellectual Property, and (ii) the jurisdictions covered by such registration or application. The Company has not received any communication alleging that the Company or any of its Subsidiaries has violated, or by conducting its business as presently proposed to be conducted, would violate any of the Intellectual Property of any other person or entity. The business and operations of the Company and its Subsidiaries as of the date hereof and as presently proposed to be conducted are not materially dependent upon any item or items of Intellectual Property of any other person or entity.

Neither the Company nor any of its Subsidiaries has any obligation to compensate any person for the use of any Intellectual Property and has not, other than in the ordinary course of business, granted to any person any license or right to use such Intellectual

Property, whether or not requiring the payment of royalties. To the Company's knowledge, the Company and each of its Subsidiaries has taken all actions reasonably necessary to protect its ownership or rights to use its Intellectual Property. Neither the Company nor any of its Subsidiaries has assigned, transferred, licensed, pledged, encumbered, or otherwise taken or failed to take any action with respect to its Intellectual Property and underlying technology which would be reasonably likely to have a material adverse effect. To the Company's knowledge, the conduct of the business of the Company or any of its Subsidiaries as of the date hereof and as presently proposed to be conducted does not infringe on any Intellectual Property of any third party. To the Company's knowledge, no third party has infringed or is infringing on any of the Intellectual Property of the Company or any of its Subsidiaries. To the Company's knowledge, no technical information developed by and belonging to the Company or any of its Subsidiaries has been disclosed to a third party who has not entered into an agreement to maintain the confidentiality of such technical information.

The Company does not know of any employee or consultant of the Company or any of its Subsidiaries that is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of his or her best efforts to carry out his or her duties for the Company or any of its Subsidiaries or to promote the interests of the

Company or such Subsidiary or that would conflict with the business of the Company or any of its Subsidiaries as currently conducted and as proposed to be conducted. To the Company's knowledge, the conduct of the business of the Company or any of its Subsidiaries by the employees and contractors of the Company or any of its Subsidiaries, as currently conducted and as presently proposed to be conducted, will not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees or contractors or the Company or any such Subsidiary is now obligated. The Company does not believe it is or will be necessary to utilize any inventions of any employees of the Company or any of its Subsidiaries (or persons the Company or any of its Subsidiaries currently intends to hire) made prior to their employment by the Company or such Subsidiary.

COMPLIANCE WITH OTHER INSTRUMENTS. To the Company's knowledge, the Company is not in material violation or default of any term of its Articles or Bylaws, or of any provision of any mortgage, indenture, contract, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order, writ. To the Company's knowledge, the execution, delivery, and performance of and compliance with this Agreement, and the Related Agreements, and the issuance and sale of the Securities pursuant hereto and of the Warrant Shares, will not, with or without the passage of time or giving of notice, result in any such material violation, or be in conflict with or constitute a material default under any such term, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties. To the Company's knowledge, the Company has avoided every condition, and has not performed any act, the occurrence of which would result in the Company's loss of any right granted under any license, distribution

agreement or other agreement required to be disclosed on the Schedule of Exceptions.

LITIGATION. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of this Agreement, or the Related Agreements or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby, or which would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition, affairs or prospects of the Company, financially or otherwise, or any change in the current equity ownership of the Company, nor does the Company know of any basis for any of the foregoing. The foregoing includes, without limitation, actions pending or, to the Company's knowledge, threatened involving the prior employment of any of the Company's employees, their use in connection with the Company's business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or which the Company intends to initiate.

TAX RETURNS AND PAYMENTS. The Company has timely filed all tax returns (federal, state and local) required to be filed by it. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Company's knowledge all other taxes due and payable by the Company on or before the Closing, have been paid or will be paid prior to the time they become delinquent. The Company has not been advised (a) that any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Company has no knowledge of any liability of any tax to be imposed upon its properties or assets as of the date of this Agreement that is not adequately provided for.

EMPLOYEES. To the Company's knowledge, the Company has no collective bargaining agreements with any of its employees. There is no labor union organizing activity pending or, to the Company's knowledge, threatened with respect to the

Company. To the Company's knowledge, no employee of the Company, nor any consultant with whom the Company has contracted, is in violation of any material term of any employment contract, proprietary information agreement or any other agreement relating to the right of any such individual to be employed by, or to contract with, the Company because of the nature of the business to be conducted by the Company; and to the Company's knowledge the continued employment by the Company of its present employees, and the performance of the Company's contracts with its independent contractors, will not result in any such violation. The Company has not received any notice alleging that any such violation has occurred. Each of the employees of and consultants to the Company and each of its Subsidiaries has executed and delivered to the Company a nondisclosure and inventions agreement substantially in the form of Exhibit F attached hereto. No employee of the Company has been granted the right to continued employment by the Company or to any material compensation following termination of employment with the Company. The Company does not know of any officer, key employee or group of employees that intends to terminate his, her or their employment with the Company, nor

does the Company have a present intention to terminate the employment of any officer, key employee or group of employees.

OBLIGATIONS OF MANAGEMENT. Each officer and key employee of the Company is currently devoting substantially all of his or her business time to the conduct of the business of the Company. The Company does not know of any officer or key employee of the Company that is planning to work less than full time at the Company in the future. No officer or key employee is currently working or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise.

REGISTRATION RIGHTS AND VOTING RIGHTS. Except as set forth in the Investor Rights Agreement and Exhibits hereto, the Company is presently not under any obligation, and has not granted any rights, to register any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. To the Company's knowledge, except as contemplated in the Shareholders Agreement, no shareholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

COMPLIANCE WITH LAWS; PERMITS. To the Company's knowledge, the Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties which violation would materially and adversely affect the business, assets, liabilities, financial condition, operations or prospects of the Company. To the Company's knowledge, no governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement and the issuance of the Securities or the Warrant Shares, except such as has been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner. To the Company's knowledge, the Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which could materially and adversely affect the business, properties, prospects or financial condition of the Company and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted.

ENVIRONMENTAL AND SAFETY LAWS.

To the Company's knowledge, the Company is not in violation of any applicable statute, law or regulation relating to occupational health and safety, and to its knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

To the Company's knowledge, neither the Company nor any Subsidiary has caused or allowed, or contracted with any party for, the generation, use, transportation, treatment, storage or disposal of any Hazardous Substances (as defined below) in connection with the operation of its business or otherwise in a material violation of any applicable Environmental Laws. To the Company's knowledge, the operation of the business and the ownership, lease or occupation of real

property (the "Premises") by the Company and its Subsidiaries are in material compliance with all applicable Environmental Laws (as defined below) and orders or directives of any governmental authorities having jurisdiction under such Environmental Laws, including, without limitation, any

Environmental Laws or orders or directives with respect to any cleanup or remediation of any release or threat of release of Hazardous Substances. Neither the Company nor any Subsidiary has received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit, from any person arising out of the ownership or occupation of the Premises, or the conduct of its operations, and the Company does not know of any basis therefor. To the Company's knowledge, the Company and each of its Subsidiaries has obtained and is maintaining in full force and effect all necessary permits, licenses and approvals required by all Environmental Laws applicable to the Premises and the business operations conducted thereon, and is in compliance with all such permits, licenses and approvals. To the Company's knowledge, neither the Company nor any Subsidiary has caused or allowed a release, or a threat of release, of any Hazardous Substance unto, at or near the Premises, and, to the Company's knowledge, neither the Premises nor any property at or near the Premises has ever been subject to a release, or a threat of release, of any Hazardous Substance. For the purposes of this Agreement, the term "Environmental Laws" shall mean any Federal, state or local law or ordinance or regulation pertaining to the protection of human health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq. For purposes of this Agreement, the term "Hazardous Substances" shall include oil and petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde and any other materials classified as hazardous or toxic under any Environmental Laws.

FULL DISCLOSURE. The Company has provided the Purchaser with all information requested by the Purchaser in connection with its decision to purchase the Securities, including all information the Company believes is reasonably necessary to make such investment decision. Neither this Agreement, the exhibits hereto, the Related Agreements nor any other document delivered by the Company to Purchaser or its attorneys or agents in connection herewith or therewith or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the Company's knowledge, there are no facts which (individually or in the aggregate) materially adversely affect the business, assets, liabilities, financial condition, prospects or operations of the Company that have not been set forth in this Agreement, the exhibits hereto, the Related Agreements or in other documents delivered to Purchaser or their attorneys or agents in connection herewith.

FOREIGN CORRUPT PRACTICES ACT. To the Company's knowledge, neither the Company nor any of its Subsidiaries has taken any action which would cause it to be in material violation of the Foreign Corrupt Practices Act of 1977, as amended, or any rules or regulations thereunder. To the Company's knowledge, there is not now, and there has never been, any employment by the Company or any of its subsidiaries of, or beneficial ownership in the Company or any of its subsidiaries by, any governmental or political official in any country in the world.

MINUTE BOOKS. The minute books of the Company made available to the Purchaser contain a complete summary of all meetings of directors and shareholders since the time of incorporation.

INSURANCE. The Company has general commercial, fire, casualty and workers' compensation insurance policies with coverage customary for companies similarly situated to the Company.

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER.

Except as set forth on a Schedule of Exceptions delivered by the Purchaser to the Company at the Closing specifically identifying the relevant Section hereof, the Purchaser hereby represents and warrants to the Company as follows (such representations and warranties do not lessen or obviate the representations and warranties of the Company set forth in this Agreement):

ORGANIZATION, GOOD STANDING AND QUALIFICATION. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado. The Purchaser is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Purchaser or its business.

REQUISITE POWER AND AUTHORITY. Purchaser has all necessary power and authority under all applicable provisions of law to execute and deliver this Agreement and the Related Agreements and to carry out their provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Related Agreements have been or will be effectively taken prior to the Closing. Upon their execution and delivery, this Agreement and the Related Agreements will be valid and binding obligations of Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies

LITIGATION. There is no action, suit, proceeding or investigation pending or, to the Purchaser's knowledge, currently threatened against the Purchaser that questions the validity of this Agreement, or the Related Agreements or the right of the Purchaser to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby, or which would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition, affairs or prospects of the Purchaser, financially or otherwise, or any change in the current equity ownership of the Purchaser, nor does the Purchaser know of any basis for any of the foregoing. Purchaser is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. Neither the Purchaser, its officers, directors or any shareholders holding more than 5% of the issued and outstanding shares of the Purchaser have been subject to action, suit, order, procedure or, to the knowledge of Purchaser, investigation by the U.S. Securities and Exchange Commission ("SEC"), the National Association of Securities Dealers, any state securities commission or other regulatory body. There is no action, suit, proceeding or investigation by the Purchaser currently pending or which the Purchaser intends to initiate.

TAX RETURNS AND PAYMENTS. The Purchaser has timely filed all tax returns (federal, state and local) required to be filed by it. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Purchaser's knowledge all other taxes due and payable by the Purchaser on or before the Closing, have been paid or will be paid prior to the time they become delinquent. The Purchaser has not been advised (a) that

any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Purchaser has no knowledge of any liability of any tax to be imposed upon its properties or assets as of the date of this Agreement that is not adequately provided for.

FULL DISCLOSURE. The Purchaser has provided the Company with all information requested by the Company in connection with sale of the Securities, including all information the Purchaser believes is reasonably necessary to make such a decision. Neither this Agreement, the exhibits hereto, the Related Agreements nor any other document delivered by the Purchaser to Company or its attorneys or agents in connection herewith or therewith or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements contained herein

or therein not misleading. To the Purchaser's knowledge, there are no facts which (individually or in the aggregate) materially adversely affect the consummation of the transactions contemplated herein that have not been set forth in this Agreement, the exhibits hereto, the Related Agreements or in other documents delivered to Company or their attorneys or agents in connection herewith.

INVESTMENT REPRESENTATIONS. Purchaser understands that neither the Securities nor the Warrant Shares have been registered under the Securities Act. Purchaser also understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in the Agreement. Purchaser hereby represents and warrants as follows:

INVESTMENT EXPERIENCE. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests.

ACQUISITION FOR OWN ACCOUNT. Purchaser is acquiring the Securities and the Warrant Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

PURCHASER CAN PROTECT ITS INTEREST. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement, and the Related Agreements. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

COMPANY INFORMATION. Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company. Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment.

LIQUIDITY. Purchaser acknowledges and agrees that the Securities, and, if issued, the Warrant Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available.

RESIDENCE. The office of the Purchaser in which its investment decision was made is located at the address of the Purchaser set forth on the signature page hereof.

TRANSFER RESTRICTIONS. The Purchaser acknowledges and agrees that the Securities and, if issued, the Warrant Shares are subject to restrictions on transfer pursuant to the Securities Act and applicable securities laws.

CONDITIONS TO CLOSING.

CONDITIONS TO PURCHASER'S OBLIGATIONS AT THE CLOSING. Purchaser's obligations to purchase the Securities at each of the Closings are subject to the satisfaction, at or prior to the date for each of the Closings, of the following conditions:

REPRESENTATIONS AND WARRANTIES TRUE; PERFORMANCE OF OBLIGATIONS. The representations and warranties made by the Company in Section 3 hereof shall be true and correct as of the Closing Date with the same force and effect as if they had been made as of the Closing Date, and the Company shall have performed all obligations and conditions herein required to be performed or observed by it on or prior to the Closing.

CONSENTS, PERMITS, AND WAIVERS. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Related Agreements (except for such as may be properly obtained subsequent to the Closing).

CORPORATE DOCUMENTS. The Company shall have delivered to Purchaser or their counsel, copies of all corporate documents of the Company as Purchaser shall

reasonably request.

RESERVATION OF WARRANT SHARES. The Warrant Shares issuable upon conversion of the Shares shall have been duly authorized and reserved for issuance upon such conversion.

SECRETARY'S CERTIFICATE. The Purchaser shall have received from the Company's Secretary, a certificate having attached thereto (i) the Company's Articles of Incorporation, as amended, as in effect at the time of the Closing, (ii) the Company's Bylaws as in effect at the time of the Closing, (iii) resolutions approved by the Board of Directors authorizing the transactions contemplated hereby, and (iv) good standing certificates with respect to the Company from the Secretary of State of Colorado and any other jurisdiction in which the Company is qualified to do business, dated a recent date before the Closing.

INVESTOR RIGHTS AGREEMENT. The Investor Rights Agreement substantially in the form attached hereto as Exhibit B shall have been executed and delivered by the parties thereto.

SHAREHOLDERS AGREEMENT. The Shareholders Agreement substantially in the form attached hereto as Exhibit C shall have been executed and delivered by the parties thereto.

PROCEEDINGS AND DOCUMENTS. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Purchaser and their special counsel, and the Purchaser and their special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

CONDITIONS TO OBLIGATIONS OF THE COMPANY. The Company's obligation to issue and sell the Shares at each Closing is subject to the satisfaction, on or prior to such Closing, of the following conditions:

REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties in Section 4 made by the Purchaser shall be true and correct at the date of each of the Closings, with the same force and effect as if they had been made on and as of said date.

PERFORMANCE OF OBLIGATIONS. The Purchaser shall have performed and complied with all

agreements and conditions herein required to be performed or complied with by the Purchaser on or before the Closing.

INVESTOR RIGHTS AGREEMENT. The Investor Rights Agreement substantially in the form attached hereto as Exhibit B shall have been executed and delivered by the Purchaser.

CONSENTS, PERMITS, AND WAIVERS. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Related Agreements (except for such as may be properly obtained subsequent to the Closing).

SECRETARY'S CERTIFICATE. The Company shall have received from the Purchaser's Secretary, a certificate having attached thereto (i) resolutions approved by the Board of Directors authorizing the transactions contemplated hereby, and (ii) good standing certificates with respect to the Purchaser from the Secretary of State of Colorado.

CONFIDENTIALITY. The Confidentiality and Non-disclosure Agreement substantially in the form attached hereto as Exhibit G shall have been executed and delivered by the Purchaser.

(g) CONSULTING AGREEMENT. The Consulting Agreement substantially in the form attached hereto as Exhibit H shall have been executed and delivered by the parties thereto.

MISCELLANEOUS.

GOVERNING LAW. This Agreement shall be governed in all respects by the laws of the State of Colorado.

SURVIVAL. The representations, warranties, covenants and agreements made herein shall survive any investigation made by the Purchaser and the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument.

SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Securities from time to time.

ENTIRE AGREEMENT. This Agreement, the exhibits and schedules hereto, the Related Agreements and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

SEVERABILITY. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

AMENDMENT AND WAIVER.

This Agreement may be amended or modified only upon the written agreement of the Company and the Purchaser.

The obligations of the Company and the Purchaser under the Agreement may be waived only written consent of the other party but any waiver or failure to insist upon strict

compliance with such obligations shall not operate as a waiver of, or estoppel with respect to, any subsequent failure of compliance.

DELAYS OR OMISSIONS. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement or the Related Agreements, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the Purchaser's part of any breach, default or noncompliance under this Agreement, the Related Agreements or any waiver on such party's part of any provisions or conditions of the Agreement or the Related Agreements must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or the Related Agreements, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

NOTICES. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company and to the Purchaser at their respective addresses as set forth on the signature page hereof or at such other address as the Company or such Purchaser may designate by ten (10) days advance written notice to the other party hereto.

EXPENSES. Each party will pay its own legal, accounting and other expenses

incurred by such party or on its own behalf in connection with this Agreement and the Related Agreements.

ATTORNEYS' FEES. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

TITLES AND SUBTITLES. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

BROKER'S FEES. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 6.13 being untrue.

INDEMNIFICATION. Each party hereto agrees to indemnify and hold harmless the other party, its affiliates, directors, officers, agents and representatives as follows:

INDEMNIFICATION FOR CLAIMS. As used herein, the term "Claims" refers to any losses, damages, liabilities, or claims including costs or expenses (including but not limited to attorneys' fees and other expenses of investigation in defense of any such claims) which arise as a result of any breach or violation of the covenants, agreements, warrants, or representations contained in this Agreement or the Related Agreements. Any party who has breached or violated any covenant, agreement, warranty, or representation giving rise to a Claim shall be referred to as an "Indemnifying Party" and any party who has suffered or is threatened with suffering losses in connection with such a Claim shall be referred to as an "Indemnified Party." The Indemnifying Party will be obligated to indemnify the Indemnified party with respect to any Claim occasioned by a breach or violation of this Agreement or the Related Agreements on the part of the Indemnifying Party.

NOTICE. Any Indemnified Party shall promptly advise any Indemnifying Party in writing of the existence of any Claim caused or permitted by such Indemnifying Party as soon as feasible and in no event later than ten days after the Indemnified Party becomes aware of such actual or potential Claim. Thereafter, if the Indemnifying Party acknowledges its obligation in writing, the Indemnified Party will afford the Indemnifying Party a reasonable opportunity to undertake the defense, settlement, or other resolution of the Claim, and the Indemnified Party shall cooperate fully with the Indemnifying Party in resolving such matter. If the Indemnifying Party fails or refuses to acknowledge its liability or to undertake such defense, settlement, or other resolution of such Claim, then the Indemnified Party may itself defend, settle, or otherwise resolve the Claim, and the Indemnifying Party shall be solely responsible for all costs incurred by the Indemnified Party in connection therewith.

USE OF PROCEEDS. The proceeds from the sale of the Securities shall be used by the Company for research and development and for general corporate purposes.

KNOWLEDGE. Whenever a statement of any party to this Agreement is qualified by that party's "knowledge", "knowledge" means the actual knowledge of the person making such statement at the time or times that such statement is made without any requirement for further inquiry. If the statement is made by the Company, such knowledge shall include the actual knowledge of the Company's officers and directors; otherwise, the actual knowledge of a person shall not be imputed to any other person.

PRONOUNS. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed the SECURITIES PURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

COMPANY:

ASPENBIO, INC.

By: Roger Hurst, President

Address: 8100 Southpark Way, Bldg. B-1
Littleton, CO 80120

PURCHASER:

Cambridge Holdings, Ltd.

By: Gregory Pusey, President
106 S. University Blvd. Unit 14
Denver, CO 80209

SECURITIES PURCHASE AGREEMENT
SIGNATURE PAGE

LIST OF EXHIBITS

EXHIBIT 10.3

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "Agreement") is entered into this 28th day of December, 2001, by and between AspenBio, Inc., a Colorado corporation (the "Company") and Cambridge Holdings, Ltd., a Colorado corporation (the "Purchaser").

RECITALS

A. On the date hereof, the Company and the Purchaser entered into a Securities Purchase Agreement (the "Purchase Agreement"), pursuant to which Purchaser acquired, and agreed to acquire, certain securities of the Company as described in the Purchase Agreement. All capitalized terms used in this Agreement shall have the same meanings as ascribed to such terms in the Purchase Agreement.

B. Section 2.2 of the Purchase Agreement provides that the Parties enter into this Agreement to provide rights for the Purchaser .

C. This Agreement is being executed and delivered at the Closing in connection with provision for payment of the purchase price under the Purchase Agreement.

STATEMENT OF AGREEMENT

NOW THEREFORE, in consideration of the premises and of the respective covenants and provisions herein contained, and intending to be legally bound hereby, the Parties agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Affiliate" means (i) with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) with respect to any individual, the spouse, child, step-child, grandchild, niece, nephew or parent of such Person, or the spouse thereof.

"Common Stock" means the Common Stock of the Company and any equity securities issued or issuable with respect to the Common Stock in connection with a reclassification, recapitalization, merger, consolidation or other reorganization.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" means any Person owning of record Registrable Securities that have not been sold to the public.

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

"Registrable Securities" means any (i) of the Shares purchased pursuant to the Purchase Agreement, (ii) shares of Common Stock issuable or issued upon exercise of the Warrants and, (iii) any other shares of Common Stock issued or issuable, directly or indirectly, with respect to the Common Stock referenced in clauses (i) or (ii) or by way of stock dividend, stock split or combination of shares. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (a) a registration statement filed pursuant to a Demand Registration Request (as defined in Section 2.2 herein) or a Form S-3 Registration (as defined in Section 2.4 herein) with respect to such securities shall have been declared effective under the Securities Act and the Company has materially complied with Section 2.3(b) herein, or (b) such securities shall have been disposed of in accordance with a registration described in Section 2.1 herein ("Piggyback Registration"), or (c) such securities shall have been sold

pursuant to Rule 144 (or any successor provision) under the Securities Act, or (d) such securities are eligible for sale under Rule 144(k) (or any successor provision) under the Securities Act. Provided, however, that Registrable Securities which otherwise would cease to be considered Registrable Securities as a result of item (a) above shall remain Registrable Securities solely for the purposes of Section 2.1 herein.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

2. Registration Rights.

2.1 Piggyback Registrations.

(a) Piggyback Registrations. If, at any time prior to June 30, 2007 the Company proposes to register its Common Stock under the Securities Act in connection with the public offering of Common Stock (other than a registration relating solely to the sale of Common Stock to participants in an employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) whether or not for its own account, the Company shall give prompt written notice of its intention to do so to the Holders. Upon the written request of any of the Holders made within 15 days following the receipt of any such written notice (which request shall specify the Registrable Securities intended to be disposed of by the Holders and the intended method of distribution thereof), the Company shall use commercially reasonable efforts to cause all such Registrable Securities to be registered under the Securities Act (with the securities which the Company at the time proposes to register) to permit the sale or other disposition by the Holders (in accordance with the intended method of distribution thereof) of the Registrable Securities to be so registered.

(b) Abandonment or Delay. If, at any time after giving written notice of its intention to register its Common Stock and prior to the effective date of the

registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of its Common Stock, the Company may, at its election, give written notice of such determination to all Holders and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of Holders under Section 2.1(a), and (ii) in the case of a determination to delay such registration of its Common Stock shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering its Common Stock.

(c) Holder's Right to Withdraw. Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration statement pursuant to this Section 2.1 by giving written notice to the Company of its request to withdraw.

(d) Underwriting Requirements. In connection with any offering involving an underwriting of the Common Stock, the Company shall not be required under Section 2.1 to include any of the Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by persons to be included in such offering exceeds the amount of securities that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of shares of Common Stock, including Registrable

Securities, which the underwriters determine in their discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the Persons according to the total amount of securities entitled to be included therein owned by each Person or in such proportions as shall mutually be agreed to by such Persons. In the event that the underwriters determine that the total amount of securities requested to be included in the offering exceeds the amount that the underwriters determine is compatible with the success of the offering, then the underwriters shall provide written notice of such determination to the Holders.

2.2 Demand Registration.

(a) Request for Registration. The Holders shall be entitled to one Demand Registration Request as defined herein. Subject to Section 2.2(c), at any time between September 30, 2002 and June 30, 2006 one or more Holders holding at least a majority of the Registrable Securities then outstanding shall have the right to require the Company to file a registration statement under the Securities Act covering the Registrable

Securities, by delivering a written request therefor to the Company specifying the Registrable Securities to be included in such registration by such Holder(s) and the intended method of distribution thereof. Any such request pursuant to this Section 2.2(a) is referred to herein as the "Demand Registration Request" and the registration so requested is referred to herein as the "Demand Registration".

(b) Registration. The Company shall, as expeditiously as possible following the Demand Registration Request, use commercially reasonable efforts to effect such registration under the Securities Act (including, without limitation, by means of a shelf registration pursuant to Rule 415 under the Securities Act if so requested and if the Company is then eligible to use such a registration) of the Registrable Securities which the Company has been so requested to register, for distribution in accordance with such intended method of distribution.

(c) Limitations on Requested Registration. The rights of Holders to request the Demand Registration pursuant to Section 2.2(a) are subject to the following limitations: (i) in no event shall the Holders be entitled to more than one Demand Registration Request, (ii) if the request is made prior to June 20, 2003 and the Board of Directors of the Company makes a reasonable good faith determination that the payment of the legal and accounting fees and other pertinent expenses incident to the filing and prosecution of the registration statement would have a material adverse effect on the financial condition of the Company, the Company shall not be required to comply with the Demand Registration Request, or (iii) if any of the Holders have participated in a Demand Registration or a Form S-3 Registration in the twelve-month period preceding the request. Provided, however, that the Company shall be required to comply with the Demand Registration Request if the Purchaser agrees to pay such expenses.

(d) Company Registration. During the period starting with the date of filing of, and ending on a date 180 days after the effective date of, a registration subject to Section 2.1 hereof, the Company shall not be obligated to effect, or take any action to effect, any registration pursuant to this Section 2.2; provided that the Company is actively employing good faith and commercially reasonable efforts to cause such registration statement to become effective. In the event that the Company determines not to pursue a registration or to withdraw a registration that has been filed, notice of such action will be provided promptly by the Company to the Holders.

(e) Underwriting Requirements. If the Holders intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.2(a). The underwriter will be selected by the

Company and shall be reasonably acceptable to the Holders. In such event, the right of the Holder to include its Registrable Securities in such registration shall be conditioned upon the Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Common Stock through such underwriting shall (together with the Company as provided in Section 3) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such

underwriting. Notwithstanding any other provisions of this Section 2.2, if the underwriter advises the Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the number of shares of Registrable Securities and other securities that may be included in the underwriting shall be allocated among all Holders and other Persons whose Common Stock of the Company the Company has agreed may be included in the offering (collectively, the "Selling Shareholders") in proportion (as nearly practicable) to the amount of Common Stock of the Company owned by the Holders and the other Selling Shareholders. In the event that notice is received from the underwriter that the number of shares to be underwritten should be limited, and the number of shares of Registrable Securities included in the offering is less than a majority of the Registrable Securities, then the offering shall not be deemed to be the Demand Registration Request.

2.3 Registration Procedures. If and whenever the Company is required by the provisions of this Agreement to use commercially reasonable efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company shall, as expeditiously as possible:

(a) prepare and file with the SEC a registration statement on an appropriate registration form of the SEC for the disposition of such Registrable Securities in accordance with the intended method of disposition thereof, which form (i) shall be selected by the Company and (ii) shall, in the case of a shelf registration, be available for the sale of the Registrable Securities by the Holders and such registration statement shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith, and the Company shall use its best efforts to cause such registration statement to become effective (provided, however, that before filing a registration statement or prospectus or any amendments or supplements thereto, or comparable statements under securities or blue sky laws of any jurisdiction, the Company will furnish to one counsel for the Holders participating in the planned offering and the underwriters, if any, copies of all such documents proposed to be filed (including all exhibits thereto), which documents will be subject to the reasonable review and reasonable comment of such counsel, and the Company shall not file any registration statement or amendment thereto or any prospectus or supplement thereto to which the underwriters, if any, shall reasonably object in writing);

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for such period (which shall not be required to exceed 180 days in the case of a Demand Registration and shall not exceed 90 days for all other registrations unless mutually agreed to in writing by the parties) as any seller of Registrable Securities pursuant to such registration statement shall request and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) furnish, without charge, to each seller of such

Registrable Securities and each underwriter, if any, of the securities covered by such registration statement such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits), and the prospectus included in such registration statement (including each preliminary prospectus) in conformity with the requirements of the Securities Act, and other documents, as such seller and underwriter may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by such seller (the Company hereby consenting to the use in accordance with applicable law of each such registration statement (or amendment or post-effective amendment thereto) and each such prospectus (or preliminary prospectus or supplement thereto) by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus);

(d) use its best efforts to register or qualify the Registrable Securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as any sellers of Registrable Securities or any managing underwriter, if any, shall reasonably request in writing, and do any and all other acts and things which may be reasonably necessary or advisable to enable such sellers or underwriter, if any, to consummate the disposition of the Registrable Securities in such jurisdictions, except that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it would not, but for the requirements of this paragraph (d), be required to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) promptly notify each Holder selling Registrable Securities covered by such registration statement and each managing underwriter, if any: (i) when the registration statement, any pre-effective amendment, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed and, with respect to the registration statement or any post-effective amendment, when the same has become effective; (ii) of any request by the SEC or state securities authority for amendments or supplements to the registration statement or the prospectus related thereto or for additional information; (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation of any proceeding for such purpose; (v) of the existence of any fact of which the Company becomes aware which results in the registration statement, the prospectus related thereto or any document incorporated therein by reference containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not misleading; and (vi) if at any time the representations and warranties contemplated by Section 3 below cease to be true and correct in all material respects, and, if the notification relates to an event described in clause (v), the Company shall promptly prepare and furnish to each such seller and each underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as

thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made not misleading;

(f) enter into such customary agreements (including, if applicable, an underwriting agreement) and take such other actions as the Holders participating in such offering shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities. The Holders of the Registrable Securities which are to be distributed by such underwriters shall be parties to such underwriting

agreement and may, at their option, require that the Company make to and for the benefit of such Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters and which are of the type customarily provided in secondary offerings;

(g) if an opinion from the Company's counsel is delivered to any underwriters in the offering, the Company shall furnish to the Holders of Registrable Securities participating in the offering, a copy of such opinion and letter addressed to such Holders;

(h) delivery promptly to the Holders of Registrable Securities participating in the offering and each underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and any memoranda relating to discussions with the Commission or its staff with respect to the registration statement, other than those portions of any such memoranda which contain information subject to attorney-client privilege with respect to the Company, and, upon receipt of such confidentiality agreements as the Company may reasonably request, make reasonably available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter, if any, participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement provided the recipient of such information seeks such information in good faith and for a proper purpose;

(i) make reasonably available its employees and personnel and otherwise provide reasonable assistance to the underwriters (taking into account the needs to the Company's businesses and the requirements of the marketing process) in the marketing of Registrable Securities in any underwritten offering;

(j) cooperate with the Holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and

registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the selling holders of the Registrable Securities at least three business days prior to any sale of Registrable Securities; and

(k) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities.

2.4 Form S-3 Registration. At any time between September 30, 2003 and June 30, 2006, in case the Company shall receive from one or more Holders holding at least a majority of the Registrable Securities then outstanding a written request that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances made as to permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together will all such portion of the Registrable Securities of

any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than $500,000.

(iii) if any of the Holders have participated in a Demand Registration, a Form S-3 Registration or a Piggyback Registration within the twelve-month period preceding the request.

2.5 Registration Expenses.

(a) "Expenses" shall mean any and all fees and expenses incident to the Company's performance of or compliance with this Article 2, including, without limitation: (i) SEC, stock exchange or NASD registration, listing and filing fees and all listing fees and fees with respect to the including of securities in NASDAQ, (ii) fees and expenses of compliance with state securities or "blue sky" laws and in connection with the preparation of a "blue sky" survey, including without limitation, reasonable fees and expenses of blue sky counsel, (iii) printing and copying expenses, (iv) messenger and

delivery expenses, (v) fees and disbursements of counsel for the Company, (vi) fees and disbursements of all independent public accountants (including the expenses of any audit and/or "cold comfort" letter) and fees and expenses of other persons, including special experts, retained by the Company, and (vii) any other fees and disbursements of underwriters, if any, customarily paid by issuers or sellers of securities (collectively, "Expenses").

(b) The Company shall pay all Expenses with respect to any Demand Registration, whether or not it becomes effective or remains effective for the period contemplated by Section 2.3(b), and with respect to any registration effected under Section 2.1 or Section 2.4.

(c) Notwithstanding the foregoing, (x) the provisions of this Section 2.5 shall be deemed amended to the extent necessary to cause these expense provisions to comply with "blue sky" laws of each state in which the offering is made and (y) in connection with any registration hereunder, each Holder of Registrable Securities being registered shall pay all underwriting discounts and commissions and any transfer taxes, if any, attributable to the sale of such Registrable Securities, pro rata with respect to payments of discounts and commissions in accordance with the number of shares sold in the offering by such Holder, and (z) the Company shall, in the case of all registrations under this Article 2, be responsible for all its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties).

2.6 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.7 Indemnification.

(a) In the event of any registration of any

securities of the Company under the Securities Act pursuant to this Article 2, the Company will, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder of Registrable Securities, its directors, officers and representatives, and each other person, if any, who controls such Holder within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities

Act, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company shall not be liable to any such indemnified party in any such case to the extent such Claim or expense arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of such indemnified party specifically for use therein. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such seller.

(b) In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article 2, the Holders of Registrable Securities will, and hereby indemnify and hold harmless, to the fullest extent permitted by law, the Company, its shareholders, directors, officers, agents and representatives, and each other person, if any, who controls the Company within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Holders' consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities Act, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Holders shall not be liable to any such indemnified party in any such case to the extent such Claim or expense arises out of or is based upon any untrue

statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary

prospectus unless it is contained in the written information furnished to the Company by or on behalf of such Holder specifically for use therein; provided, further, that the obligation to indemnify will be individual to each Holder and will be limited to the amount of proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement.. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such seller.

(c) Any person entitled to indemnification under this Agreement shall notify promptly the indemnifying party in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 2.7, but the failure of any indemnified party to provide such notice shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 2.7, except to the extent the indemnifying party is materially prejudiced thereby and shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Section 2. In case any action or proceeding is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, to assume the defense thereof jointly with any other indemnifying party similarly noticed, to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party that it so chooses, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within 20 days after receiving notice from such indemnified party that the indemnified party believes it has failed to do so; or (ii) if such indemnified party who is a defendant in any action or proceeding which is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party; or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above, and the indemnifying party shall be liable for any expenses therefor. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If for any reason the foregoing indemnity is unavailable or is insufficient to hold harmless an indemnified party under Section 2.7 or each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any

Claim in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, with respect to such offering of securities. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. If, however, the allocation provided in the second preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative faults but also the relative benefits of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 2.7(d) were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentences of this Section 2.7(d). The amount paid or payable in respect of any Claim shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(t) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

2.8 Underwritten Offerings. If requested by the underwriters for any underwritten offering by the Holders of Registrable Securities pursuant to a registration requested under Section 2, the Company shall enter into a customary underwriting agreement with the underwriters. Such underwriting agreement shall be reasonably satisfactory in form and substance to the Holders and shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms as are generally included in the underwriting agreement of such underwriters, including, without limitations, indemnities and contribution agreements.

3. Rule 144 Reporting. With a view of making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make a keep public information available, as those terms are understood and defined in SEC Rule 144 or any successor rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Exchange Act at any time after it has become subject to such reporting requirements.

4. Covenants of the Company. The Company covenants as follows:

4.1 Board of Directors. The Company shall use its best efforts to have the Board hold a minimum of three meetings per year. During the period from the date thereof through June 30, 2003, so long as Purchaser owns a minimum of 250,000 Shares, the Company shall use its best efforts to insure that the Purchaser shall be entitled to appoint one director to the Board. Unless instructed otherwise by the Purchaser, the person so entitled to be appointed to the Board shall be Gregory Pusey.

4.2 Committees. The Company shall establish and maintain a Compensation and Audit Committee, each of which shall have no more than three members. Until at least June 20, 2003, Greg Pusey shall serve as a member of the Compensation Committee.

4.3 Expenses of Directors. The Company shall promptly reimburse, in full, the director of the Company who has been designated by the Purchaser for all of such director's reasonable out-of-pocket expenses incurred in attending each meeting of the Board or any Committee thereof and any other reasonable expenses incurred by such director while acting on the Company's behalf at the request of the Company.

4.4 Non-Disclosure and Invention Agreements. The Company shall require all officers, employees, consultants and advisors now or hereafter employed or engaged by the

Company who have or shall have access to proprietary information relating to the Company to enter into nondisclosure and development agreements in form and substance satisfactory to the Company's Board.

4.5 Insurance. The Company shall at all times maintain in full force and effect from a financially sound and reputable insurer a director's and officer's liability insurance policy in the amount of not less $1 million covering any representative of the Purchaser who is a director of the Company.

4.6 Size of the Board of Directors. From the date hereof to December 20, 2002, the size of the Company's Board shall not be increased to more than five members without the Purchaser's approval.

4.7 Stock Options. From the date hereof until December 20, 2002, the Company shall restrict stock option or stock award grants to its employees and consultants to a limit of 900,000 shares at an exercise price of $1.00 or greater (exclusive of directors) and will not increase the limit without the Purchaser's approval. It is understood that the Company has recently granted options purchase up to 200,000 shares of Common Stock at $1.00 per share to its directors and prior to December 20, 2002, which shall not reduce the 900,000 available options or awards.

5. General.

5.1 Amendments and Waivers. This Agreement may be amended, modified, supplemented or waived only upon the written agreement of the party against whom enforcement of such amendment, modification, supplement or waiver is sought.

5.2 Notices. All notices, elections, request, demands or other communications hereunder shall be in writing and shall be deemed given at the time delivered personally or by fax or upon receipt if deposited in the United States mail, certified or registered, return receipt requested, postage prepaid addressed to the parties as follows (or to such other person or place, written notice of which any party hereto shall have given to the other):

(a) If to the Purchaser: Cambridge Holdings, Ltd.
106 S. University Boulevard #14
Denver, Colorado 80209
Attention: Gregory Pusey, President
Telephone: (303) 722-4008
Facsimile: (303) 722-4011

With a Copy to: Patton Boggs LLP
1660 Lincoln Street, Suite 1900
Denver, Colorado 80264
Attention: Robert M. Bearman, Esq.
Telephone: (303) 894-6169
Facsimile: (303) 894-9239

(b) If to Company: AspenBio, Inc.

8100 Southpark Way, Building B-1
Littleton, Colorado 80120
Attention: Roger Hurst, President
Telephone: (303) 794-2000
Facsimile: (303) 798-8332

With a Copy to: Krendl Krendl Sachnoff & Way PC
370 17th Street, Suite 5350
Denver, Colorado 80202
Telephone: (303) 629-2600
Facsimile : (303) 629-2606
Attention: Cathy S. Krendl, Esq.

5.3 Miscellaneous.

(a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and the respective successors, personal representatives and assigns. No Person other than a Holder shall be entitled to any benefits under this Agreement, except as otherwise expressly provided herein.

(b) This Agreement as well as the Securities Purchase Agreement (and the Related Agreements referred to therein) between the parties of even date (with the documents referred to herein or delivered pursuant hereto) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understanding relating to the subject matter hereof.

(c) This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Colorado without giving effect to the conflicts of law principles thereof.

(d) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. All section references are to this Agreement unless otherwise expressly provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

(f) Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

(g) The parties hereto acknowledge that there would be no adequate remedy at law if any party fails to perform any of its obligations hereunder, and accordingly agree that each party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to injunctive relief, including specific performance, to enforce such obligations without the posting of any bond, and, if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

(h) Each party hereto 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 any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Inventory Rights Agreement as of the date set forth above.

ASPENBIO, INC.

By:

Name:

Title:

CAMBRIDGE HOLDINGS, LTD.

By:

Name:

Title:

EXHIBIT 10.4(a)

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered into effective as of December 28, 2001, by and between AspenBio, Inc., a Colorado corporation (the "Company") and Cambridge Holdings, Ltd., a Colorado corporation ("Consultant").

RECITALS. The Company and Consultant have entered into that certain Securities Purchase Agreement of even date hereof (the "Purchase Agreement"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings given such terms in the Purchase Agreement. The Company is desirous of considering joint venture and other strategic arrangements and of becoming a reporting company under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company would like to file a registration statement with the SEC as soon as possible, to register for resale shares held by certain of the Company's shareholders and to distribute to the Consultant's shareholders the Company's shares acquired by the Consultant pursuant to the Purchase Agreement. The parties hereto desire that Consultant act as a consultant for the Company and provide advice and counsel to the Company pursuant to the terms and conditions hereof. In consideration of these recitals which are hereby incorporated herein, of the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. CONSULTING PERIOD. The term of Consultant's engagement under this Agreement shall begin on the date hereof and shall continue until September 30, 2002, unless (i) the Company earlier becomes a reporting company under the provisions of Exchange Act at which point this Agreement shall terminate; or (ii) this Agreement is sooner terminated in accordance with the terms hereof or by the mutual agreement of the parties hereto (the "Consulting Period").

2. COMPENSATION.

(a) As the sole consideration for the services to be provided hereunder, the Company agrees to deliver to Consultant or to Consultant's designees as set forth on Schedule 2(a) to this Agreement, the Warrants described in the Purchase Agreement.

(b) The Company shall reimburse Consultant solely for the reasonable and necessary legal expenses and fees incurred by the Consultant in the performance of Consultant's duties under Section 4(a) herein up to a maximum of $100,000.

3. TERMINATION. The Company may terminate the Consulting Period and this Agreement at any time upon five (5) days prior written notice to Consultant for any of the following reasons: (a) the failure of the Company to become a reporting company under the provisions of the Exchange Act by September 30, 2002; (b) Consultant's willful failure or refusal to perform adequately the duties as required by this Agreement after notice and an opportunity to cure; (c) Consultant's appropriation (or attempted appropriation) of a business opportunity of the Company; (d) any actions undertaken in competition with, or for the purpose of aiding a competitor of the Company; or (e) any other material breach of any material covenant of this Agreement by Consultant. In the event that the Company fails to become a reporting company under the provisions of the Exchange Act by September 30, 2002, the Consultant shall automatically forfeit the 330,000 Warrants. In the event of termination by the Consultant or by the Company for any reason other than the failure of the Company to become a reporting company under the provisions of the Exchange Act by September 30, 2002, in the absence of a material breach by the Company, the Consultant shall forfeit 330,000 Warrants delivered by the Company to the Consultant pursuant to the Purchase Agreement. In the event of termination, the sole remedy of the Company for breach of this Agreement shall be the Consultant's forfeiture of the 330,000 Warrants.

4. DUTIES. Consultant shall report to the President of the Company. During the Consulting Period, Consultant shall:

(a) use its best efforts to assist the Company in the Company's efforts to become a reporting company under the provisions of the

Exchange Act by September 30, 2002;

(b) introduce and promote the Company to potential joint venture and strategic alliance partners; and

(c) assist Company with introductions and presentations to brokerage firms and prospective market makers.

5. INDEPENDENT CONTRACTOR. Consultant acknowledges that Consultant is an independent contractor and not an employee of the Company. The Consultant shall be responsible for the payment of any taxes, including, without limitation, federal, state, and local personal and business income taxes, sales and use taxes, other business taxes and licenses fees arising out if its activities. Consultant is not in any way responsible for the operation or management of the Company or any of its affiliates.

6. COOPERATION. The Company agrees to use its reasonable best efforts to ensure that all of the Company's employees cooperate with Consultant to enable Consultant to perform its duties hereunder.

7. CONFIDENTIALITY. As a condition precedent to this Agreement, Consultant acknowledges that it will execute and be bound by the terms of that certain Confidentiality Agreement set forth as Exhibit G to the Purchase Agreement.

8. NONCOMPETITION COVENANT Consultant agrees that Consultant will not, during the Consulting Period, and for a period of one (1) year after the termination of such Consulting Period, regardless of the reason for termination, in the United States of America (the "Restricted Area"), directly or indirectly, engage in any business that is similar to or competitive with the business of the Company, as now conducted or as conducted at any time during the Consulting Period. Competition within the Restricted Area will include working within the Restricted Area and making any offer or sale of any product competitive with products offered by the Company to any customer located within the Restricted Area, even though the business of producing, processing, shipping, or marketing such products may be located outside the Restricted Area. For purposes of this Agreement, direct or indirect competition will include but not be limited to competition as a sole proprietor, partner, corporate officer, director, manager, member, shareholder, employee, consultant, agent, independent contractor, trustee, guarantor, advisor, lender, or in any other capacity whatsoever pursuant to which Consultant holds any beneficial interest in a competitor, derives any income or other benefit from a competitor, or provides any service, advice, support (financial or otherwise), or assistance of any type whatsoever to a competitor.

9. MISCELLANEOUS.

a. AMENDMENT. This Agreement may not be amended or modified except by an instrument in writing signed by and on behalf of both of the parties hereto.

b. ATTORNEYS' FEES. If any party shall commence any action or proceeding against another that arises out of the provisions hereof or to recover damages as the result of the alleged breach of any of the provisions hereof, the prevailing party therein shall be entitled to recover from the

nonprevailing party (and the court shall award to the prevailing party) all reasonable costs incurred in connection therewith, including reasonable attorneys' fees.

c. EQUITABLE RELIEF. Consultant acknowledges that Consultant and/or its affiliates will be irreparably harmed by any breach of Section 8, that monetary damages would be inadequate and that Consultant and/or its affiliates shall have the right to have an injunction or other equitable remedies imposed in relief of, or to prevent or restrain, such breach. The Consultant agrees that Consultant and/or its affiliates shall also be entitled to any and all other relief available under law or equity for such breach.

d. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when affixed

together shall constitute but one and the same instrument. Signatures exchanged by facsimile shall be deemed original signatures for all purposes.

e. GOVERNING LAW; VENUE. This Agreement shall be construed, enforced, and interpreted in accordance with the laws of the state of Colorado (without regard to its conflicts of laws doctrines). In the event of any dispute arising out of this Agreement, the parties hereto consent to the exclusive jurisdiction of any court of competent jurisdiction in the Denver, Colorado metropolitan area, and submit to the jurisdiction of such court regardless of their residence.

f. SEVERABILITY. In the event that any provision of this Agreement is held to be invalid, illegal, prohibited or unenforceable by any court or other authority of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition, illegality, or invalidity, without invalidating or affecting in any manner the remainder of such provision or the remaining terms or provisions of this Agreement.

g. SUCCESSORS AND ASSIGNS. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, legal representatives, and permitted assigns. The duties, covenants and services to be provided by Consultant hereunder are personal in nature and shall be provided exclusively by Consultant, without assignment or delegation. The Company may not assign this Agreement without the prior written consent of Consultant.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the day and year first above written.

CONSULTANT:	COMPANY:
CAMBRIDGE HOLDINGS, LTD., a Colorado corporation	ASPENBIO, INC., a Colorado corporation
By:	By:
----------	----------
Greg Pusey, President	Roger Hurst, President

SCHEDULE 2(a)

PERMITTED DESIGNEES

Greg Pusey
Tom Weinberger
Jeff McGonegal
John Altshuler
Scott Menefee
Robert Bearman

EXHIBIT 10.4(b)

[AspenBio Letterhead]

March __, 2002

Gregory Pusey
President
Cambridge Holdings, Ltd.
106 S. University Blvd. Unit 14
Denver, CO 80209

Re: Consulting Agreement by and between AspenBio, Inc. (the "Company") and Cambridge Holdings, Ltd. dated December 28, 2001 (the "Consulting Agreement")

Dear Greg:

Section 1 of the Consulting Agreement provides that the Consulting Agreement may be terminated by the mutual agreement of the parties. Because the Company considers all of the terms of the Consulting Agreement to have been fulfilled to its satisfaction, the Company proposes that the Consulting Agreement hereby terminate effective as of the date indicated below. In addition, the Company proposes that the risk of forfeiture provided for in Section 3 of the Consulting Agreement shall be lifted as of the same date.

Please indicate your acceptance of the proposals in this letter by signing in space provided below.

Very truly yours,

ASPENBIO, INC.

Roger Hurst
President

AGREED AND ACCEPTED EFFECTIVE THIS __ DAY OF MARCH, 2002:

- ----------
Gregory Pusey
President
Cambridge Holdings, Ltd.

EXHIBIT 10.5

SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (the "Agreement") is entered into this 28th day of December, 2001 by and among AspenBio, Inc., a Colorado corporation (the "Company"), Roger Hurst, an individual ("Hurst") and Cambridge Holdings, Ltd., a Colorado corporation (the "Purchaser").

RECITALS

WHEREAS, the Purchaser has agreed to purchase securities of the Company pursuant to that certain "Securities Purchase Agreement" of even date herewith (the "Purchase Agreement"); and

WHEREAS, the obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement; and

WHEREAS, Hurst is president, director and controlling shareholder of the Company; and

WHEREAS, the Company, the Purchaser and Hurst agree that their mutual interests can best be served by providing for certain rights and obligations with respect to the Company and the Company's securities as hereinafter provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Board of Directors of the Company. During the period from the date hereof to June 30, 2003, so long as the Purchaser owns a minimum of 250,000 shares of the Company's Common Stock, Hurst shall vote all shares of the Company's voting stock owned or held of record by him at any meeting of shareholders or in any written consent in lieu of any meeting to elect to the Board of Directors of the Company one person designated by the Purchaser. The designee of the Purchaser is Gregory Pusey.

The Company and Hurst agree to use their respective best efforts to call, or cause the appropriate officers and directors of the Company to call, a special meeting of shareholders of the Company and to vote all of the shares of Common Stock owned or held of record by Hurst for, or take all actions by written consent in lieu of any such meeting necessary to cause, the removal (with or without cause) of any designee of the Purchaser if the Purchaser requests such director's removal in writing for any reason, and to cause the election of the person newly designated by the Purchaser. Similarly, should a designee of the Purchaser resign or a vacancy otherwise occur, Hurst shall vote his shares of Common Stock in favor of the candidate designated by the Purchaser to serve on the Company's Board. Hurst shall take all action otherwise reasonably necessary for the election to the Board of the designee of the Purchaser. Provided, however, that

Hurst shall have the right to approve such designee, which approval shall not be unreasonably withheld.

2. Tag-Along Rights.

(a) During the period from the date hereof to January 20, 2005, if Hurst proposes to sell any shares of the Common Stock of the Company owned by Hurst as of the date of this Agreement representing (i) 35% or more of the outstanding shares of the Company (on a cumulative basis) or (ii) more than 50% of the Common Stock of the Company owned by Hurst if Hurst owns less than 35% but more than 15% of the outstanding shares of the Common Stock of the

Company ((i) and (ii) each to be considered a "Qualifying Sale"), to any person (the "Proposed Purchaser") in a sale (other than a sale pursuant to a public offering registered under the Securities Act of 1933 as amended), then Hurst shall afford the Purchaser the opportunity to participate in such sale in accordance with this Section 2.

(b) The Purchaser shall have the right to sell at the same price and upon identical terms and conditions as the proposed sale by Hurst, any part or all of the shares of Common Stock owned by the Purchaser, but no more than the number of shares of Common Stock proposed to be sold by Hurst. At the time any sale to a Proposed Purchaser is proposed, Hurst shall give written notice (the "Tag-Along Notice") to the Purchaser of its right to sell shares pursuant to this Section 2, which Tag-Along Notice shall set forth the name and address of the Proposed Purchaser, the number of shares of Common Stock proposed to be sold, the proposed offering price, the proposed date of sale and any other terms and conditions of the proposed sale. The Tag-Along Notice shall also contain a copy of any written offer to Hurst by the Proposed Purchaser to purchase Hurst's shares. The Tag-Along Notice shall also be given to the Company at the same time as it is given to the Purchaser.

(c) In the event that Hurst sells and proposes to sell shares of the Common Stock of the Company to one person or entity through more than one sale and the total number of shares to be sold would be considered a Qualifying Sale, then Purchaser's rights as set forth in Section 2(b) shall become effective at the time of the proposed sale that will cause the total shares sold by Hurst to represent (i) 35% or more of the outstanding shares of the Company or (ii) more than 50% of the Common Stock owned by the Hurst if Hurst owns less than 35% but more than 15% of the outstanding shares of the Company. Purchaser shall be entitled to sell any part or all of the shares of Common Stock owned by the Purchaser up to the cumulative total number of shares sold and proposed to be sold by Hurst.

(d) In the event that the Purchaser wishes to participate, it shall provide written notice (the "Tag-Along Acceptance Notice") to Hurst no more than five (5) days after the Tag-Along Notice. The Tag-Along Acceptance Notice shall set forth the number of shares of Common Stock the Purchaser elects to sell (subject to the limitations set forth in Section 2(b)). The Notice given by the Purchaser shall constitute its binding agreement to sell such shares on the terms and conditions and for the same consideration per share applicable to the sale by Hurst. If the Tag-Along Acceptance Notice is not received by Hurst prior to the expiration of the 5-day period, then Hurst shall have the right to sell the number of shares specified in the Tag-Along Notice to the Proposed Purchaser without any participation by the Purchaser, but only on terms and conditions with respect to the consideration (and other material terms and conditions which a

reasonable investor would consider significant to the decision to include shares in the sale) paid by the Proposed Purchaser to Hurst which are no more favorable in any material respect than as stated in the Tag-Along Notice to the Purchaser and only if such sale occurs within 60 days of the date specified for sale in the Tag-Along Notice.

3. Termination. Except as otherwise provided herein, this Agreement shall terminate upon the earlier to occur of (i) the mutual agreement of the Purchaser and Hurst; (ii) the Purchaser ceasing to own more than 250,000 shares of the Company's Common Stock; or (iii) June 30, 2003.

4. General Provisions.

(a) Recapitalization, Exchanges, etc. In the event that any Common Stock or other securities are issued in respect of, in exchange for, or in substitution of, any shares of Common Stock, by reason of any reorganization, recapitalization, reclassification, merger, stock dividend, distribution to shareholders or any other change in the capital structure of the Company, the term Common Stock as used herein shall be deemed to include all shares of such Common Stock or other securities, as appropriate, so as to fairly and equitably preserve, as far as practicable, the original rights and obligations of the Purchaser.

(b) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns; provided that neither this Agreement nor any rights or obligations hereunder may be transferred or assigned by the Company (except by operation of law in any merger), by Hurst or by the Purchaser, except by operation of law in any merger and except that the Purchaser may transfer and assign its rights and obligations hereunder to a permitted transferee (as set forth on Schedule 4(b) or otherwise agreed to in writing by Hurst) who executes and delivers to each other party hereto an instrument or instruments reasonably satisfactory to such parties confirming that the permitted transferee agrees to be bound by and subject to the terms of this Agreement in the same manner as such permitted transferee's transferor.

(d) Notices. All notices, demands, consents or approvals required or permitted to be given in this Agreement or given with respect to this Agreement shall be in writing and shall be personally served or mailed, registered or certified, return receipt requested, postage prepaid (or by a substantially similar method), or delivered by a reputable courier service with charges prepaid, or transmitted by hand-delivery or facsimile, addressed to the Company or the Shareholders at their addresses set forth on the signature page of this Agreement or such other address as such parties shall have specified most recently by written notice. Notice shall be deemed given or delivered on the date of service or transmission if personally served or transmitted by facsimile. Notice otherwise sent as provided herein shall be deemed given or delivered on the third business day following the date mailed or on the next business day following delivery of such notice to a reputable courier service.

(e) Inspection. So long as this Agreement shall be in effect, this Agreement and any amendments hereto shall be made available for inspection at the principal office of the Company by the Purchaser.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

(g) Specific Performance. The Purchaser, in addition to being entitled to exercise all rights provided herein, including recovery of damages, will be entitled to specific performance of its rights under this Agreement.

(h) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and thereof and supersede any and all prior agreements and understandings, written or oral, relating to the subject matter hereof and thereof.

(i) Waivers; Amendments.

(i) No failure or delay by any party in exercise of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law.

(ii) Any provision of this Agreement may be waived if, but only if, such waiver is in writing and is signed by the party against whom the enforcement of such waiver is sought.

(iii) This Agreement may not be amended, modified, or supplemented other than by a written instrument executed by both parties.

(j) Time. Time is of the essence in performance of this Agreement.

(k) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, and if any provision of this Agreement shall be or become prohibited or invalid in whole or in part for any reason whatsoever, that provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remaining portion of that provision or the remaining provisions of this Agreement.

(l) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CAMBRIDGE HOLDINGS, LTD.	ASPENBIO, INC.
By: ----------	By: ----------
Gregory Pusey, President	Roger Hurst, President
106 S. University Blvd., Unit 14	8100 Southpark Way, Bldg. B-1
Denver, Colorado 80209	Littleton, Colorado 80120
Facsimile: (303) 722 4011	Facsimile: (303) 798-8332

Roger Hurst, Individually

Facsimile: (303) 798-8332

SCHEDULE 4(b)

PERMITTED TRANSFEREES

Greg Pusey
Vermut-Weinberger Living Trust UDT 3/22/93
Jeff McGonegal
John Altshuler
Scott Menefee
Robert Bearman
Cambridge Holdings, Ltd.

EXHIBIT 10.6

AMENDED INVESTOR RIGHTS DECLARATION

THIS AMENDED INVESTOR RIGHTS DECLARATION (the "Amended Declaration") is entered into effective the 28th day of December, 2001, by and between AspenBio, Inc., a Colorado corporation (the "Company") and the shareholders listed on the signature page hereto (the "Shareholders").

RECITALS

In July 2001 the Company agreed to sell shares of the Common Stock of the Company to the Shareholders. As part of that transaction, the Company discussed with the Shareholders that certain Investor Rights Declaration, attached hereto as Exhibit A (the "Investor Rights Declaration") which set forth certain recommended rights and obligations of the Company and the Shareholders. On December 28, 2001, the Company entered into a Securities Purchase Agreement with Cambridge Holdings, Ltd. ("Cambridge" and the "Securities Purchase Agreement"). The Company, with the assistance of Cambridge, intends to become a reporting company under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Initial Registration"). As part of the Securities Purchase Agreement, the Company agreed to provide certain rights to Cambridge including piggyback registration rights. The parties hereto have entered into this Amended Declaration in order to waive any rights the Shareholders may have under the Investor Rights Declaration and to provide the Shareholders with the same piggyback registration rights as those received by Cambridge.

STATEMENT OF AGREEMENT

NOW THEREFORE, in consideration of the premises and of the respective covenants and provisions herein contained, and intending to be legally bound hereby, the Parties agree as follows:

1. Certain Definitions.

As used in this Amended Declaration, the following terms shall have the meanings ascribed to them below:

"Affiliate" means (i) with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) with respect to any individual, the spouse, child, step-child, grandchild, niece, nephew or parent of such Person, or the spouse thereof.

"Common Stock" means the Common Stock of the Company and any equity securities issued or issuable with respect to the Common Stock in connection with a reclassification, recapitalization, merger, consolidation or other reorganization.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" means any Person owning of record Registrable Securities that have not been sold to the public.

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

"Registrable Securities" means any (i) of the Shares of the Common Stock purchased by the Shareholders, and (ii) any other shares of Common Stock issued or issuable, directly or indirectly, with respect to the Common Stock referenced in clause (i) or by way of stock dividend, stock split or combination of shares. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (a) such securities shall be been disposed of in accordance with a registration described in Section 2.1 herein ("Piggyback Registration"), or (b) such securities shall have been sold pursuant to Rule 144 (or any successor provision) under the Securities Act, or (c) such securities are eligible for sale under Rule 144(k) (or any successor provision) under the

Securities Act. Provided, however, that Registrable Securities which otherwise would cease to be considered Registrable Securities as a result of item (a) above shall remain Registrable Securities solely for the purposes of Section 2.1 herein.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

2. Registration Rights.

2.1 Piggyback Registrations.

(a) Piggyback Registrations. Except with respect to the Initial Registration, if, at any time after September 30, 2002 and prior to June 30, 2007 the Company proposes to register its Common Stock under the Securities Act in connection with the public offering of Common Stock (other than a registration relating solely to the sale of Common Stock to participants in an employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act) whether or not for its own account, the Company shall give prompt written notice of its intention to do so to the Holders. Upon the written request of any of the Holders made within 15 days following the receipt of any such written notice (which request shall specify the Registrable Securities intended to be disposed of by the Holders and the intended method of distribution thereof), the Company shall use commercially reasonable efforts to cause all such Registrable Securities to be registered under the Securities Act (with the securities which the Company at the time proposes to register) to permit the sale or other disposition by the Holders (in accordance with the intended method of distribution thereof) of the Registrable Securities to be so registered.

(b) Abandonment or Delay. If, at any time after giving written notice of its intention to register its Common Stock and prior to the effective date of the

registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of its Common Stock, the Company may, at its election, give written notice of such determination to all Holders and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of Holders under Section 2.1(a), and (ii) in the case of a determination to delay such registration of its Common Stock shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering its Common Stock.

(c) Holder's Right to Withdraw. Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration statement pursuant to this Section 2.1 by giving written notice to the Company of its request to withdraw.

(d) Underwriting Requirements. In connection with any offering involving an underwriting of the Common Stock, the Company shall not be required under Section 2.1 to include any of the Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by persons to be included in such offering exceeds the amount of securities that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of shares of Common Stock, including Registrable Securities, which the underwriters determine in their discretion will

not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the Persons according to the total amount of securities entitled to be included therein owned by each Person or in such proportions as shall mutually be agreed to by such Persons. In the event that the underwriters determine that the total amount of securities requested to be included in the offering exceeds the amount that the underwriters determine is compatible with the success of the offering, then the underwriters shall provide written notice of such determination to the Holders.

2.2 Registration Procedures. If and whenever the Company is required by the provisions of this Amended Declaration to use commercially reasonable efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Amended Declaration, the Company shall, as expeditiously as possible:

(a) prepare and file with the SEC a registration statement on an appropriate registration form of the SEC for the disposition of such Registrable Securities in accordance with the intended method of disposition thereof, which form (i) shall be selected by the Company and (ii) shall, in the case of a shelf registration, be available for the sale of the Registrable Securities by the Holders and such registration statement shall comply as to form in all material respects with the requirements of the applicable form

and include all financial statements required by the SEC to be filed therewith, and the Company shall use its best efforts to cause such registration statement to become effective (provided, however, that before filing a registration statement or prospectus or any amendments or supplements thereto, or comparable statements under securities or blue sky laws of any jurisdiction, the Company will furnish to one counsel for the Holders participating in the planned offering and the underwriters, if any, copies of all such documents proposed to be filed (including all exhibits thereto), which documents will be subject to the reasonable review and reasonable comment of such counsel, and the Company shall not file any registration statement or amendment thereto or any prospectus or supplement thereto to which the underwriters, if any, shall reasonably object in writing);

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for such period (which shall not be required to exceed 90 days unless mutually agreed to in writing by the parties) as any seller of Registrable Securities pursuant to such registration statement shall request and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) furnish, without charge, to each seller of such Registrable Securities and each underwriter, if any, of the securities covered by such registration statement such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits), and the prospectus included in such registration statement (including each preliminary prospectus) in conformity with the requirements of the Securities Act, and other documents, as such seller and underwriter may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by such seller (the Company hereby consenting to the use in accordance with applicable law of each such registration statement (or amendment or post-effective amendment thereto) and each such prospectus (or preliminary prospectus or supplement thereto) by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus);

(d) use its best efforts to register or qualify the Registrable Securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as any sellers of Registrable Securities or any managing underwriter, if any, shall reasonably request in writing, and do any and all other acts and things which may be reasonably necessary or advisable to enable such sellers or underwriter, if any, to consummate the disposition of the Registrable Securities in such jurisdictions, except that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it would not, but for the requirements of this paragraph (d), be required to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) promptly notify each Holder selling Registrable Securities covered by such registration statement and each managing underwriter, if any: (i) when the registration statement, any pre-effective amendment, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed and, with respect to the registration statement or any post-effective amendment, when the same has become effective; (ii) of any request by the SEC or state securities authority for amendments or supplements to the registration statement or the prospectus related thereto or for additional information; (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation of any proceeding for such purpose; (v) of the existence of any fact of which the Company becomes aware which results in the registration statement, the prospectus related thereto or any document incorporated therein by reference containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not misleading; and (vi) if at any time the representations and warranties contemplated by Section 3 below cease to be true and correct in all material respects, and, if the notification relates to an event described in clause (v), the Company shall promptly prepare and furnish to each such seller and each underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the Shareholders of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made not misleading;

(f) enter into such customary agreements (including, if applicable, an underwriting agreement) and take such other actions as the Holders participating in such offering shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities. The Holders of the Registrable Securities which are to be distributed by such underwriters shall be parties to such underwriting agreement and may, at their option, require that the Company make to and for the benefit of such Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters and which are of the type customarily provided in secondary offerings;

(g) if an opinion from the Company's counsel is delivered to any underwriters in the offering, the Company shall furnish to the Holders of Registrable Securities participating in the offering, a copy of such opinion and letter addressed to such Holders;

(h) delivery promptly to the Holders of Registrable Securities participating in the offering and each underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and any memoranda relating to discussions with the Commission or its staff with respect to the registration statement,

other than those portions of any such memoranda which contain information

subject to attorney-client privilege with respect to the Company, and, upon receipt of such confidentiality agreements as the Company may reasonably request, make reasonably available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter, if any, participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement provided the recipient of such information seeks such information in good faith and for a proper purpose;

(i) make reasonably available its employees and personnel and otherwise provide reasonable assistance to the underwriters (taking into account the needs to the Company's businesses and the requirements of the marketing process) in the marketing of Registrable Securities in any underwritten offering;

(j) cooperate with the Holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the selling holders of the Registrable Securities at least three business days prior to any sale of Registrable Securities; and

(k) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities.

2.3 Registration Expenses.

(a) "Expenses" shall mean any and all fees and expenses incident to the Company's performance of or compliance with this Article 2, including, without limitation: (i) SEC, stock exchange or NASD registration, listing and filing fees and all listing fees and fees with respect to the including of securities in NASDAQ, (ii) fees and expenses of compliance with state securities or "blue sky" laws and in connection with the preparation of a "blue sky" survey, including without limitation, reasonable fees and expenses of blue sky counsel, (iii) printing and copying expenses, (iv) messenger and delivery expenses, (v) fees and disbursements of counsel for the Company, (vi) fees and disbursements of all independent public accountants (including the expenses of any audit and/or "cold comfort" letter) and fees and expenses of other persons, including special experts, retained by the Company, and (vii) any other fees and disbursements of underwriters, if any, customarily paid by issuers or sellers of securities (collectively, "Expenses").

(b) The Company shall pay all Expenses with respect to any to any registration effected under Section 2.1, whether or not it becomes effective or remains effective for the period contemplated by Section 2.2(b).

(c) Notwithstanding the foregoing, (x) the

provisions of this Section 2.3 shall be deemed amended to the extent necessary to cause these expense provisions to comply with "blue sky" laws of each state in which the offering is made and (y) in connection with any registration hereunder, each Holder of Registrable Securities being registered shall pay all underwriting discounts and commissions and any transfer taxes, if any, attributable to the sale of such Registrable Securities, pro rata with respect to payments of discounts and commissions in accordance with the number of shares sold in the offering by such Holder, and (z) the Company shall, in the case of all registrations under this Article 2, be responsible for all its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties).

2.4 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.5 Indemnification.

(a) In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article 2, the Company will, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder of Registrable Securities, its directors, officers and representatives, and each other person, if any, who controls such Holder within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities Act, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

provided, however, that the Company shall not be liable to any such indemnified party in any such case to the extent such Claim or expense arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of such indemnified party specifically for use therein. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such seller.

(b) In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article 2, the Holders of Registrable Securities will, and hereby indemnify and hold harmless, to the fullest extent permitted by law, the Company, its shareholders, directors, officers, agents and

representatives, and each other person, if any, who controls the Company within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Holders' consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities Act, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Holders shall not be liable to any such indemnified party in any such case to the extent such Claim or expense arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary prospectus unless it is contained in the written information furnished to the Company by or on behalf of such Holder specifically for use therein; provided, further, that the obligation to indemnify will be individual to each Holder and will be limited to the amount of proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such seller.

(c) Any person entitled to indemnification under this Amended Declaration shall notify promptly the indemnifying party in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 2.5, but the failure of any indemnified party to provide such notice shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 2.5, except to the extent the indemnifying party is materially prejudiced thereby and shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Section 2. In case any action or proceeding is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, to assume the defense thereof jointly with any other indemnifying party similarly noticed, to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party that it so chooses, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within 20 days after receiving notice from such indemnified party that the indemnified party believes it has failed to do so; or (ii) if such indemnified party who is a defendant in any action or proceeding which is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party; or (iii) if representation of both parties by the same counsel is otherwise

inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above, and the indemnifying party shall be liable for any expenses therefor. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If for any reason the foregoing indemnity is unavailable or is insufficient to hold harmless an indemnified party under Sections 2.5 or each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any Claim in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, with respect to such offering of securities. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a

material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. If, however, the allocation provided in the second preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative faults but also the relative benefits of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 2.5(d) were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentences of this Section 2.5(d). The amount paid or payable in respect of any Claim shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(t) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

2.6 Underwritten Offerings. If requested by the underwriters for any underwritten offering by the Holders of Registrable Securities pursuant to a registration requested under Section 2, the Company shall enter into a customary underwriting agreement with the underwriters. Such underwriting agreement shall be reasonably satisfactory in form and substance to the Holders and shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms as are generally included in the underwriting agreement of such underwriters, including, without limitations, indemnities and contribution agreements.

3. Rule 144 Reporting. With a view of making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make a keep public information available, as those terms are understood and defined in SEC Rule 144 or any successor rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Exchange Act at any time after it has become subject to such reporting requirements.

4. Waiver. Except for the Subscription Agreement and Offeree Questionnaire executed by each Shareholder, this Amended Declaration embodies the entire agreement and understanding

between the parties hereto and supersedes all prior agreements and understandings whether oral or written, including without limitation the Investor Rights Declaration. In consideration of the rights provided by this Amended Declaration the Shareholders specifically waive all possible rights or claims that they may have or raise based in any respect on the Investor Rights Declaration.

5. General.

5.1 Amendments and Waivers. This Amended Declaration may be amended, modified, supplemented or waived only upon the written agreement of the party against whom enforcement of such amendment, modification, supplement or waiver is sought.

5.2 Notices. All notices, elections, request, demands or other communications hereunder shall be in writing and shall be deemed given at the time delivered personally or by fax or upon receipt if deposited in the United States mail, certified or registered, return receipt requested, postage prepaid addressed to the parties as follows (or to such other person or place, written notice of which any party hereto shall have given to the other):

(a) If to the Shareholders: To the address set forth on the signature page below.

(b) If to Company: AspenBio, Inc.
8100 Southpark Way, Building B-1
Littleton, Colorado 80120
Attention: Roger Hurst, President
Telephone: (303) 794-2000
Facsimile: (303) 798-8332

With a Copy to: Krendl Krendl Sachnoff & Way PC
370 17th Street, Suite 5350
Denver, Colorado 80202
Telephone: (303) 629-2600
Facsimile : (303) 629-2606
Attention: Cathy S. Krendl, Esq.

5.3 Miscellaneous.

(a) This Amended Declaration shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and the respective successors, personal representatives and assigns. No Person other than a Holder shall be entitled to any benefits under this Amended Declaration, except as otherwise expressly provided herein.

(b) This Amended Declaration shall be construed and enforced in accordance with and governed by the laws of the State of Colorado without giving effect to the conflicts of law principles thereof.

(c) The headings in this Amended Declaration are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. All section references are to this Amended Declaration unless otherwise expressly provided.

(d) This Amended Declaration may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

(e) Any term or provision of this Amended Declaration which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amended Declaration or affecting the validity or enforceability of any of the terms or provisions of this Amended Declaration in any other jurisdiction.

(f) The parties hereto acknowledge that there would be no adequate remedy at law if any party fails to perform any of its obligations hereunder, and accordingly agree that each party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to injunctive relief, including specific performance, to enforce such obligations without the posting of any bond, and, if any action should be brought in equity to enforce any of the provisions of this Amended Declaration, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

(g) Each party hereto 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 any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Amended Declaration and the consummation of the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Amended Investor Rights Declaration as of the date set forth above.

ASPENBIO, INC.

By:

Name:

Title:

<TABLE>
<CAPTION>
SHAREHOLDERS
<S> <C>

- ---
Carl M. Berke
330 Clark Road
Brookline, MA 02445

Charles J. Neerdaels & Nicolle R. Nelson, Trustees
Neerdaels-Nelson Family Trust
622 Bayview Dr.
Aptos, CA 95003

- ---
Allison Colgin
2715 Ramona Street
Palo Alto, CA 04306

Gail Schoettler
11855 E. Daley Circle
Parker, CO 80134

- ---

William F. Colgin
2715 Ramona Street
Palo Alto, CA 04306

James D. Schoettler
512 29th Street
San Francisco, CA 94131

- ----------
Ann Deal
1721 Skyline Drive
Wenatchee, WA 98801

- ----------
Bruce Deal
371 Linfield Drive
Menlo Park, CA 94025

- ----------
Colin P. Hubbard, trustee
Colin P. Hubbard Trust
10441 Bocacanyon Drive
Santa Ana, CA 92705
</TABLE>

EXHIBIT 10.7

ASPENBIO, INC.

2002 STOCK INCENTIVE PLAN

This 2002 Stock Incentive Plan (the "Plan") is adopted in consideration for services rendered and to be rendered AspenBio, Inc. and related companies.

1. Definitions.

The terms used in this Plan shall, unless otherwise indicated or required by the particular context, have the following meanings:

Board: The Board of Directors of AspenBio, Inc.

Change in Control: (i) The acquisition, directly or indirectly, by any person or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) of the beneficial ownership of more than fifty percent of the outstanding securities of the Company, (ii) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated, (iii) the sale, transfer or other disposition of all or substantially all of the assets of the Company, (iv) a complete liquidation or dissolution of the Company, or (v) any reverse merger in which the Company is the surviving entity but in which securities possessing more than fifty percent of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such merger.

Code: The Internal Revenue Code of 1986, as amended.

Common Stock: The Common Stock of AspenBio, Inc.

Company: AspenBio, Inc., a corporation incorporated under the laws of Colorado, and any successors in interest by merger, operation of law, assignment or purchase of all or substantially all of the property, assets or business of the Company.

Consultant: A Consultant is any person, including any advisor, engaged by the Company or any Related Company to render consulting services and may include members of the Board.

Continuous Status as an Employee or Consultant: The employment by, or relationship as a Consultant with, the Company or any Related Company is not interrupted or terminated. The Board, at its sole discretion, may determine whether Continuous Status as an Employee or Consultant shall be considered interrupted due to personal or other mitigating circumstances.

Date of Grant: The date on which an Option is granted under the Plan.

Employee: An Employee is an employee of the Company or any Related Company.

Exercise Price: The price per share of Common Stock payable upon exercise of an Option.

Fair Market Value: The Fair Market Value of the Option Shares. Such Fair Market Value shall be determined, in good faith, by the Option Committee after such consultation with outside legal, accounting and other experts as the Option Committee may deem advisable, and the Option Committee shall maintain a written record of its method of determining such value.

Incentive Stock Options ("ISOs"): "Incentive Stock Options" as that term is defined in Section 422 of the Code.

Non-Incentive Stock Options ("Non-ISOs"): Options which are not intended to qualify as "Incentive Stock Options" under Section 422 of the Code.

Offeree: An Employee or Consultant to whom a Right to Purchase

has been offered or who has acquired Restricted Stock under the Plan.

Option: The rights granted to an Employee or Consultant to purchase Common Stock pursuant to the terms and conditions of an Option Agreement.

Option Agreement: The written agreement (and any amendment or supplement thereto) between the Company and an Employee or Consultant designating the terms and conditions of an Option.

Option Committee: The Plan shall be administered by the Option Committee which shall consist of the Board or a committee of the Board as the Board may from time to time designate composed of not less than two members of the Board who are not employees of the Company or a Related Company.

Option Shares: The shares of Common Stock underlying an Option granted to an Employee or Consultant.

Optionee: An Employee or Consultant who has been granted an Option.

Participant: An Employee or Consultant who holds an Option, a Right to Purchase or Restricted Stock under the Plan.

Purchase Price: The Purchase Price per share of Restricted Stock payable upon acceptance of a Right to Purchase.

Related Company: Any subsidiary of the Company and any other business venture in which the Company has a significant interest as determined in the discretion of the Option Committee.

Restricted Stock: The shares of Common Stock issued pursuant to Section 15, subject to any restrictions and conditions as are established pursuant to such Section 15.

Right to Purchase: A right to purchase Restricted Stock granted to an Offeree pursuant to Section 15 hereof.

2. Purpose and Scope.

(a) The purpose of this Plan is to advance the interests of the Company and its stockholders by affording Employees and Consultants an opportunity for investment in the Company and the incentive advantages inherent in stock ownership in this Company.

(b) This Plan authorizes the Option Committee to grant Options to purchase shares of Common Stock to Employees and Consultants selected by the Option Committee while considering criteria such as employment position or other relationship with the Company, duties and responsibilities, ability, productivity, length of service or association, morale, interest in the Company, recommendations by supervisors, and other matters.

3. Administration of the Plan. The Plan shall be administered by the Option Committee. The Option Committee shall have the authority granted to it under this section and under each other section of the Plan.

In accordance with and subject to the provisions of the Plan, the Option Committee shall select the Optionees and Offerees, shall determine (i) the number of shares of Common Stock to be subject to each Option and Right to Purchase, (ii) the time at which each Option or Right to Purchase is to be granted, (iii) whether an Option or Right to Purchase shall be granted in exchange for the cancellation and termination of a previously granted option or options under the Plan or otherwise, (iv) the Exercise Price for the Option Shares, (v) the Purchase Price of Restricted Stock, (vi) the option period, and (vii) the manner in which the Option becomes exercisable. In addition, the Option Committee shall fix such other terms of each Option and Right to Purchase as the Option Committee may deem necessary or desirable. The Option Committee shall determine the form of Option Agreement to evidence each Option and the form of Stock Purchase Agreement to evidence each Right to Purchase.

The Option Committee from time to time may adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Option Committee shall keep minutes of its meetings and those minutes shall be distributed to every member of the Board.

All actions taken and all interpretations and determinations made by the Option Committee in good faith (including determinations of Fair Market Value) shall be final and binding upon all Employees, Consultants, the Company and all other interested persons. No member of the Option Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, and all members of the Option Committee shall, in addition to rights they may have if Directors of the Company, be fully protected by the Company with respect to any such action, determination or interpretation.

4. The Common Stock. The Board is authorized to appropriate, issue and sell for the purposes of the Plan, and the Option Committee is authorized to grant Options and Rights to Purchase with respect to, a total number, not in excess of 900,000 shares of Common Stock, either treasury or authorized but unissued, or the number and kind of shares of stock or other securities which in accordance with Section 16 shall be substituted for the 900,000 shares or into which such 900,000 shares shall be adjusted. All or any unsold shares subject to an Option or Right to Purchase that for any reason expires or otherwise terminates may again be made subject to Options or Rights to Purchase under the Plan. No person may be granted Options or Rights to Purchase under this Plan covering in excess of an aggregate of 300,000 Option Shares and shares of Restricted Stock in any calendar year, subject to adjustments in connection with Section 16.

5. Eligibility. Options which are intended to qualify as ISOs will be granted only to Employees. Employees and Consultants may hold more than one Option under the Plan and may hold Options under the Plan and options granted pursuant to other plans or otherwise, and may hold Rights to Purchase under the Plan.

6. Option Price. The Exercise Price for the Option Shares shall be established by the Option Committee or shall be determined by a method established by the Option Committee; provided that the Exercise Price to be paid by Optionees for the Option Shares that are intended to qualify as ISOs, shall not be less than 100 percent of the Fair Market Value of the Option Shares on the Date of Grant, or the date on which the Optionee is hired or promoted (or similar event), if the Date of Grant occurs not more than 90 days after the date of such hiring, promotion or other event.

7. Duration and Exercise of Options.

(a) The option period shall commence on the Date of Grant and shall be as set by the Option Committee, but not to exceed 10 years in length. Except as otherwise provided herein or as determined by the Option Committee, no Option shall be exercised for the period of six months following the Date of Grant; provided, however, that this limitation shall not apply to the exercise of an Option pursuant to the terms of the relevant Option Agreement upon the Optionee's death.

(b) During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee; provided, that in the event of the legal disability of an Optionee, the guardian or personal representative of the Optionee may exercise the Option. However, if the Option is an ISO it may be exercised by the guardian or personal representative of the Optionee only if such guardian or personal representative obtains a ruling from the Internal Revenue Service or an opinion of counsel to the effect that neither the grant nor the exercise of such power is violative of the Code. Any opinion of counsel must be both from counsel and in a form acceptable to the Option Committee.

(c) The Option Committee may determine whether any Option shall be exercisable in installments only; if the Option Committee determines that an Option shall be exercisable in installments, it shall determine the number of installments and the percentage of the Option exercisable at each installment

date. All such installments shall be cumulative.

(d) In the event an Optionee's Continuous Status as an Employee or Consultant terminates for any reason, any Option held by the Optionee on the date of termination may be exercised within 90 days after the date of termination, but only to the extent that the Option was exercisable according to its terms on the date of termination. After such 90-day period, any unexercised portion of an Option shall expire.

(e) Each Option shall be exercised in whole or in part by delivering to the office of the Treasurer of the Company written notice of the number of shares with respect to which the Option is to be exercised and by paying in full the Exercise Price for the Option Shares purchased as set forth in Section 8; provided, that an Option may not be exercised in part unless the Exercise Price for the Option Shares purchased is at least $5,000.

(f) No Option may be exercised until the Plan is approved by the shareholders of the Company as provided in Section 17 below.

8. Payment for Option Shares. If the Exercise Price of the Option Shares purchased by any Optionee at one time exceeds $5,000, the Option Committee may permit all or part of the Exercise Price for the Option Shares to be paid by delivery to the Company for cancellation shares of the Company's Common Stock

previously owned by the Optionee with a Fair Market Value as of the date of payment equal to the portion of the Exercise Price for the Option Shares that the Optionee does not pay in cash. In the case of all other Option exercises, the Exercise Price shall be paid in cash or check upon exercise of the Option, except that the Option Committee may permit an Optionee to elect to pay the Exercise Price upon the exercise of an Option by authorizing a third party to sell some or all of the Option Shares acquired upon exercise of an Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

9. Relationship to Employment or Position. Nothing contained in the Plan, or in any Option or Right to Purchase granted pursuant to the Plan, shall confer upon any Participant any right with respect to continuance of employment by the Company, as an Employee or as a Consultant or interfere in any way with the right of the Company to terminate the Participant's employment as an Employee or position as a Consultant, at any time.

10. Nontransferability of Option. Except as otherwise provided by the Option Committee, no Option granted under the Plan shall be transferable by the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

11. Rights as a Stockholder. No person shall have any rights as a shareholder with respect to any share covered by an Option until that person shall become the holder of record of such share and, except as provided in Section 16, no adjustments shall be made for dividends or other distributions or other rights as to which there is an earlier record date.

12. Securities Laws Requirements. No Option Shares shall be issued unless and until, in the opinion of the Company, any applicable registration requirements of the Securities Act of 1933, as amended, any applicable listing requirements of any securities exchange on which stock of the same class is then listed, and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, have been fully complied with. Each Option and each Option Share certificate may be imprinted with legends reflecting federal and state securities laws, restrictions and conditions, and the Company may comply therewith and issue "stop transfer" instructions to its transfer agent and registrar in good faith without liability.

13. Disposition of Shares. Each Optionee, as a condition of exercise, shall represent, warrant and agree, in a form of written certificate approved by the Company, as follows: (a) that all Option Shares are being acquired solely for his own account and not on behalf of any other person or entity; and (b) that no Option Shares will be sold or otherwise distributed in violation of the Securities Act of 1933, as amended, or any other applicable

federal or state securities laws.

14. Ten Percent Shareholder Rule. With respect to ISO's, no Option may be granted to an Employee who, at the time the Option is granted, owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company, unless at the time the Option is granted the purchase price for the Option Shares is at least 110 percent of the Fair Market Value of the Option Shares on the Date of Grant and such Option by its terms is not exercisable after the expiration of five years from the Date of Grant.

15. Rights to Purchase

15.1 Nature of Right to Purchase. A Right to Purchase granted to an Offeree entitles the Offeree to purchase, for a Purchase Price determined by the Option Committee, shares of Common Stock subject to such terms, restrictions and conditions as the Option Committee may determine at the time of grant

("Restricted Stock"). Such conditions may include, but are not limited to, continued employment or the achievement of specified performance goals or objectives.

15.2 Acceptance of Right to Purchase. An Offeree shall have no rights with respect to the Restricted Stock subject to a Right to Purchase unless the Offeree shall have accepted the Right to Purchase within ten days (or such longer or shorter period as the Option Committee may specify) following the grant of the Right to Purchase by making payment of the full Purchase Price to the Company in the manner set forth in Section 15.3 hereof and by executing and delivering to the Company a Stock Purchase Agreement. Each Stock Purchase Agreement shall be in such form, and shall set forth the Purchase Price and such other terms, conditions and restrictions of the Restricted Stock, not inconsistent with the provisions of this Plan, as the Option Committee shall, from time to time, deem desirable. Each Stock Purchase Agreement may be different from each other Stock Purchase Agreement.

15.3 Payment of Purchase Price. Subject to any legal restrictions, payment of the Purchase Price upon acceptance of a Right to Purchase Restricted Stock may be made, in the discretion of the Option Committee, by (a) cash; (b) check; (c) the surrender of shares of Common Stock owned by the Offeree that have been held by the Offeree for at least six months, which surrendered shares shall be valued at Fair Market Value as of the date of such exercise; (d) any combination of the foregoing methods of payment or any other consideration or method of payment as shall be permitted by applicable corporate law.

15.4 Rights as a Shareholder. Upon complying with the provisions of Section 15.2 hereof, an Offeree shall have the rights of a shareholder with respect to the Restricted Stock purchased pursuant to the Right to Purchase, including voting and dividend rights, subject to the terms, restrictions and conditions as are set forth in the Stock Purchase Agreement. Unless the Option Committee shall determine otherwise, certificates evidencing shares of Restricted Stock shall remain in the possession of the Company in accordance with the terms of the Stock Purchase Agreement.

15.5 Restrictions. Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in the Stock Purchase Agreement or by the Option Committee. In the event a Participant's Continuous Service as an Employee or Consultant terminates for any reason, the Stock Purchase Agreement may provide, in the discretion of the Option Committee, that the Company shall have the right, exercisable at the discretion of the Option Committee, to repurchase any shares of Restricted Stock, on such terms as may be provided in the Stock Purchase Agreement.

15.6 Vesting of Restricted Stock. The Stock Purchase Agreement may provide, in the discretion of the Option Committee, standards for vesting of the Restricted Stock, including dates, performance goals, or other conditions.

15.7 Dividends. If payment for shares of Restricted Stock is made by promissory note, any cash dividends paid with respect to the Restricted Stock may be applied, in the discretion of the Option Committee, to repayment of such note.

15.8 Non-Assignability of Rights. No Right to Purchase shall be assignable or transferable except by will or the laws of descent and distribution or as otherwise provided by the Option Committee.

16. Change in Stock, Adjustments, Etc. In the event that each of the outstanding shares of Common Stock (other than shares held by dissenting shareholders which are not changed or exchanged) should be changed into, or exchanged for, a different number or kind of shares of stock or other securities of the

Company, or, if further changes or exchanges of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, shall be made (whether by reason of merger, consolidation, reorganization, recapitalization, stock dividends, reclassification, split-up, combination of shares or otherwise), then appropriate adjustment shall be made by the Option Committee to the aggregate number and kind of shares subject to this Plan, and the number and kind of shares and the price per share subject to outstanding Options and Rights to Purchase as provided in the respective Option Agreements and Stock Purchase Agreements in order to preserve, as nearly as practical, but not to increase, the benefits to Participants.

17. Effective Date of Plan; Termination Date of Plan. Subject to the approval of the Plan by the affirmative vote of the holders of a majority of the Company's securities entitled to vote and represented at a meeting duly held in accordance with applicable law, the Plan shall be deemed effective April 3, 2002. The Plan shall terminate at midnight on April 2, 2012, except as to Options previously granted and outstanding under the Plan at that time. No Options or Rights to Purchase shall be granted after the date on which the Plan terminates. The Plan may be abandoned or terminated at any earlier time by the Board, except with respect to any Options or Rights to Purchase then outstanding under the Plan.

18. Withholding Taxes. The Company, or any Related Company, may take such steps as it may deem necessary or appropriate for the withholding of any taxes which the Company, or any Related Company, is required by any law or regulation or any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with any Option or Right to Purchase including, but not limited to, the withholding of all or any portion of any payment or the withholding of issuance of Option Shares or Restricted Stock to be issued upon the exercise of any Option.

19. Change in Control.

In the event of a Change in Control of the Company, (a) the Option Committee, in its discretion, may, at any time an Option or Right to Purchase is granted, or at any time thereafter, accelerate the time period relating to the exercise or realization of any Options, Rights to Purchase and Restricted Stock and (b) with respect to Options and Rights to Purchase, the Option Committee in its discretion may, at any time an Option or Right to Purchase is granted, or at any time thereafter, take one or more of the following actions: (i) provide for the purchase of each Option or Right to Purchase for an amount of cash or other property that could have been received upon the exercise of the Option or Right to Purchase had the Option been currently exercisable, (ii) adjust the terms of the Options and Rights to Purchase in a manner determined by the Option Committee to reflect the Change in Control, (iii) cause the Options and Rights to Purchase to be assumed, or new rights substituted therefor, by another entity, through the continuance of the Plan and the assumption of outstanding Options and Rights to Purchase, or the substitution for such Options and Rights to Purchase of new options and new rights to purchase of comparable value covering shares of a successor corporation, with appropriate adjustments as to the number and kind of shares and exercise prices, in which event the Plan and such Options and Rights to Purchase, or the new options and rights to purchase substituted therefor, shall continue in the manner and under the terms so provided or (iv) make such other

provision as the Committee may consider equitable. If the Option Committee does not take any of the foregoing actions, all Options and Rights to Purchase shall terminate upon the consummation of the Change in Control and the Option Committee shall cause written notice of the proposed transaction to be given to all Participants not less than fifteen days prior to the anticipated effective date of the proposed transaction.

20. Amendment.

(a) The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the right of a Participant under an outstanding Option

Agreement or Stock Purchase Agreement. In addition, no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by law or agreement.

(b) The Committee may amend the terms of any Option or Right to Purchase theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any Participant without the Participant's consent.

(c) Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Options and Rights to Purchase which qualify for beneficial treatment under such rules without shareholder approval.

21. Other Provisions.

(a) The use of a masculine gender in the Plan shall also include within its meaning the feminine, and the singular may include the plural, and the plural may include the singular, unless the context clearly indicates to the contrary.

(b) Any expenses of administering the Plan shall be borne by the Company.

(c) This Plan shall be construed to be in addition to any and all other compensation plans or programs. Neither the adoption of the Plan by the Board nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power or authority of the Board to adopt such other additional incentive or other compensation arrangements as the Board may deem necessary or desirable.

(d) The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and the rights of any and all personnel having or claiming to have an interest therein or thereunder shall be governed by and determined exclusively and solely in accordance with the laws of the State of Colorado.

* * * * * * * *

EXHIBIT 10.8

TECHNOLOGY TRANSFER AGREEMENT

THIS TECHNOLOGY TRANSFER AGREEMENT (the "Agreement") is made and is effective as of the last date of signature hereto, (the "Effective Date") by and between The University of Wyoming, having its statewide office of its Research Products Center (RPC) at Education Annex Rm. 152 P.O. Box 3672 Laramie, WY 82071-3672, (hereinafter referred to as "UW"), and AspenBio, a Colorado corporation having a principal place of business at 8100 Southpark Way, Suite B-1, Littleton, CO 80120 (hereinafter referred to as "COMPANY").

RECITALS

WHEREAS, Certain inventions disclosed under UW Technology ID No. 02-008, generally characterized as "[*]", hereinafter collectively referred to as the "Invention," were made in the course of research at UW, by Prof Thomas R. Hansen, and Kathy Austin. (hereinafter, "Inventors"); and

WHEREAS, COMPANY entered into a non-disclosure agreement with UW effective August 27, 2001 and for the purpose of evaluating the Invention and/or negotiating a technology transfer agreement; and

WHEREAS, COMPANY wishes to fund certain research at UW which is of interest and benefit to COMPANY and UW, and which will further the instructional and research objectives of UW and the public interest in a manner consistent with its status as a non-profit, tax-exempt, public, educational institution, and may derive benefits for both COMPANY and UW by advancing knowledge through discovery, and by creating new technologies through invention; and

WHEREAS, COMPANY wishes to obtain certain rights from UW for the commercial development, manufacture, use, and sale of the Invention or any Future Invention (defined below), and UW is willing to grant such rights on the terms and conditions set forth in this Agreement; and

WHEREAS, UW desires that the Invention and Future Inventions be developed and utilized to the fullest extent so that the general public can enjoy its benefits.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS

1.1 "Affiliate" means any corporation or business entity that directly or indirectly controls, is controlled by, or is under common control with COMPANY to the extent of at least 50 percent of the outstanding stock or other voting rights entitled to elect directors.

* Portions of this marked Exhibit have been omitted pursuant to a request for confidential treatment and filed separately with the Commission.

1.2 "Research" means a project funded by COMPANY for further research in the Licensed Field and which is entered into in accordance with the provisions of Article 5 of this Agreement.

1.3 "Biological Material(s)" means all (i) hybridomas owned or controlled by UW and all cell line derivatives, progeny, and material derived therefrom, (ii) all products containing monoclonal antibodies or fragments thereof produced by said hybridomas, and iii) recombinant proteins, and (iv) nucleotide and amino acid sequences, all related to the Invention or Future Invention.

1.4 "Future Invention(s)" means any inventions, discoveries, biological materials, software, know-how, trade secrets, data, works and information created in the course of and within the scope of the Research.

1.5 "UW Patent Rights" means any U.S. Patent Applications and U.S. Patent(s) issuing thereon, and foreign patent(s) and patent application(s) corresponding to the foregoing, owned by UW, including any reissues, extensions (including governmental equivalents thereto), substitutions, continuations, and

divisions thereof for Future Inventions.

1.6 "UW Technology" means all non-patentable, and tangible information, know-how and physical objects to the extent reasonably necessary or useful to practice the Invention or Future Invention (including Biological Materials) in the Licensed Field (other than UW Patent Rights); owned or controlled by UW, which UW has the right to disclose and license to third parties.

1.7 "Data" means all information owned or controlled by UW and acquired by COMPANY, its Affiliates directly or indirectly from or through UW, its units, its employees, the Inventors, or its consultants relating to the Invention, Licensed Products, or this Agreement, including but not limited to, all patent prosecution documents and all information received from Inventors as well as all UW Technology.

1.8 "Licensed Field" or "Field" means the use of the Invention or Future invention for a Bovine Pregnancy Test.

1.9 "Licensed Method" means any process, method, or use that is covered by the Invention, Future Invention, UW Technology, Data or UW Patent Rights.

1.10 "Licensed Product(s)" means any material or product or kit, or any service, process, or procedure that (i) either is covered by the Invention, Future Invention, or UW Patent Rights or whose discovery, development, registration, manufacture, use, or sale would constitute, but for the license granted to COMPANY pursuant to this Agreement, an infringement of any claim within UW Patent Rights or (ii) is discovered, developed, made, sold, registered, or practiced using UW Technology, Data, or Licensed Method or which may be used to practice the Licensed Method, in whole or in part or (iii) is a kit, reagent, or material which comprises, contains, or makes use of Biological Material in its manufacture, testing, use or sale.

1.11 "Bovine Pregnancy Test" means any material or product or kit, or any service, process, or procedure that COMPANY sells for testing of bovine pregnancy.

1.12 "Net Sales" means the total of the gross consideration received for a Bovine Pregnancy Test or Licensed Product made, used, leased, transferred, distributed, sold or otherwise disposed of by COMPANY or its Affiliates, less the sum of the following actual and customary deductions (net

of rebates or allowances of such deductions received) included on the invoice and actually paid: cash, trade, or quantity discounts; sales or use taxes imposed upon particular sales; import/export duties; and transportation charges. In the event COMPANY or any of its Affiliates makes a transfer of a Bovine Pregnancy Test or Licensed Product to a third party for other than monetary consideration or for less than fair market value, such transfer shall be considered a sale hereunder to be calculated at a fair market value for accounting and royalty purposes. A Bovine Pregnancy Test or Licensed Product shall be deemed made, used, leased, transferred, sold, or otherwise disposed of at the time COMPANY bills, invoices, ships, or receives payment for such Licensed Product, whichever occurs first.

1.13 "Territory" means all countries of the world.

2. GRANT

2.1 Subject to the limitations set forth in this Agreement, UW hereby grants to COMPANY an exclusive license under the Invention, Future Inventions, UW Patent Rights, UW Technology, and Data in the Licensed Field to make, have made, use, distribute and sell Licensed Products and to practice Licensed Method in the Territory during the term of this Agreement.

2.2 UW expressly reserves the right to have the Invention, Future Inventions, and all associated intellectual property rights licensed hereunder used for educational, research and other non-commercial purposes and to publish the results thereof.

2.3 To the extent UW, principally through the Inventors, has provided or will provide UW Technology, Biological Materials, or Data to COMPANY, it is understood that at the time of disclosure to the COMPANY some of the UW

Technology, Biological Materials, or Data may have been made available to the public without restrictions.

3. CONTRACT ISSUE FEE

3.1 COMPANY agrees to pay to UW a Contract Issue Fee of Ten Thousand Dollars ($10,000) upon execution of this Agreement. This fee is non-refundable and is not an advance against royalties.

4. RESEARCH

4.1 COMPANY shall fund Research at UW in the amount of $140,000 (including overhead) for the Research program generally described in Appendix I to this Agreement. $35,000 of the total amount is payable on January 2, 2002. The remaining balance is payable in equal installments at six (6) month intervals thereafter during the period described in Article 4.2 of this Agreement. Checks should be made payable to University of Wyoming and should identify the Company and the Principal Investigator and be sent to:

The University of Wyoming Research Office
Old Main Rm. 305
PO Box 3355 Laramie, Wyoming 82071
Attention: Associate Vice President

UW will not be obligated to expend funds in excess of those provided under this Agreement to conduct the Research.

4.2 Research under this Agreement will be performed during a two year period beginning with the Effective Date. UW's Principal Investigator for the Research program described in Appendix II is Professor Thomas R. Hansen. The Principal Investigator shall be responsible for the direction of the Research and shall conduct the Research in accordance with applicable policies and procedures of UW.

4.3 COMPANY shall appoint a technical or scientific representative (hereafter COMPANY's Technical Representative") who initially will be Dr. Mark Colgin, or such other representative as COMPANY may subsequently designate in writing. During the period of the Research, COMPANY's Technical Representative may have reasonable access personally or by telephone to discuss the Research informally with Principal Investigator. Access to work performed in UW laboratories and at other UW premises in the course of the Research will be entirely under the control of UW personnel. COMPANY's representatives are permitted to visit such laboratories and premises only during usual hours of operation or as is mutually agreeable.

4.4 The Principal Investigator may make up to two (2) oral reports each year if requested by COMPANY. Within sixty (60) days after the expiration of the Research, the Principal Investigator shall submit a comprehensive final written report to COMPANY.

4.5 UW has the right to copyright and publish and otherwise publicly disclose, through technical presentations or otherwise, the information and results gained in the course of the Research. In order to permit COMPANY an opportunity to determine if patentable inventions will thereby be disclosed, the Principal Investigator will provide COMPANY with copies of articles written by project personnel reporting on the Research prior to submission for publication. If COMPANY wishes to request that the article be delayed so that a patent application may be filed on an invention disclosed in such article, COMPANY shall so notify Principal Investigator and UW in writing within thirty (30) days of receipt of the proposed publication from UW.

4.6 All rights in Future Inventions shall be the property of UW in accordance with the applicable policies and procedures of UW, and subject to the licenses granted in this agreement. UW shall promptly report any such Future Inventions to COMPANY upon receipt by its Research Products Center of a completed written disclosure (hereinafter "Disclosure") thereof from the Principal Investigator.

4.7 In the event UW's Principal Investigator is unavailable or unable to continue direction of the Research for a period in excess of ninety (90) days, UW shall notify COMPANY and may nominate a replacement; if UW does not nominate

a replacement or if that replacement is unsatisfactory to COMPANY, COMPANY may terminate the Research upon thirty (30) days written notice and such right to terminate shall be COMPANY's sole remedy at law or in equity.

4.8 UW shall retain title to all equipment purchased and/or fabricated by it with funds provided by COMPANY under the Research.

4.9 UW will be excused from performance of the Research if a delay is caused by inclement weather, fire, flood, strike or other labor dispute, acts of God, acts of governmental officials or

agencies, or any other cause beyond the control of UW. The excusable delay is allowed for the period of time affected by the delay. If a delay occurs, the parties will revise the performance period of the Research or other provisions of the Research, as appropriate.

5. PATENT PROSECUTION AND MAINTENANCE FOR FUTURE INVENTIONS

5.1 If, within sixty (60) days of Disclosure of a Future Invention to COMPANY by UW, COMPANY notifies UW that it elects to include the Future Invention into this agreement, then UW shall diligently prosecute and maintain United States patent applications and patents for the Future Invention using counsel agreed to by UW and COMPANY. Counsel shall take instructions only from UW. UW shall provide COMPANY with copies of all relevant documentation so that COMPANY may be informed and apprised of the continuing prosecution. COMPANY agrees to keep this documentation confidential. All costs of preparing, filing, prosecuting, defending, and maintaining all United States patent applications and/or patents, including interferences and oppositions, and all corresponding foreign patent applications and patents for Future Inventions covered by UW Patent Rights shall be borne by COMPANY. If COMPANY for any reason elects not to include the Future Invention in this Agreement, then COMPANY shall no longer thereafter have any rights with respect to the Future Invention.

5.2 UW shall give due consideration to amending any patent application to include claims reasonably requested by COMPANY to protect the Licensed Products contemplated to be sold under this Agreement.

5.3 UW shall, at the request of COMPANY, file, prosecute, and maintain patent applications and patents covered by UW Patent Rights in foreign countries if available. COMPANY shall notify UW within three (3) months of the filing of the corresponding United States application of its decision to obtain all other foreign patents. This notice shall be in writing and shall identify the countries desired. The absence of such a notice from COMPANY shall be considered by UW to be an election not to request foreign rights.

5.4 COMPANY's obligation to underwrite and to pay U.S. and foreign patent prosecution and maintenance costs shall continue for so long as this Agreement remains in effect, provided, however, that COMPANY may terminate its obligations with respect to any given patent application or patent upon three (3) months' prior written notice to UW. UW shall use reasonable efforts to curtail future patent costs when such a notice is received from COMPANY. COMPANY shall promptly pay patent costs which cannot be so curtailed. Commencing on the effective date of such notice, UW may continue prosecution and/or maintenance of such application(s) or patent(s) at its sole discretion and expense, and COMPANY shall have no further right or licenses thereunder.

5.5 UW shall have the right to file patent applications at its own expense in any country or countries in which COMPANY has not elected to secure patent rights or in which COMPANY's patent rights hereunder have terminated, and such applications and resultant patents shall not be subject to this Agreement and may be freely licensed by UW to third parties together with UW Technology.

6. ROYALTIES

6.1 COMPANY shall pay to UW a running royalty of two and one-half percent (2.5%) of Net Sales for as long as a Bovine Pregnancy Test is sold by COMPANY. Sales among COMPANY and Affiliates for ultimate third party use shall be disregarded for purposes of computing royalties; royalties shall be payable only upon sales or transfers between unrelated parties and shall be based on

arms length consideration.

6.2 Royalties payable to UW shall be paid to UW quarterly on or before the following dates of each calendar year:

February 28 May 31

August 31 November 30

Each such payment will be for unpaid royalties on collected funds that accrued within COMPANY's most recently completed calendar quarter.

6.3 If COMPANY notifies UW that it elects to include a Future Invention into this agreement, COMPANY shall pay to UW annual minimum royalties equal to the amounts set forth on the following schedule:

A payment in the amount of $25,000 in the first year of commercial sales;
A payment in the amount of $50,000 in the second year of commercial sales;
A payment in the amount of $125,000 in the third year of commercial sales;
A payment in the amount of $250,000 in the fourth year of commercial sales; and annually thereafter, for the term of this Agreement beginning with the date of first commercial sale of Licensed Product.

This annual minimum royalty shall be paid to UW by February 28 of each year and shall be credited against the earned royalty due and owing for the calendar year in which the minimum annual royalty is paid. The first year's annual minimum royalty shall be prorated by the fractional number of full months remaining in that calendar year and shall be paid within forty-five days (45) of the date of first commercial sale of a Licensed Product.

6.4 All amounts due VW shall be payable in United States Dollars in Laramie, WY. When Bovine Pregnancy Tests or Licensed Products are sold for monies other than United States Dollars, the earned royalties will first be determined in the foreign currency of the country in which such Bovine Pregnancy Tests or Licensed Products were sold and then converted into equivalent United States Dollars. Royalties will be paid on funds received by COMPANY, post-conversion.

6.5 COMPANY shall be responsible for any and all taxes, fees, or other charges imposed by the government of any country outside the United States on the remittance of royalty income for sales occurring in any such country. COMPANY shall also be responsible for all bank transfer charges.

7. DILIGENCE

7.1 COMPANY, upon execution of this Agreement, shall use its best efforts to develop, test, obtain any required governmental approvals, manufacture, market and sell Bovine Pregnancy Test or Licensed Products in all countries of the Territory and shall earnestly and diligently endeavor to market the same within a reasonable time after execution of this Agreement and in quantities sufficient to meet the market demands therefor.

8. PROGRESS AND ROYALTY REPORTS

8.1 Beginning six (6) months after the Effective Date, and semi-annually thereafter, COMPANY shall submit to UW a progress report covering COMPANY's activities related to the development and testing of a Bovine Pregnancy Test and Licensed Products and the obtaining of the governmental approvals necessary for marketing. These progress reports shall be made for each Bovine Pregnancy Test and Licensed Product in each country of the Territory.

8.2 The progress reports submitted under section 9.1 shall include sufficient information to enable UW to determine COMPANY's progress in fulfilling its obligations under Article 7, including, but not limited to, the following topics:

- summary of work completed

- summary of work in progress, including product development and testing and progress in obtaining government approvals

- current schedule of anticipated events or milestones market plans for introduction of Bovine Pregnancy Test and Licensed Products in countries of the Territory in which Licensed Product has not been introduced

- summary of resources (dollar value) spent in the reporting period for research, development, and marketing of Licensed Products

- financial statements as of the end of the previous calendar quarter

8.3 COMPANY shall have a continuing responsibility to keep UW informed of the large/small entity status (as defined by the United States Patent and Trademark Office) of itself.

8.4 COMPANY shall report to UW in its immediately subsequent progress and royalty report the date of first commercial sale of each Bovine Pregnancy Test or Licensed Product in each country.

8.5 After the first commercial sale of a Bovine Pregnancy Test or Licensed Product anywhere in the world, COMPANY will make quarterly royalty reports to UW on or before each February 28, May 31, August 31 and November 30 of each year. Each such royalty report will cover COMPANY's most recently completed calendar quarter and will show (a) the units and gross sales and Net Sales of each type of Bovine Pregnancy Test and Licensed Product sold by COMPANY on which royalties have not been paid, including a clear indication of how Net Sales were calculated; (b) the royalties and fees, in U.S. dollars, payable hereunder, (c) the method used to calculate the royalty; (d) the exchange rates used, if any; and (d) any other information relating to the foregoing reasonably requested by UW.

8.6 If no sales of Bovine Pregnancy Test or Licensed Products have been made during any reporting period, a statement to this effect shall be made by COMPANY.

9.1 COMPANY shall keep and cause its Affiliates to keep books and records in accordance with generally acceptable accounting principles accurately showing all transactions and information relating to this Agreement. Such books and records shall be preserved for at least five (5) years from the date of the entry to which they pertain and shall be open to inspection by representatives or agents of UW at reasonable times upon reasonable notice.

9.2 The fees and expenses of UW's representatives performing such an examination shall be borne by UW. However, if an error in royalties of more than five percent (5%) of the total royalties due for any year is discovered, or if as a result of the examination it is determined that COMPANY is in material breach of its other obligations under this Agreement, then the fees and expenses of these representatives shall be borne by COMPANY, and COMPANY shall promptly reimburse UW for reasonably documented audit expenses as well as all overdue royalty and late interest payments.

10. TERM OF THE AGREEMENT

10.1 Unless otherwise terminated by operation of law or by acts of the parties in accordance with the provisions of this Agreement, this Agreement shall be in force from the Effective Date and shall remain in effect in each country of the Territory until the expiration of the last-to-expire patent of the UW Patent Rights in such country or 10 years from the date of first commercial sale of a Bovine Pregnancy Test or Licensed Product in such country, whichever is later.

10.2 Any expiration or termination of this Agreement shall not affect the rights and obligations set forth in the following Articles:

Article 6 Royalties
Article 9 Books and Records
Article 12 Disposition of Licensed Products

On Hand Upon Termination
Article 13 Use of Names, Trademarks and
Article 17 Indemnification
Article 22 Failure to Perform
Article 26 Confidentiality

11. TERMINATION FOR CAUSE BY EITHER PARTY

11.1 If one party should breach or fail to perform any provision of this Agreement, then the other party may give written notice of such default (Notice of Default) to the breaching party. If the breaching party should fail to cure such default within sixty (60) days of notice thereof, the nonbreaching party shall have the right to terminate this Agreement and the licenses herein by a second written notice (Notice of Termination) to the breaching party. If a Notice of Termination is sent to breaching party, this Agreement shall automatically terminate on the effective date of such notice. Termination shall not relieve breaching party of its obligation to pay all amounts due to the nonbreaching party as of the effective date of termination and shall not impair any accrued rights of the non-breaching party.

12. DISPOSITION OF LICENSED PRODUCTS AND INFORMATION ON HAND UPON TERMINATION

12.1 Upon termination this Agreement for breach or cause by either party (i) COMPANY shall have the privilege of disposing of all previously made or partially made Licensed Products (COMPANY may complete partially made Licensed Products), but no more, within a period of one hundred and eighty (180) days after the initial notice of termination, provided, however, that the disposition of such Licensed Products shall be subject to the terms of this Agreement including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon; (ii) COMPANY shall promptly return, and shall cause its Affiliates to return, to UW all property belonging to UW including without limitation UW Technology and Data, if any, that has been provided to COMPANY or its Affiliates hereunder, and all copies and facsimiles thereof and derivatives therefrom (except that COMPANY may retain one copy of written material for record purposes only, provided such material is not used by COMPANY for any other purpose and is not disclosed to others).

13. USE OF NAMES, TRADEMARKS AND CONFIDENTIAL INFORMATION

13.1 Nothing contained in this Agreement shall be construed as granting any right to COMPANY or its Affiliates to use in advertising, publicity, or other promotional activities or otherwise any name, trade name, trademark, or other designation of UW or any of its units (including contraction, abbreviation or simulation of any of the foregoing). Unless required by law or consented to in advance in writing by an authorized representative of UW, the use by COMPANY of the name, "University of Wyoming" or any campus or unit of UW is expressly prohibited.

14. LIMITED WARRANTY

14.1 UW warrants to COMPANY that it has the lawful right to enter into this agreement.

14.2 The licenses contained herein and associated Inventions and Future Invention are provided WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. UW MAKES NO REPRESENTATION OR WARRANTY THAT THE LICENSED PRODUCTS OR LICENSED METHODS WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.

14.3 IN NO EVENT WILL UW BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS, RESULTING FROM EXERCISE OF THIS LICENSE OR MANUFACTURE. SALE, OR USE OF THE INVENTION OR LICENSED PRODUCTS OR UW INTELLECTUAL PROPERTY LICENSED HEREUNDER.

14.4 Nothing in this Agreement shall be construed as:

(14.4a) a warranty or representation by UW as to the validity or scope of any UW Patent Rights; or
(14.4b) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted

in this Agreement is or will be free

from infringement of patents or other intellectual property rights of third parties; or

(14.4c) an obligation to bring or prosecute actions or suits against third parties except as provided in Article 16; or

(14.4d) conferring by implication, estoppel or otherwise any license or rights under any patents or other intellectual property of UW other than UW Patent Rights and UW Technology, regardless of whether such patents are dominant or subordinate to UW Patent Rights; or

(14.4e) an obligation to furnish any know-how not provided in UW intellectual property licensed hereunder.

15. PATENT MARKING

15.1 COMPANY shall mark all Licensed Products made, used, sold or otherwise disposed of under the terms of this Agreement, and/or their containers, in accordance with the applicable patent marking laws.

16. PATENT INFRINGEMENT

16.1 In the event that COMPANY shall learn of the substantial infringement of UW Patent Rights, COMPANY shall notify UW in writing and shall provide UW with reasonable evidence of such infringement. Both parties to this Agreement agree that during the period and in a jurisdiction where COMPANY has exclusive rights under this Agreement, neither will notify a third party of the infringement of any of UW Patent Rights without first obtaining consent of the other Party, which consent shall not be unreasonably denied. Both parties shall use their best efforts in cooperation with each other to terminate such infringement without litigation.

16.2 COMPANY may request that UW take legal action against the infringement of UW Patent Rights. Such request shall be made in writing and shall include reasonable evidence of such infringement and damages to COMPANY. If the infringing activity has not been abated within ninety (90) days following the effective date of such request, UW shall have the right to commence suit on its own account or refuse to commence such suit. UW shall give notice of its election in writing to COMPANY by the end of the one-hundredth (100th) day after receiving notice of such request from COMPANY. COMPANY may thereafter bring suit for patent infringement if and only if UW refuses to commence suit and if the infringement occurred during the period and in a jurisdiction where COMPANY had exclusive rights under this Agreement. However, in the event COMPANY elects to bring suit in accordance with this paragraph, UW may thereafter join such suit at its own expense.

16.3 Such legal action as is decided upon shall be at the expense of the party on account of whom suit is brought and all recoveries recovered thereby shall belong to such party, provided, however, that recoveries from legal actions brought jointly by UW and COMPANY shall be shared equally by them, after paying the reasonable legal expenses of both parties.

16.4 Each party agrees to cooperate with the other in litigation proceedings instituted hereunder but at the expense of the party on account of whom suit is brought for out-of-pocket expenses. Such litigation shall be controlled by the party bringing the suit. Each party may be represented by counsel of its choice at its own expense.

17. INDEMNIFICATION AND INSURANCE

17.1 COMPANY shall indemnify, hold harmless and defend the State of Wyoming, UW, its trustees, officers, employees, students, agents and the Inventors against any and all claims, suits, losses, liabilities, damages, costs, fees and expenses (including reasonable attorneys' fees) resulting from or arising out of the exercise of the rights granted under this license. This indemnification shall include, but is not limited to, any and all claims alleging products liability.

17.2 Throughout the term of this Agreement, and to the extent applicable from and after the date of first commercial sale of a Licensed Product, COMPANY shall maintain commercially issued policies of insurance, or programs of self-insurance with financial reserves sufficient to support its obligations under this Agreement, which provide coverage and limits as required by statute or as necessary to prudently insure the activities and operations of COMPANY. The commercial general liability insurance policy, or liability self-insurance program, shall include the interests of UW as an additional insured and provide coverage limits of not less than $1,000,000 combined single limits as respects premises, operations, contractual liability and, if applicable, liability arising out of products and/or completed operations. COMPANY shall provide UW with certificates of insurance for commercially insured policies, or a letter from COMPANY's independent auditors stating its opinion as to the adequacy of any self-insurance program.

It is expressly agreed that the insurance or self-insurance are minimum requirements which shall not in any way limit the liability of COMPANY and shall be primary coverage. Any insurance or selfinsurance program maintained by UW shall be excess and noncontributory.

17.3 UW shall promptly notify COMPANY in writing of any claim or suit brought against UW in respect of which UW intends to invoke the provisions of Article 17. COMPANY shall keep UW informed on a current basis of its defense of any claims pursuant to Article 17.

18. NOTICES

18.1 Any notice or payment required to be given to either party shall be deemed to have been properly given and to be effective (a) on the date of delivery if delivered in person, (b) five (5) days after mailing if mailed by first-class certified mail, postage paid and deposited in the United States mail, to the respective addresses given below, or to such other address as it shall designate by written notice given to the other party or (c) on the date of delivery if delivered by express delivery service such as Federal Express or DHL.

In the case of COMPANY: AspenBio, Inc.
8100 Southpark Way, Suite B-1
Littleton, CO 80120
Attention: President

In the case of UW: Wyoming Research Products Center
University of Wyoming
Education Annex Rm. 152
P.O. Box 3672
Laramie, WY 82071-3672
Attention: Director

19. ASSIGNABILITY

19.1 This Agreement is binding upon and shall inure to the benefit of UW, its successors and assigns, but shall be personal to COMPANY and assignable by , COMPANY only with the written consent of UW, which consent shall not be unreasonably withheld.

20. LATE PAYMENTS

20.1 In the event any amounts due UW hereunder, including but not limited to royalty payments, fees and patent cost reimbursements, are not received when due, COMPANY shall pay to UW interest charges at a rate of eighteen (18) percent per annum or the highest rate permitted by law, if less than eighteen percent. Such interest shall be calculated from the date payment was due until actually received by UW.

21. WAIVER

21.1 It is agreed that failure to enforce any provisions of this Agreement by a party shall not be deemed a waiver of any breach or default hereunder by the other party. It is further agreed that no express waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or

similar breach or default.

22. FAILURE TO PERFORM

22.1 In the event of a failure of performance due under the terms of this Agreement and if it becomes necessary for either party to undertake legal action against the other on account thereof, then the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.

23. GOVERNING LAWS

23.1 The laws of the State of Wyoming shall govern all legal matters relating to this agreement, but the scope and validity of any patent or patent application shall be governed by the applicable laws of the country of such patent or patent application. The University of Wyoming does not waive its sovereign immunity or its governmental immunity by entering into this Agreement. Any actions or claims against UW under this Agreement must be in accordance with and are controlled by the Wyoming governmental Claims Act, W.S. 1-39-101 et. seq. - (1977) as amended.

24. FOREIGN GOVERNMENT APPROVAL OR REGISTRATION

24.1 If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, COMPANY shall assume all legal obligations to do so and the costs in connection therewith.

25. EXPORT CONTROL LAWS

25.1 COMPANY shall observe all applicable United States and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations.

26. CONFIDENTIALITY

26.1 COMPANY (i) shall not use any Biological Material, UW Technology, Data or unpublished UW Patent Rights, except for the sole purpose of performing this Agreement, (ii) shall safeguard the same against disclosure to others with the same degree of care as it exercises with its own data of a similar nature, and (iii) shall not disclose or permit the disclosure of Data or unpublished UW Patent Rights to others (except to its employees, agents or consultants who are bound to COMPANY and UW by a like obligation of confidentiality) without the express written permission of UW, except that COMPANY shall not be prevented from using or disclosing any Data:

(26.1a) which COMPANY can demonstrate by written records was previously known to it; or

(26.1b) which is now, or becomes in the future, information generally available to the public in the form supplied, other than through acts or omissions of COMPANY; or

(26.1c) which is lawfully obtained by COMPANY from sources independent of UW who were entitled to provide such information to COMPANY; or

(26.1d) which is required by law to be disclosed.

26.2 UW and COMPANY each agree that all information contained in documents marked "Confidential" and forwarded to one by the other (i) be received in strict confidence, (ii) be used only for the purposes of this Agreement, and (iii) not be disclosed by the recipient party, its agents or employees without the prior written consent of the other party, except to the extent that the recipient party can establish competent written proof that such information:

a. was in the public domain at the time of disclosure;

b. later became part of the public domain through no act or omission of

the recipient party, its employees, agents, successors or assigns;

c. was lawfully disclosed to the recipient party by a third party having the right to disclose it;

d. was already known by the recipient party at the time of disclosure;

e. was independently developed by the recipient; or

f. is required by law or regulation to be disclosed.

26.3 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information.

27. MISCELLANEOUS

27.1 The headings of the several articles are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

27.2 This Agreement will not be binding upon the parties until it has been signed below on behalf of each party by a duly authorized representative.

27.3 No amendment or modification hereof shall be valid or binding upon the parties unless made in writing and signed on behalf of each party by a duly authorized representative.

27.4 This Agreement embodies the entire understanding of the parties and shall supersede all previous and contemporaneous communications, representations or understandings, either oral or written, between the parties relating to the subject matter hereof, except that the confidentiality agreement executed on 8/27/01 between the parties shall remain in effect.

27.5 COMPANY shall not enter into any agreements relating to this Agreement with Inventors or other UW employees or students in contravention of the legal rights or policies of UW.

27.6 In case any of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, (i)such invalidity, illegality or unenforceability shall not affect any other provisions hereof, (ii) the particular provision, to the extent permitted by law, shall be reasonably construed and equitably reformed to be valid and enforceable and (iii) this Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained herein.

27.7 UW shall have the right to terminate this Agreement forthwith by giving written notice of termination to COMPANY at any time upon or after the filing by COMPANY of a petition in bankruptcy or insolvency, or upon or after any adjudication that COMPANY is bankrupt or insolvent, or upon or after the filing by COMPANY of any petition or answer seeking judicial reorganization, readjustment or arrangement of the business of COMPANY under any law relating to bankruptcy or insolvency, or upon or after the appointment of a receiver for all or substantially all of the property of COMPANY, or upon or after the making of any assignment or attempted assignment for the benefit of creditors, or upon or after the institution of any proceeding or passage of any resolution for the liquidation or winding up of COMPANY's business or for termination of its corporate life.

Appendix II
Research Plan

SUMMARY

Currently we have limited evidence that detection of [*] mRNA or protein can be used as an early pregnancy test in cows. Limitations of this approach are that peripheral blood mononuclear cells need to be purified and this is technically difficult to accomplish. We generated polyclonal and monoclonal antibodies against recombinant [*]. An ELISA was developed with a sensitivity of

- -50 ng/ml. Our challenge now is to develop a more sensitive test using either antibody and/or RNA approaches so that detection of [*] in the blood is a reliable and sensitive indicator for early pregnancy in the cow. These experiments will continue over the next two years.

We also are initiating a new series of experiments designed to identify other pregnancy- specific antigens in white blood cells using modern molecular biology approaches. The approaches of differential display and, possibly, subtractive libraries will be used during the first year to identify gene products that are either enhanced or suppressed in white blood cells in response to pregnancy on day 18 and 22.

SPECIFIC AIMS

The purpose of the following experiments is to develop an early pregnancy test in cows. The first aim tests the hypothesis that detection of [*] in the blood can be used as an effective early pregnancy test in cows. The second and third aims are to screen blood cells from pregnant and non-pregnant cows so that additional proteins/antigens can be identified and tested for efficacy of use as an early pregnancy test. Aims are listed below for clarity:

Aim 1. Continue work in developing a pregnancy test based on detection of [*] mRNA and protein in blood cells (Years 1-2).
Aim 2. Identify additional genes that are induced or up-regulated in blood cells in response to pregnancy (Year 1).
Aim 3. Develop additional antibody and/or RNA detection approaches based on identification of gene products identified in Aim 1 (Year 2).

CONCLUDING REMARKS

We propose to complete the experiments over two years. The costs associated with these experiments are $140,000. I believe that we can accomplish what is described in the proposed time frame. If one additional year is required to complete experiments, we will continue under current budgetary guidelines (i.e., simply roll over funds into the third year). It will become difficult to generate antibodies against all antigens that will be discovered following completion of differential display or subtractive library approaches. The number of antigens that we identify could be limiting. Also, the inherent properties or soluability of the antigen might make purification a difficult chore. In consultation with scientists at AspenBio we would select/prioritize a few antigens (if there are many) to be generated as recombinant proteins for the purposes of making antibodies. The ultimate goal of the experiments would be to identify a single antigen/antibody that could be used to develop an accurate early pregnancy test in cows. It is assumed that AspenBio will make separate

* Portions of this marked Exhibit have been omitted pursuant to a request for confidential treatment and filed separately with the Commission.

arrangements for future mass-production of antibodies required for the final marketed pregnancy test. We look forward to working closely with scientists at AspenBio and hope to maintain flexibility so that additional approaches in developing an early bovine pregnancy test may be implemented as needed.

27.8 Neither COMPANY nor its Affiliates shall originate any publicity, news release or other public announcement, written or oral, relating to this Agreement or the existence of an arrangement between the parties, except as required by law, without the prior written approval of UW, which approval shall not be unreasonably withheld.

27.9 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

27.10 Nothing herein shall be deemed to constitute one party as the agent or representative of the other party or both parties as joint venturers or partners. Each party is an independent contractor.

IN WITNESS WHEREOF, both UW and COMPANY have executed this Agreement, in

duplicate originals, by their duly authorized representatives on the day and year hereinafter written.

<TABLE>
<CAPTION>

AspenBio	University of Wyoming
<S>	<C>
By:/s/ Roger Hurst	By: /s/Daniel Baccari
Name:Roger Hurst	Name: Daniel Baccari
Title:President	Title: Vice President
Date:10/29/01	Date: 10/25/01

</TABLE>

EXHIBIT 10.9

LICENSE AGREEMENT

FOR

DETERMINATION OF PREGNANCY STATUS OF UNGULATES

BETWEEN

ASPENBIO, INC.

AND

THE IDAHO RESEARCH FOUNDATION, INC.

<TABLE>
<S> <C>

</TABLE>

IRF CASE: 01-015

IDAHO RESEARCH FOUNDATION

PATENT LICENSE AGREEMENT

FOR

DETERMINATION OF PREGNANCY STATUS OF UNGULATES

THIS LICENSE AGREEMENT (the "Agreement") is made and entered into this 25th day of September, 2001 (the "Effective Date") by and between the IDAHO RESEARCH FOUNDATION, a not-for-profit corporation duly organized and existing under the laws of the State of Idaho and having its principal office at Morrill Hall 103, University of Idaho, Moscow, Idaho, 83844-3003, U.S.A. (hereinafter referred to as IRF), and ASPEN BIO INC. and having an address at 8100 Southpark Way, B-1, Littleton, Colorado 80120 (hereinafter referred to as "Aspen Bio".)

WITNESSETH

WHEREAS, the IRF is a nonprofit technology transfer organization dedicated to building the research capability of the University of Idaho; and

WHEREAS, the University of Idaho assigns all commercial rights to intellectual property to the IRF so that it may be used for the public good and so that income generated from the commercialization of such property can be used to attract and retain outstanding faculty and staff; and

WHEREAS, certain inventions, technology, knowledge and information generally characterized as DETERMINATION OF PREGNANCY STATUS OF UNGULATES, (hereinafter collectively referred to as "the Invention"), were made or obtained in the course of

research at the University of Idaho by TROY L. OTT and are covered by IRF Patent Rights (as defined below); and

WHEREAS, the Inventor(s) have assigned to IRF the ownership rights to the Invention, as provided in an assignment agreement made and effective [DATE OF ASSIGNMENT IF APPLICABLE] and attached hereto as Exhibit A; and

WHEREAS, ASPENBIO, INC. entered into a Confidential Disclosure Agreement (IRF Agreement No.: 4150-501) with IRF effective September 12th, 2001 and terminating September 12th, 2006 for the purpose of evaluating the Invention; and

WHEREAS, ASPENBIO, INC. is desirous of obtaining the exclusive rights from IRF for the development, use, and sale of products derived from the Technology, and IRF is willing to grant such rights; and

WHEREAS, both parties recognize and agree that royalties due hereunder will be paid on the issued patents and any pending patents so long as such patents are valid and remain in full force and effect, but only by the extent covered in this licensing agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. DEFINITIONS

1.1 "Invention" is defined in the fourth paragraph of the recitals of this Agreement.

1.2 "IRF Patent Rights" shall mean any and all U.S. and foreign patent rights now or hereafter owned by IRF to the Invention, including, but not limited to, any subject matter claimed in or covered by any of the following: U.S. Patent no. 60/299,533 entitled DETERMINATION OF PREGNANCY STATUS OF UNGULATES, filed June 19th, 2001 by TROY L. OTT and assigned to IRF. The patents and patent applications comprising IRF Patent

Rights are listed in Exhibit B attached hereto, which Exhibit shall be amended as patent applications are issued or abandoned, and as additional patent applications are filed by IRF.

1.3 "IRF Property Rights" shall mean property rights owned by IRF to the "Invention".

1.4 "Licensed Technology" shall mean any material or method

for use, either is covered by IRF Patent Rights or employs materials or methods covered by IRF Patent Rights in its manufacture or operation, or whose manufacture, use, sale or practice would constitute, but for the license granted to ASPENBIO, INC. pursuant to this Agreement, an infringement of any claim within IRF Patent Rights.

1.5 "Included Territory" means all of the world.

1.6 "Affiliate" shall mean any corporation or other business entity in which ASPENBIO, INC., shall own or control, directly or indirectly, at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors; provided, however, that in any country where the local law shall not permit foreign equity participation of at least 50%, then an "Affiliate" shall include any company in which ASPENBIO, INC.'S PARENT IF APPLICABLE shall own or control, directly or indirectly, the maximum percentage of such outstanding stock or voting rights permitted by local law.

2. GRANT OF LICENSES

2.1 Subject to the limitations set forth in this Agreement, IRF hereby grants to an exclusive field of use, worldwide license of IRF Patent Rights to make, have made, use, sell and sublicense Licensed Technologies.

2.2 Subject to the limitations set forth in this Agreement, IRF hereby grants to ASPENBIO, INC. an exclusive worldwide license of IRF Property Rights to possess, and practice the Invention.

2.3 IRF expressly reserves the right, for itself and for the University of Idaho, to use the Invention for educational and research purposes, except that in no event will the IRF or the University of Idaho use or disclose the Invention in any manner that would permit any third party to use the Invention.

3. SUBLICENSES

3.1 As part of the licenses granted to ASPENBIO, INC. pursuant to Article 2, and not in limitation thereof, IRF also grants to ASPENBIO, INC. the right to issue sublicenses to third parties of all or part of the rights granted to ASPENBIO, INC. in Article 2 of this Agreement. To the extent applicable, such sublicenses shall include all of the rights of and obligations due to IRF that are contained in this Agreement.

3.2 ASPENBIO, INC. shall provide IRF with a copy of each sublicense issued hereunder; pay to IRF its portion of royalties paid to ASPENBIO, INC. from Sub licensee, and summarize and deliver all reports due IRF from Sub Licensee. ASPENBIO, INC. shall use reasonable and prudent business practices in its selection of Sub Licensee and in the collection of royalty payments due IRF.

3.3 Upon termination of ASPENBIO, INC.'S rights under this Agreement pursuant to Section 9.1 and 10.1 of this Agreement, all Sub licensees' current in their obligations to IRF shall be, without recourse or representation, assigned to IRF and be continued by IRF pursuant to the terms thereof so long as such Sub licensee performs all of its obligations there under.

4. LICENSE FEES

4.1 ASPENBIO, INC. agrees to pay to IRF a license issue fee of TWENTY THOUSAND DOLLARS ($20,000) payable upon execution of this Agreement.

4.2 This fee is non-refundable and is not an advance against royalties.

5. ROYALTIES

5.1 ASPENBIO, INC. shall also pay to IRF the following earned royalty on all Revenues (as hereinafter defined) from Licensed Technologies. "Revenue" shall be defined as AspenBio Inc.'s invoice price less

any Price Exceptions, taxes, duties, or insurance on Ungulate Pregnancy Test Assays or Kits.

(a) A royalty equal to Two and One Half percent (2.5%) of the Revenues from Registered Licensed Technologies for the term of this Agreement and continuing until the earliest of (i) a determination by a court of competent jurisdiction that the IRF Patent Rights are not filly valid and effective, or (ii) the expiration of the last to expire patent in said country covering Licensed Technology, or (iii) upon termination of this Agreement.

5.2 Royalties shall be earned in each country for the duration of IRF Patent Rights in that country, and shall accrue to the IRF when Licensed Technologies or Processes are invoiced, or if not invoiced, when delivered to a third party.

5.3 Royalties accruing to IRF shall be paid to IRF quarterly on or before September 30th, December 31st, March 31st, and June 30th of each year. Each such payment will be for royalties that accrued within ASPENBIO, INC.'S most recently completed fiscal quarter.

5.4 ASPENBIO, INC. shall pay to IRF a minimum annual royalty of TWENTY FIVE THOUSAND DOLLARS ($25,000.00) during the term of this Agreement. The minimum annual royalties will be paid on a quarterly basis starting December 31st, 2001 and quarterly thereafter to IRF and shall be credited against the earned royalty due and owing for the fiscal year in which the minimum payment was made.

5.5 All monies due IRF shall be payable in United States funds collectible at par in Moscow, Idaho. When Licensed Technologies or Processes are sold for monies other than United States dollars, the earned royalties will first be determined in the foreign currency of the country in

which such Licensed Technologies or Processes were sold and then converted into equivalent United States funds. The exchange rate will be that established by the Bank of America in New York, New York on the last day of the reporting period. ASPENBIO, INC. shall also be responsible for all bank transfer charges.

5.6 Royalties earned with respect to sales occurring in any country outside the United States will be reduced by any taxes, fees, or other charges imposed by the government of such country on the remittance of royalty income.

5.7 ASPENBIO, INC.'S obligation to pay royalties hereunder on ASPENBIO, INC.'S sales of the Licensed Technology in any country shall cease upon (i) the expiration of the last to expire patent in said country covering Licensed Technologies or (ii) the termination of this Agreement. Furthermore, in the event that any patent or any claim thereof included within IRF Patent Rights shall be held invalid by operation of law or in a final decision by a court of competent jurisdiction and last resort and from which no appeal has or can be taken, all obligation to pay royalties based on such patent or claim or any claim patentably indistinct therefrom shall cease as of the date of such final action of invalidation. ASPENBIO, INC. shall not, however, be relieved from paying any royalties that accrued before such final action or that are based on another patent or claim not involved in such action of invalidation.

6. DUE DILIGENCE

6.1 ASPENBIO, INC., upon execution of this Agreement, shall proceed in its usual commercial manner with the development, manufacture and sale of Licensed Technologies and shall earnestly and diligently endeavor to market the same within a reasonable time after execution of this Agreement and in quantities sufficient to meet the market demands thereof. For purposes of this agreement, market demand shall be the total demand, verifiable by reasonable and customary business practices, for Licensed Technologies in the Included Territory.

6.2 ASPENBIO, INC. shall be entitled to exercise prudent and reasonable business judgment in meeting its due diligence obligations hereunder.

6.3 ASPENDIO, INC. shall endeavor to obtain all necessary governmental approvals for the use and sale of Licensed Technologies.

6.4 If ASPENBIO, INC. has not begun public sale of Licensed Technologies in the United States within ONE (1) year from the Effective Date, then IRF shall have the right, at its sole discretion, to either reduce the exclusive licenses granted herein to non-exclusive licenses or to terminate this Agreement, except that to the extent ASPENBIO, INC. has granted any sublicense that is exclusive in any country, such sublicense shall remain exclusive for the term thereof. This right, if exercised by IRF, supersedes the rights granted in Article 2 (GRANT OF LICENSES).

6.5 To exercise either the right to terminate this Agreement or any of the licenses granted hereunder or to reduce any of said licenses to nonexclusive licenses for lack of diligence, IRF must give ASPENBIO, INC. written notice of the deficiency. ASPENBIO, INC. thereafter has sixty (60) days to provide a detailed written plan as to how its proposed deficiency will be cured by ASPENBIO, INC. If IRF has not received a reasonably satisfactory plan as to how such deficiency will be cured by the end of the sixty (60) day period, then IRF may, at its option, either terminate this Agreement or reduce any such ASPENBIO, INC. exclusive licenses to nonexclusive licenses by giving written notice to ASPENBIO, INC. These notices shall be subject to Article 20 (PAYMENTS, NOTICES AND OTHER COMMUNICATIONS).

7. REPORTS AND RECORD KEEPING

7.1 Beginning February 1st next following the execution of this Agreement and semiannually thereafter, ASPENBIO, INC. shall submit to IRF a progress report covering ASPENBIO, INC.'S activities related to the development and testing and marketing of all Licensed Technologies and the obtaining of any approvals necessary for marketing. These progress reports

shall be made for each Licensed Technology until the first commercial sale of that Licensed Technology occurs in the United States. The progress reports shall include, but not be limited to, the following topics:

(a) summary of work completed,

(b) key scientific discoveries,

(c) summary of work in progress,

(d) revised schedule of anticipated events or milestones, e.g., regulatory submissions, regulatory approvals,

(e) marketing plans for introduction of Licensed Technology, and

(f) a summary of resources (dollar value) spent in the reporting period, and activities of Sublicenses and Affiliates.

7.2 ASPENBIO, INC. also agrees to report to IRF in its immediately subsequent progress or royalty report the date of first commercial sale of a Licensed Technology in each country.

7.3 After the first commercial sale of a Licensed Technology by ASPENBIO, INC. anywhere in the world, ASPENBIO, INC. will make quarterly royalty reports to IRF on or before September 30th, December 31st, March 31st, and June 30th of each year. Each such royalty report will cover ASPENBIO, INC. most recently completed fiscal quarter and will show (a) the gross sales and Net Sales of Licensed Technology sold in each country by ASPENBIO, INC. and its Sublicenses during the most recently completed calendar quarter; (b) the number of Licensed Technology sold; (c) the royalties, in U.S. dollars, payable hereunder with respect to such sales; and (d) the exchange rates used.

7.4 If no sale of Licensed Technology has been made during any reporting period, a statement to this effect shall be required.

7.5 ASPENBIO, INC. shall keep, and require its Sublicensee to keep, books and records accurately showing all Licensed Technology used, and/or sold under the terms of this Agreement, and shall require its Sublicensee to keep such books and records. Such books and records shall be preserved for at least Five (5) years from the date of the royalty payment to which they pertain and shall be open to inspection by representatives or agents of IRF at reasonable times.

7.6 The fees and expenses of IRF's representatives performing such an examination shall be borne by IRF. However, if an error in royalties of more than percent (5%) of the total royalties due for any year is discovered, then the fees and expenses of these representatives shall be borne by ASPENBIO, INC. or its Sublicensee.

8. TERM AND TERMINATION

8.1 If ASPENBIO, INC. or its successors or assigns shall cease to be engaged in the product development and sales of animal science products, IRF shall have the right to terminate the licenses granted to ASPENBIO, INC. pursuant to this Agreement.

8.2 Unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement, this Agreement shall be in force from the Effective Date recited on page one and shall remain in effect for the life of the last-to-expire patent licensed under this Agreement.

8.3 Any termination of this Agreement shall not affect the rights and obligations set forth in the following Articles:

Article 7. REPORTS AND RECORD KEEPING
Article 14. CONFIDENTIALITY
Article 15. NON-USE OF NAMES AND TRADEMARKS
Article 17. INDEMNIFICATION

8.4 Upon termination of this Agreement, ASPENBIO, INC. shall have the privilege of selling all previously started or partially finished Licensed Technologies, but no more, within a period of one hundred and twenty (120) days, provided, however, that the sale of such Licensed Technology shall be subject to the terms of this Agreement including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon.

8.5 Upon termination of this Agreement, except by expiration of the last-to-expire patent or the abandonment of the last patent licensed hereunder, ASPENBIO, INC. shall return to IRF, at the option of IRF, any licensed equipment owned by the University or the IRF.

9. TERMINATION BY IRF

9.1 If ASPENBIO, INC. should violate or fail to perform any term or covenant of this Agreement, except for the provisions of Article 6 (DUE DILIGENCE), then IRF may give written notice of such default (Notice of Default) to ASPENBIO, INC. If ASPENBIO, INC. should fail to cure such default within sixty (60) days of the effective date of such notice; IRF shall have the right to terminate this Agreement and the licenses granted herein by a second written notice (Notice of Termination) to ASPENBIO, INC. If a Notice of Termination is sent to ASPENBIO, INC., this Agreement shall automatically terminate on the effective date of such notice. Such termination shall not relieve ASPENBIO, INC. of its obligation to pay any royalty or other fees owing at the time of such termination and shall not impair any accrued right of IRF. These notices shall be subject to Article 20 (PAYMENTS, NOTICES AND OTHER COMMUNICATIONS).

10. TERMINATION BY ASPENBIO. INC.

10.1 ASPENBIO, INC. shall have the right at any time to terminate this Agreement in whole or as to any portion of IRF Patent Rights by

giving notice in writing to IRF. Such notice of termination shall be subject to Article 20 (PAYMENTS, NOTICES AND OTHER COMMUNICATIONS) and termination of this Agreement shall be effective ninety (90) days from the effective date of such notice.

10.2 Any termination pursuant to the above paragraph shall not relieve ASPENBIO, INC. of its obligation to pay any royalty or license fees owing at the time of such termination and shall not impair any accrued right of IRF, nor shall such termination rescind anything done by ASPENBIO, INC. or any payments made to IRF hereunder prior to the time such termination becomes effective.

11. PROSECUTION AND MAINTENANCE OF IRF PATENT RIGHTS

11.1 IRF shall diligently prepare, file, prosecute and maintain the United States and foreign patents comprising IRF Patent Rights using counsel of its choice. Without limiting the foregoing, IRF shall prepare, file, prosecute and maintain patents in any country as requested by ASPENBIO, INC.

11.2 IRF shall use all reasonable efforts to amend any patent application comprised within IRF Patent Rights to include claims or information reasonably requested by ASPENBIO, INC. to protect the Licensed Technologies under this Agreement.

11.3 IRF shall apply for an extension of the term of any patent included within IRF Patent Rights if appropriate under the Drug Price Competition and Patent Term Restoration Act of 1984. IRF shall prepare and execute such documents as are necessary for such application, and take such additional reasonable action as is necessary to obtain such patent term extension.

ASPENBIO, INC. agrees to provide any information, documents and the like which IRF may reasonably request in connection therewith.

11.4 The cost of preparing, filing, prosecuting and maintaining all patent applications contemplated by this Agreement shall be borne by ASPENBIO, INC.

11.5 If ASPENBIO, INC. declines to so reimburse IRF, IRF may abandon all IRF Patent Rights in said country and no further royalty will be payable with respect to any Revenue arising in such country.

12. PATENT MARKING

12.1 ASPENBIO, INC. agrees to mark all Licensed Technologies or Processes made, used or sold under the terms of this Agreement, in accordance with the applicable patent marking laws.

13. PATENT INFRINGEMENT

13.1 In the event that ASPENBIO, INC. shall learn of the infringement of any patent right owned by IRF and licensed under this Agreement, ASPENBIO, INC. shall call IRF's attention thereto in writing and shall provide IRF with reasonable evidence of such infringement. The parties to this Agreement agree that during the period and in a jurisdiction where ASPENBIO, INC. has a license under this Agreement, neither will notify a third party of the infringement of any IRF Patent Rights without first obtaining consent of the other Party, which consent shall not be unreasonably denied. Both parties shall use their best efforts in cooperation with each other to terminate such infringement without litigation.

13.2 ASPENBIO, INC. may request that IRF take legal action against any infringement of IRF Patent Rights. Such request shall be made in writing and shall include reasonable evidence of such infringement and related injuries to ASPENBIO, INC. If the infringing activity has not been abated within ninety (90) days following the effective date of such request, IRF

shall have the right to commence suit on its own account against such

infringement, in which case any recoveries from such suit shall belong to IRF. IRF shall give notice of its election in writing to ASPENBIO, INC. by the end of the one-hundredth (100th) day after receiving notice of such request from ASPENBIO, INC. Until and unless such infringement has ceased completely, ASPENBIO, INC. (or any Sub Licensee.) shall have no further obligation to pay any royalty to IRF in respect of any Licensed Technology in such country or countries unless such infringement (e.g., any practice of any intellectual property or making or selling any product or process using such intellectual property) is occurring.

13.3 If IRF does not commence suit against an infringement, ASPENBIO, INC. may commence legal action in respect to such patent infringement if the infringement occurred during the period and in a jurisdiction where ASPENBIO, INC. had exclusive rights under this Agreement. However, in the event ASPENBIO, INC. commences legal action in accordance with this paragraph, IRF may thereafter join such action at its own expense, but ASPENBIO, INC. will be entitled to all recoveries from such legal action.

13.4 The parties hereto may enter into an agreement under which the parties jointly commence suit against any such infringement, with each party paying one half of the legal costs and receiving one half of any recoveries, or such other allocation of legal costs and apportionment of recoveries as such agreement may provide.

13.5 Each party to this Agreement agrees to cooperate with the other parties hereto in litigation proceedings instituted hereunder. Such litigation shall be controlled by the party bringing the suit, except that any other party may be represented by counsel of their choice at their expense in any suit brought by one party. Except as provided in 13.4 hereof, both parties shall be reimbursed from any recoveries for their out-of-pocket legal costs incurred in any infringement

litigation, in proportion to their share of such legal expenses, before any other disposition of such recoveries is made.

14. CONFIDENTIALITY

14.1 All information and tangible property, including but not limited to "Invention", provided to ASPENBIO, INC. by IRF or the University of Idaho under this Agreement shall be deemed confidential. ASPENBIO, INC. agrees not to use any confidential information or tangible property for any purpose other than for the purpose of this Agreement.

14.2 ASPENBIO, INC. agrees to protect and keep secret confidential information supplied by IRF and relating to IRF Patent Rights against disclosure to others with the same degree of care as it exercises with its own data of a similar nature. ASPENBIO, INC. may not disclose such information to others (except to its employees, agents or consultants who are bound to it by a like obligation of confidentiality) without the express written permission of IRF.

14.3 IRF agrees to protect and keep secret confidential information supplied by ASPENBIO, INC. under the provisions of Article 7 (REPORTS AND RECORD KEEPING), and any information supplied to it by ASPENBIO, INC. which is identified in writing as confidential, against disclosure to others with the same degree of care as it exercises with its own data of a similar nature. IRF may not disclose such information to others (except to its employees, agents or consultants who are bound to it by a like obligation of confidentiality) without the express written permission of ASPENBIO, INC., unless IRF is otherwise required by law to disclose the information.

14.4 The obligations of confidentiality provided by 14.1, 14.2 and 14.3 shall not prevent the recipient of confidential information (RECIPIENT) from using or disclosing any confidential information provided to it by the other party (DISCLOSER) which:

(a) Is or becomes generally available to the public through no fault of RECIPIENT or its employees, consultants, agents, subcontractors or subsidiaries to whom DISCLOSER has released same;

(b) Is published or disclosed by DISCLOSER, its employees or agents to the general public (including but not limited to, publication in trade or academic journals, or presentation at a trade or academic seminar, meeting, or similar events open to the general academic or trade community);

(c) Is disclosed to RECIPIENT by a third party having the lawful right to disclose same, without obligation of confidentiality to DISCLOSER, its consultants or agents;

(d) Is disclosed by RECIPIENT to a government agency with which RECIPIENT is unable to lawfully secure an obligation of confidentiality, to comply with statutory requirements for market approval, clinical trials, or certification of Licensed Technology;

(e) Is approved for release in writing by DISCLOSER, and then only to the extent such written approval is granted; or

(f) Which RECIPIENT can demonstrate was already known to it, or was independently developed by employees of RECIPIENT having no access to the confidential information.

14.5 The obligations of confidentiality with respect to information shall remain in effect until five (5) years after the termination of this Agreement.

15. NON-USE OF NAMES AND TRADEMARKS

15.1 No party to this Agreement shall, without express written consent, use any name, trade name, trademark, or other designation of any other party hereto (including contraction,

abbreviation or simulation of any of the foregoing) in advertising, publicity, or other promotional activities. Unless required by law, ASPENBIO, INC. shall not use the names of the Idaho Research Foundation, the University of Idaho or any of its employees, nor any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from IRF or the University of Idaho.

15.2 The parties hereto agree that the terms and conditions of this Agreement shall be held in confidence except as required by or for applicable disclosure laws, financing sources, enforcement of the Agreement, mergers and acquisitions, or as otherwise mutually agreed by the Parties, and such agreement shall not be withheld unreasonably.

15.3 It is understood that IRF shall be free to release in confidence, to the inventors and senior administrative officials of the University of Idaho, the terms and conditions of this Agreement upon their request. It is further understood that should a third party inquire whether a license to IRF Patent Rights is available, IRF may disclose the existence of this Agreement and the extent of the grant in Article 2 to such third party, but shall not disclose the name of ASPENBIO, INC. except where required by law.

16. LIMITED WARRANTY

16.1 IRF warrants to ASPENBIO, INC. that (i) IRF has the lawful right to grant the licenses granted herein, (ii) IRF has obtained from the Inventors and the University of Idaho all rights necessary to grant to ASPENBIO, INC. the licenses granted herein, (iii) none of IRF, the Inventors or the University of Idaho has granted or will grant any rights to any third person in the IRF Patent Rights or the Invention that would infringe or limit the licenses granted to ASPENBIO, INC. herein; and (iv) to the best knowledge of IRF, the IRF Patent Rights and the Invention do not infringe any patent or other property rights of any third party.

16.2 EXCEPT AS PROVIDED IN 16.1 HEREOF OR OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, IRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO:

WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENT RIGHTS CLAIMS ISSUED OR PENDING, COPYRIGHTS, TRADEMARKS AND OTHER RIGHTS.

16.3 IN NO EVENT WILL THE IRF OR ASPENBIO, INC. BE LIABLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM EXERCISE OF THIS LICENSE OR THE USE OF LICENSED TECHNOLOGY.

16.4 Except as provided in 16.1 hereof, nothing in this Agreement shall be construed as: a) a warranty or representation by IRF as to the validity or scope of any IRF Patent Rights; b) a warranty that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of patents, copyrights, trademarks or other property rights of third parties; c) an obligation to bring or prosecute actions or suits against third parties for infringement, except as provided in Article 13 hereof; d) granting by implication, estoppel or otherwise any licenses under patents of the IRF other than those comprised within IRF Patent Rights of Paragraph 1.1, regardless of whether such patents are dominant or subordinate to the patents comprised within said IRF Patent Rights; or e) granting by implication, estoppel or otherwise any licenses under tangible property of IRF or the University of Idaho.

17. INDEMNIFICATION

17. ASPENBIO, INC. agrees to indemnify, hold harmless and defend IRF and the University of Idaho, its officers, employees, and agents and the inventors of the patents and patent applications in IRF Patent Rights from and against any and all liability, claims, suits, losses,

damages, costs, fees, and expenses arising out of the exercise of the licenses granted herein. This indemnification will include, but not be limited to, any process liability.

17.2 IRF agrees to indemnify, hold harmless and defend ASPENBIO, INC., its officers, directors, shareholders, employees, and agents from and against any and all liability, claims, suits, losses, damages, costs, fees, and expenses arising out of any breach of the representation, warranties or covenants of IRF set forth in this Agreement.

18. ASSIGNABILITY

18.1 This Agreement is assignable only with the express written consent of IRF, which consent shall not be unreasonably withheld, except that upon ten (10) days prior written notice to IRF by ASPENBIO, INC., this Agreement may be assignable by ASPENBIO, INC. to any affiliate of ASPENBIO, INC.'S or to any third party acquiring all or substantially all of the business of ASPENBIO, INC. or all of that portion of the business of ASPENBIO, INC. where it utilizes the licenses granted to it herein without the consent of IRF. IRF may assign its rights under this Agreement upon ten (10) days prior written notice to ASPENBIO, INC. Any assignee of this Agreement shall accept and assume the terms hereof in writing.

19. DISPUTE RESOLUTION

19.1 The parties shall endeavor to resolve any and all claims, disputes or controversies arising under, out of, or in connection with this Agreement, including any dispute relating to patent validity or infringement, through good faith negotiations between the parties.

19.2 Notwithstanding the foregoing, nothing in this Article shall be construed to waive any rights or timely performance of any obligations by either party existing under this Agreement.

20. PAYMENTS, NOTICES AND OTHER COMMUNICATIONS

20.1 Any payment, notice or other communication pursuant to this Agreement shall be in writing, and shall be sufficiently made or given on the date of mailing if sent to such party by certified first class mail, postage prepaid, addressed to it at its address below or as it shall designate by written notice given to the other parties hereto:

In the Case of IRF:

Director of Technology Licensing
Idaho Research Foundation
Morrill Hall 103
P.O. Box 443003
University of Idaho
Moscow, Idaho 83844-3003

In the Case of ASPENBIO, INC.:

President, AspenBio Inc.
8100 Southpark Way, B-1
Littleton, CO 80120

21. MISCELLANEOUS PROVISIONS

21.1 The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

21.2 This Agreement will not be binding upon the parties until it has been signed below on behalf of each party, in which event, it shall be effective as of the date recited on page one.

21.3 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.

21.4 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Idaho, U.S.A., except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent was granted.

21.5 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

21.6 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

21.7 In the event of a failure of performance due under the terms of this Agreement and if it becomes necessary for either party to undertake legal action against the other on account thereof, then the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.

21.8 The parties to this Agreement shall be excused from any performance required hereunder if such performance is rendered impossible or unfeasible due to any catastrophes or other major events beyond their reasonable control, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances or regulations; strikes, lock-outs or other serious labor disputes; and floods, fires, explosions; earthquakes or other natural disasters. When such events have abated, the parties' respective obligations hereunder shall resume.

21.9 This Agreement includes Exhibits A and B which are attached hereto.

IN WITNESS WHEREOF, IRF and ASPENBIO, INC. have executed this Agreement, in duplicate originals, by their respective officers hereunto duly authorized, on the day and year hereinafter written.

ASPENBIO, INC.	IDAHO RESEARCH FOUNDATION
By: /s/ Roger Hurst	By Ronald J. Satterfield
(Signature)	(Signature)
Name: Roger Hurst	Name: Ronald J. Satterfield
(Please Print)	
Title: President	Title: Director of Technology Licensing
(Please Print)	
Date: 9/26/01	Date 9/27/01

EXHIBIT 10.10

PROMISSORY NOTE

$400,000.00 AUGUST 7, 2000
LITTLETON, COLORADO

For consideration received, AspenBio, Inc., a Colorado corporation ("Maker") promises to pay to the order of Roger D. Hurst ("Holder") in accordance with the provisions set forth below, the principal sum of FOUR HUNDRED THOUSAND DOLLARS ($400,000.00), together with interest thereon, compounded on the first of each month commencing on August 1, 2000, at the rate of eight percent (8%) per annum.

Maker shall make one payment of Two Hundred and Sixty Thousand Dollars ($260,000.00) of principal on January 1, 2002. Maker shall make quarterly payments consisting of principal and interest on the first day of each calendar quarter, commencing with April 1, 2002 until there is no principal or interest outstanding and in accordance with the payment schedule attached hereto as Exhibit A. All amounts due pursuant to this Note shall be paid in cash or other immediately available funds to Holder in care of Maker at 8100 Southpark Way, Unit B-1, Littleton, Colorado 80120, or at such other address as may have been fixed by reasonable notice to Maker. Maker may prepay the principal amount outstanding in whole or in part at any time without penalty or premium. Any partial prepayment shall not postpone the due date of any subsequent installment unless the Holder shall otherwise agree in writing.

The loan represented by this Note is solely for commercial and business purposes, and is not made in connection with a consumer transaction. The loan represented by this Note is not for personal, family, agricultural or household purposes. The loan represented by this Note is not a consumer loan within the meaning of the Uniform Consumer Credit Code ("UCCC") and accordingly the UCCC shall not apply to this Note.

This Note shall be in default if Maker fails to cure, within twenty (20) days of receipt of written notice from Holder of default, its failure to make payment of principal or interest due under this Note when the same becomes due and payable. From and after the date of any such default, all principal and interest then due hereunder shall thereafter accrue interest at the rate of twelve percent (12%) per annum. If default shall occur and be continuing and Holder proceeds to enforce or pursue any legal or equitable remedies, Maker agrees to pay all expenses incurred by Holder (including reasonable attorneys' fees) incident to the enforcement of this Note.

This Note and the obligations hereunder may not be assigned or transferred to any person or party by Holder without the prior written consent of Maker, which may be withheld in the sole and absolute discretion of Maker. Maker may assign or transfer its rights and obligations to any person or party at any time; provided, that any successor party shall have all rights and obligations of Maker hereunder. The parties hereto, including Maker and any guarantors, endorsers, successors, and assigns hereby waive demand, presentment, protest and notice of protest, diligence, and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and Maker agrees that Holder may extend the terms for payment or accept partial payment without discharging or releasing Maker from any of its obligations hereunder. This Note and its validity, construction, and performance shall be governed in all respects by the laws of the state of Colorado.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed and dated the day and year first above written.

ASPENBIO, INC.
a Colorado corporation

By:

Roger D. Hurst, President

AMENDED AND RESTATED PROMISSORY NOTE

$267,501.00 APRIL 1, 2002

LITTLETON, COLORADO

For consideration received, AspenBio, Inc., a Colorado corporation ("Maker") promises to pay to the order of Roger D. Hurst ("Holder") in accordance with the provisions set forth below, the principal sum of TWO HUNDRED AND SIXTY SEVEN THOUSAND FIVE HUNDRED AND ONE DOLLARS ($267,501.00), together with interest thereon at the rate of eight percent (8%) per annum. This Amended and Restated Promissory Note (the "Note") amends and restates that certain Promissory Note in the original principal amount of Four Hundred Thousand Dollars ($400,000.00) dated August 7, 2000 made by Maker in favor of Holder.

Maker shall make one payment of Thirty Thousand Dollars ($30,000.00) of principal on April 30, 2002. Maker shall make a payment of principal and interest of $50,000 on April 30, 2003 and on April 30, 2004. On April 30, 2005, Maker shall make a final payment of all principal and interest outstanding under the Note. All amounts due pursuant to this Note shall be paid in cash or other immediately available funds to Holder in care of Maker at 8100 Southpark Way, Unit B-1, Littleton, Colorado 80120, or at such other address as may have been fixed by reasonable notice to Maker. Maker may prepay the principal amount outstanding in whole or in part at any time without penalty or premium. Any partial prepayment shall not postpone the due date of any subsequent installment unless the Holder shall otherwise agree in writing.

The loan represented by this Note is solely for commercial and business purposes, and is not made in connection with a consumer transaction. The loan represented by this Note is not for personal, family, agricultural or household purposes. The loan represented by this Note is not a consumer loan within the meaning of the Uniform Consumer Credit Code ("UCCC") and accordingly the UCCC shall not apply to this Note.

This Note shall be in default if Maker fails to cure, within twenty (20) days of receipt of written notice from Holder of default, its failure to make payment of principal or interest due under this Note when the same becomes due and payable. From and after the date of any such default, all principal and interest then due hereunder shall thereafter accrue interest at the rate of twelve percent (12%) per annum. If default shall occur and be continuing and Holder proceeds to enforce or pursue any legal or equitable remedies, Maker agrees to pay all expenses incurred by Holder (including reasonable attorneys' fees) incident to the enforcement of this Note.

This Note and the obligations hereunder may not be assigned or transferred to any person or party by Holder without the prior written consent of Maker, which may be withheld in the sole and absolute discretion of Maker. Maker may assign or transfer its rights and obligations to any person or party at any time; provided, that any successor party shall have all rights and obligations of Maker hereunder. The parties hereto, including Maker and any guarantors, endorsers, successors, and assigns hereby waive demand, presentment, protest and notice of protest, diligence, and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and Maker agrees that Holder may extend the terms for payment or accept partial payment without discharging or releasing Maker from any of its obligations hereunder. This Note and its validity, construction, and performance shall be governed in all respects by the laws of the state of Colorado.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed and dated the day and year first above written.

ASPENBIO, INC.
a Colorado corporation

By:

Roger D. Hurst, President

EXHIBIT 10.11

PROMISSORY NOTE

$29,755.00 APRIL 1, 2002
LITTLETON, COLORADO

For consideration received, AspenBio, Inc., a Colorado corporation ("Maker") promises to pay to the order of Roger D. Hurst ("Holder") in accordance with the provisions set forth below, the principal sum of TWENTY NINE THOUSAND SEVEN HUNDRED AND FIFTY FIVE DOLLARS ($29,755.00), together with interest thereon at the rate of eight percent (8%) per annum.

Maker shall make one payment of all principal and interest outstanding under this note on April 30, 2005. All amounts due pursuant to this Note shall be paid in cash or other immediately available funds to Holder in care of Maker at 8100 Southpark Way, Unit B-1, Littleton, Colorado 80120, or at such other address as may have been fixed by reasonable notice to Maker. Maker may prepay the principal amount outstanding in whole or in part at any time without penalty or premium. Any partial prepayment shall not postpone the due date of any subsequent installment unless the Holder shall otherwise agree in writing.

The loan represented by this Note is solely for commercial and business purposes, and is not made in connection with a consumer transaction. The loan represented by this Note is not for personal, family, agricultural or household purposes. The loan represented by this Note is not a consumer loan within the meaning of the Uniform Consumer Credit Code ("UCCC") and accordingly the UCCC shall not apply to this Note.

This Note shall be in default if Maker fails to cure, within twenty (20) days of receipt of written notice from Holder of default, its failure to make payment of principal or interest due under this Note when the same becomes due and payable. From and after the date of any such default, all principal and interest then due hereunder shall thereafter accrue interest at the rate of twelve percent (12%) per annum. If default shall occur and be continuing and Holder proceeds to enforce or pursue any legal or equitable remedies, Maker agrees to pay all expenses incurred by Holder (including reasonable attorneys' fees) incident to the enforcement of this Note.

This Note and the obligations hereunder may not be assigned or transferred to any person or party by Holder without the prior written consent of Maker, which may be withheld in the sole and absolute discretion of Maker. Maker may assign or transfer its rights and obligations to any person or party at any time; provided, that any successor party shall have all rights and obligations of Maker hereunder. The parties hereto, including Maker and any guarantors, endorsers, successors, and assigns hereby waive demand, presentment, protest and notice of protest, diligence, and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and Maker agrees that Holder may extend the terms for payment or accept partial payment without discharging or releasing Maker from any of its obligations hereunder. This Note and its validity, construction, and performance shall be governed in all respects by the laws of the state of Colorado.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed and dated the day and year first above written.

ASPENBIO, INC.
a Colorado corporation

By:

Roger D. Hurst, President

EXHIBIT 10.12

[COLORADO BUSINESS LEASING, INC. LETTERHEAD]

NOTE NO.: 9000228-001

$280,000.00 DATE: November 1, 2000

For value received, the undersigned and each thereof, promises to pay to COLORADO BUSINESS LEASING, INC. or its order, at said company in Denver, Colorado, TWO HUNDRED EIGHTY THOUSAND DOLLARS and NO CENTS with interest thereon from the date hereof until maturity at a rate of 10.75 PERCENT, and after maturity at the prime rate plus FIVE PERCENT. The makers and endorsers hereof, and all persons who are or may become parties to this instrument, hereby waive presentment for payment, protest, notice of nonpayment and of protest, and agree to any extensions of time of payment and partial payments before, at, or after maturity, to the addition or release of any party or person primarily or secondarily liable, to the release or substitution of any or all collateral and to any other indulgence granted by the holder to any party liable thereon.

The principal of this note is repayable as follows:

THIRTY-SIX monthly payments at $9,052.63 principal and interest beginning NOVEMBER 1, 2000 and on the FIRST day of each month thereafter. The entire balance shall be due on or before OCTOBER 1, 2003. If a payment is 10 DAYS OR MORE LATE, Borrower will be charged an additional amount equal to 5% of the payment.

Maturity of all principal and interest due hereunder shall at the option of the holder be accelerated and such principal and interest be immediately due and payable at the option of the holder without notice or demand upon the occurrence of any of the following events of default: (a) Failure to pay when due any installment of principal or interest; (b) default in the performance of any other liability or undertaking to the holder of any maker, endorser or guarantor hereof; including violation of the financial covenants noted below; (c) when the holder hereof in good faith deems itself insecure or feels that the prospect of payment of this note is impaired; (d) death, dissolution, insolvency (or the occurrence of anything in the opinion of the holder evidencing insolvency), termination of existence of, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against, any maker, endorser or guarantor hereof. The undersigned will pay on demand all costs of collection of the indebtedness due hereunder, including reasonable attorneys' fees, paid or incurred by the holder, and the same shall constitute a part of the indebtedness represented hereby and be secured by any and ail collateral securing this promissory note.

Any deposits or other sums credited by or due from the holder to any maker, endorser or guarantor hereof and any property of any maker, endorser or guarantor in the holder's possession may at all times be held and treated as collateral security for the payment hereof, and the holder may set off or apply the same against any matured liability hereunder at any time.

No failure to exercise or delay in exercising any right hereunder of the holder shall operate as a waiver of such right or of any other right hereunder, nor shall any waiver by the holder be construed as a waiver of such right on any future occasion. If executed by more than one maker, the obligation represented hereby shall be joint and several. After default the holder may apply payment on account hereof, however designated, to principal or interest in the holder's discretion.

DURING THE TERM OF THIS PROMISSORY NOTE, OBLIGOR WILL MAINTAIN THE FOLLOWING FINANCIAL COVENANTS:

MAINTAIN MINIMUM NET WORTH INCLUDING SUBORDINATED DEBT NOT LESS THAN $750,000.

MAINTAIN MAXIMUM DEBT EXCLUDING SUBORDINATED TO NET WORTH INCLUDING SUBORDINATED OF LESS THAN 1.25:1.

MAINTAIN CURRENT RATIO GREATER THAN 1.1.

MAINTAIN MINIMUM TRADITIONAL CASH FLOW COVERAGE OF 5:1.

The laws of the State of Colorado shall govern this Promissory Note.

BORROWER: AspenBio, Inc.

BY

Roger Hurst, President

EXHIBIT 10.13

ASPENBIO, INC.

Number of Shares: 100,000 Date of Grant: August 21, 2001

STOCK OPTION AGREEMENT

AGREEMENT made this 21st day of August, 2001, between ("Optionee"), and AspenBio, Inc., a Colorado corporation ("Company").

1. Grant of Option. The Company, hereby grants to the Optionee, subject to the terms and conditions set forth or incorporated herein, an Option to purchase from the Company all or any part of an aggregate of Common Shares, as such Common Shares are now constituted, at the purchase price of $1.00 per share.

2. Exercise. The Option evidenced hereby shall be exercisable in whole or in part (but only in multiples of 10,000 Shares unless such exercise is as to the remaining balance of this Option) on or after and on or before August 20, 2006, provided that the cumulative number of Common Shares as to which this Option may be exercised shall not exceed the following amounts:

<Table>
<Caption>

Cumulative Number of Shares	Prior to Date (Not Inclusive of)
<S>	<C>
100,000	August 20, 2006

</Table>

The Option evidenced hereby shall be exercisable by the delivery to and receipt by the Company of (i) a written notice of election to exercise; (ii) accompanied by payment of the full purchase price thereof in cash or certified check payable to the order of the Company, and (iii) by return of this Stock Option Agreement for endorsement of exercise by the Company.

3. Transferability. The Option evidenced hereby is NOT assignable or transferable by the Optionee, except with the Company's consent.

AspenBio, Inc.

By: /s/ Roger Hurst 8-21-01

Roger Hurst, President Date

Optionee:

/s/ Gail Schoettler

Gail Schoettler Social Security or Tax ID #

8100 Southpark Way, B-1 . Littleton, CO 80120
(303) 794-2000 . Fax (303) 798-8332
www.aspenbioinc.com

EXHIBIT 10.14

ASPENBIO, INC.

Number of Shares: 100,000 Date of Grant: August 21, 2001

STOCK OPTION AGREEMENT

AGREEMENT made this 21st day of August, 2001, between ("Optionee"), and AspenBio, Inc., a Colorado corporation ("Company").

1. Grant of Option. The Company, hereby grants to the Optionee, subject to the terms and conditions set forth or incorporated herein, an Option to purchase from the Company all or any part of an aggregate of Common Shares, as such Common Shares are now constituted, at the purchase price of $1.00 per share.

2. Exercise. The Option evidenced hereby shall be exercisable in whole or in part (but only in multiples of 10,000 Shares unless such exercise is as to the remaining balance of this Option) on or after and on or before August 20, 2006, provided that the cumulative number of Common Shares as to which this Option may be exercised shall not exceed the following amounts:

<Table>
<Caption>

Cumulative Number of Shares	Prior to Date (Not Inclusive of)
<S>	<C>
100,000	August 20, 2006

</Table>

The Option evidenced hereby shall be exercisable by the delivery to and receipt by the Company of (i) a written notice of election to exercise; (ii) accompanied by payment of the full purchase price thereof in cash or certified check payable to the order of the Company, and (iii) by return of this Stock Option Agreement for endorsement of exercise by the Company.

3. Transferability. The Option evidenced hereby is NOT assignable or transferable by the Optionee, except with the Company's consent.

AspenBio, Inc.

By: /s/ Roger Hurst 8-21-01
Roger Hurst, President Date

Optionee:

/s/ Bruce Deal ###-##-####
Bruce Deal Social Security or Tax ID #

8100 Southpark Way, B-1 . Littleton, CO 80120
(303) 794-2000 . Fax (303) 798-8332
www.aspenbioinc.com

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

I consent to the incorporation of my report dated February 4, 2002 on the financial statements of AspenBio, Inc. as of December 31, 2001 and 2000 and for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000 and my report dated January 18, 2000 on the financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 1999, which is included in this Form S-1 dated April 12, 2002 of AspenBio, Inc. and to the reference to my Firm under the caption "Experts" in the Form S-1.

LARRY O'DONNELL, CPA, P.C.

April 12, 2002
Aurora, CO

EXHIBIT 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Securities and Exchange Commission
Washington, D.C.

We consent to the incorporation of our report dated December 22, 2000 on the financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 2000, which is included in this Form S-1 dated April 12, 2002 of AspenBio, Inc. and to the reference to our Firm under the caption "Experts" in the Form S-1.

/s/ CORDOVANO AND HARVEY, P.C.

Cordovano and Harvey, P.C.
Denver, Colorado
April 12, 2002