FORM 10-QSB

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended September 30, 2002

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 0-50019

ASPENBIO, INC.
(Exact name of registrant as specified in its charter)

Colorado	84-1553387
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8100 Southpark Way, Bldg B-1 , Littleton, Colorado	80120
(Address of principal executive offices)	(Zip Code)

(303) 794-2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes ___ No X

The number of shares outstanding of each of the issuer's classes of common equity as of November 13, 2002, was 9,300,000.

PART I - FINANCIAL INFORMATION

AspenBio, Inc
Balance Sheets

Assets

	(Unaudited) September 30, 2002
Current Assets	
Cash Equivalents	$ 634,895
Accounts Receivable	59,641
Inventories	401,883
Prepaid Expense	112,152

Total Current Assets	1,208,571
Property, Plant and Equipment	
Laboratory equipment	209,002
Construction in progress	334,378
Computer equipment	30,676
Leasehold improvements	27,645
Office equipment	22,205
Total Cost	623,906
Less Depreciation	(122,158)
Net Property & Equipment	501,748
Other Assets	
Intangible assets, Net of Amortization Of $60,712	748,712
Deposit - Security	56,925
Inventory Non Current	32,860
Total Other Assets	838,497
Total Assets	$ 2,548,816

The accompanying notes are an integral part of the financial statements.

AspenBio, Inc.
Balance Sheets

Liabilities & Stockholders Equity

	(Unaudited) September 30, 2002
Current Liabilities	
Notes Payable	$ 533,890
Current Portion Long Term Debt	93,811
Accounts Payable	37,899
Accrued Expenses	1,231
Total Current Liabilities	666,831
Long-Term Liabilities, less current	975,866
Shareholders' Equity	
Common Stock: 15,000,000 Shares Authorized; no par; 9,300,000 shares outstanding	1,342,319
Accumulated Deficit	(436,200)
Total Shareholders' Equity	906,119
Total Liabilities and Shareholders' Equity	$ 2,548,816

The accompanying notes are an integral part of the financial statements.

AspenBio, Inc.
Statement of Operations
(Unaudited)

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Sales	$ 551,451	843,101
Cost of Sales	192,907	227,162
Gross Profit	358,544	615,939
Operating Expenses		
General lab expenses	62,161	180,827
General & Admin	335,527	262,986
Research and Development	291,514	147,684
Depreciation and amortization	34,626	50,385
Total Expenses	723,828	641,882
(Loss) from Operations	(365,284)	(25,943)
Interest expense	70,136	41,632
(Loss) before Income Taxes	(435,420)	(67,575)
Income Taxes	(10,267)	--
Net Loss	$(425,153)	$ (67,575)
Gain (Loss) Per Share of Common Stock Weighted average 9,170,000 Shares at 09/30/02 and 7,850,000 at 09/30/01)	$ (0.05)	$ (0.01)

The accompanying notes are an integral part of the financial statements

AspenBio, Inc.
Statement of Operations
(Unaudited)

	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001
Sales	$ 285,572	430,024
Cost of Sales	108,599	91,600
Gross Profit	176,973	338,424
Operating Expenses		
General lab expenses	31,233	28,108
General & Admin	113,991	109,948
Research and Development	77,522	51,472
Depreciation and amortization	11,581	35,989
Total Expenses	234,327	225,517
(Loss) from Operations	(57,354)	112,907
Interest expense	48,602	10,677

(Loss) Profit before Income Taxes	(105,956)	102,230
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Net (Loss) Profit	$(105,956)	$ 102,230
	=========	=========
Gain (Loss) Per Share of Common Stock Weighted average 9,170,000 Shares at 09/30/02 and 7,850,000 at 09/30/01)	$ (0.01)	$ 0.01
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The accompanying notes are an integral part of the financial statements.

AspenBio, Inc.
Statements of Cash Flows
Nine Months Ending 09/30/02 and 01

	(Unaudited) September 30, 2002	(Unaudited) September 30, 2001
Cash Flows from Operating Activities		
Net Income (Loss)	$ (425,153)	$ (67,576)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	34,648	44,094
Stock issued for compensation	--	137,055
Changes in Assets & Liabilities:		
Decrease (increase) in-		
Accounts Receivable	171,788	(167,708)
Inventories	(43,509)	(9,238)
Prepaid Expenses	(3,251)	
Deposits	(50,000)	(15,000)
(Decrease) increase in-		
Accounts Payable	(16)	(79,404)
Accrued Expenses	(2,783)	(844)
Income Taxes Payable	(11,000)	
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Net Cash Provided (Used) by Operating Activities	(329,276)	(158,621)
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Cash Flows From Investing Activities		
Purchase of Property and Equipment	(334,378)	(15,431)
Purchase of Intangible Assets	(128,747)	(23,573)
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Net Cash Used by Investing Activities	(463,125)	(39,004)
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Cash Flows from Financing Activities		
Sales of common stock	300,000	260,134
Dividends	(48,999)	
Debt Reduction	(50,450)	(43,473)
Proceeds from debt	978,588	
Deferred Offering Costs	(175,608)	
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Net Cash from Financing Activities	1,003,531	216,661
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Net Increase (Decrease) in Cash	211,130	19,036
Cash, Beginning	423,765	107,590
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Cash, Ending	$ 634,895	$ 126,626
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Supplemental disclosures of cash flow information

Cash paid during the year for:		
Interest	$ 70,136	$ 41,362
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The accompanying notes are an integral part of the financial statements.

AspenBio, Inc.
Notes to the Financial Statements
September 30, 2002 (Unaudited)

Basis of Presentation

The information for the Nine months ended September 30, 2002 has not been audited by independent accounts, but includes all adjustments which the Company considers necessary for a fair presentation of the information presented for the period.

Note #1 UNAUDITED FINANCIAL INFORMATION

The information furnished herein was taken from the books and records of the Company without audit. The Company believes, however, that it has made all adjustments necessary to reflect properly the results of operations for the nine month interim period ended September 30, 2002 and 2001. The adjustments consists only of normal reoccurring accruals. The results of operations for the nine month period ended September 30, 2002 are not necessarily indicative of the results to be expected for the year ended December 31, 2002.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

At quarter end September 30, 2002, the Company had working capital of $541,740 consisting of current assets of $1,208,571 and current liabilities of $666,831. This represents an increase in working capital of $665,273 from September 30, 2001. During the third quarter ended September 30, 2002, the Company's operations used, rather than provided cash. During that time, the Company's operations used $329,276 compared to cash used by operations of $158,621 during the third quarter ended September 30, 2001. Management believes the decrease in cash flow is primarily attributable to two factors: (i) expenses associated with becoming a public company and (ii) expenses associated with the development of a bovine pregnancy test.

During 2002-2003 the Company's cash requirements are anticipated to consist of payments under existing debt obligations, including the construction loan agreement entered into on July 5, 2002 for the new facility. The construction loan is due on July 5, 2003 and, based on management's discussions with the lender, the Company expects to be able to convert the construction loan to a permanent loan upon occupancy of the building. Interest will accrue on the construction loan at approximately 6% per annum and is payable monthly. At November 13, 2002, the Company had borrowed $1,403,621 from the bank with $1,846,379 available for future borrowings.

In order to facilitate the purchase of the land and construction of the new facility, the Company's President, Roger Hurst, has loaned to the Company $954,260 and the Company made a promissory note to Mr. Hurst in that amount which is payable, with interest at 8% per annum on May 5, 2004. The Company may prepay the Note at any time without penalty. The Company also has a $50,000 line of credit with a bank, of which $34,021 was outstanding at October 31, 2002.

The Company also borrowed $500,000 from a shareholder, of which $150,000 may be used by the Company for general corporate purposes. The balance of $350,000 has been placed in an account and pledged to, the bank which is the Company's construction lender. The Company made a convertible promissory note to, the shareholder for $500,000, plus interest at 6% payable on March 31, 2003 and issued to him warrants to purchase up to 275,000 shares of the Company's common stock. The Company's construction lender also required a guarantee of $200,000 of the construction loan which the Company obtained from another shareholder, Cambridge Holdings, Ltd. The Company issued Cambridge warrants to purchase up to 100,000 shares of the Company's common stock in exchange for the guaranty and made a promissory note to cover any funds used by Cambridge in connection with the guaranty.

In connection with an equipment lease, the Company issued a note payable to Colorado Business Leasing, of which $94,428 was outstanding at November 1, 2002. The note is payable with interest at 11% per annum, in monthly installments of $9,053, and matures on October 1, 2003.

The Company's focus during the quarter ended September 30, 2002 has been the continued testing and preparation for marketing of a new bovine pregnancy test, Surbred 15(TM), for use by dairy and cow/calf operators. Work on the test is continuing as are discussions with prospective distributors. If the Company enters into a distribution arrangement, it would expect to receive an upfront payment which would improve the Company's liquidity position.

If the Company does not receive sufficient funding in connection with the distribution of its bovine pregnancy test, additional capital will need to be obtained from other sources. The Company anticipates that it will need approximately $500,000 to complete commercialization of Surbred 15(TM). The Company is currently exploring various alternatives, but has no firm commitments for additional capital.

Results of Operations

During the third quarter ended September 30, 2002, the Company realized a net loss of $105,956 on sales of $285,572 as compared to a net profit of $102,230 on sales of $430,024 in the third quarter ended September 30, 2001. The change is attributable primarily to lower sales of antigens.

Gross profit from sales of the Company's products decreased for the third quarter of 2002 from $338,424 for the quarter ended September 30, 2001 to $176,973 for the quarter ended September 30, 2002. The greatest increase in operating expenses was related to going public. Accounting, legal, printing, and postage increased from $17,590 to $74,878 for an increase of $57,288. Due to the construction of the new facility, interest expense of $48,602 for the third quarter 2002 was an increase of $37,924 over interest expense of $10,678 for the third quarter 2001.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The management of the Company, including the Chief Executive Officer and the Chief Financial Officer, has conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-14 under the Securities Exchange Act of 1934 as of a date (the "Evaluation Date") within 90 days prior to the filing date of this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective in ensuring that all material information relating to the Company required to be filed in the quarterly report has been made known to them in a timely manner.

(b) Changes in Internal Controls

There have been no significant changes made in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the Evaluation Date.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 19, 2002.

AspenBio, Inc.
(Company)

By: /s/ Roger Hurst

Roger Hurst, President,

Chief Executive Officer and
Chief Financial Officer

CERTIFICATION

I, Roger D. Hurst, Chief Executive Officer and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of AspenBio, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

a) designed such disclosure controls and procedures to ensure that Material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Company's other certifying officers and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions);

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

6. The Company's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 19, 2002 By: /s/ Roger D. Hurst

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