

UNITY WIRELESS CORP
Form SB-2
October 15, 2004

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

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

UNITY WIRELESS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	4812	91-1940650
State or jurisdiction of incorporation or organization	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

7438 Fraser Park Drive, Burnaby, British Columbia, Canada V5J 5B9 (800) 337-6642
(Address and telephone number of registrant's principal executive offices)

Ilan Kenig, President and CEO
7438 Fraser Park Drive, Burnaby, British Columbia, Canada V5J 5B9 (800) 337-6642
(Name, address and telephone number of agent for service)

Copy of communications to:

Oscar D. Folger, Esq.
521 5th Avenue
New York, New York 10175
Telephone: (212) 697-6464

Approximate date of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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, please check the following box. []

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share ⁽¹⁾	Proposed maximum aggregate offering price (US\$) ⁽¹⁾	Amount of registration fee ⁽²⁾
Common Stock, no par value	13,731,929	\$0.17	\$2,334,428	\$295.77

(1) Estimated pursuant to Rule 457(c) under the Securities Act solely for purposes of calculating the Registration Fee. The fee is based upon the average of the high and low prices for a share of common stock of the registrant, as quoted through the over-the-counter bulletin board on October 13, 2004.

(2) The account of Unity Wireless Corporation with the Securities and Exchange Commission has a credit which should be applied against the Registration Fee.

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, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION CONTAINED IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SHAREHOLDERS 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 SHARES AND THE SELLING SHAREHOLDER IS NOT SOLICITING AN OFFER TO BUY THESE SHARES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION DATED, OCTOBER 14, 2004

UNITY WIRELESS CORPORATION

13,731,929 SHARES OF COMMON STOCK OF UNITY WIRELESS CORPORATION

The prospectus relates to the resale by certain selling stockholders of Unity Wireless Corporation of up to 13,731,929 shares of our common stock, consisting of:

- up to 6,805,555 shares issuable upon conversion of convertible notes;
- up to 5,580,555 shares issuable upon exercise of warrants;
- up to 1,244,591 shares issuable in lieu of interest on convertible notes; and
- up to 101,228 shares issued to settle amounts owed for services.

For a description of the plan of distribution of the shares, please see page 7 of this Prospectus.

Our common stock is traded on the National Association of Securities Dealers OTC Bulletin Board under the symbol "UTYW". On October 13, 2004, the closing bid price of our common stock was \$0.17.

OUR BUSINESS IS SUBJECT TO MANY RISKS AND AN INVESTMENT IN OUR COMMON STOCK WILL ALSO INVOLVE A HIGH DEGREE OF RISK. YOU SHOULD INVEST IN OUR COMMON STOCK ONLY IF YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT. YOU SHOULD CAREFULLY CONSIDER THE VARIOUS RISK FACTORS DESCRIBED BEGINNING ON PAGE 4 BEFORE INVESTING IN OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is October 14, 2004.

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You should rely only on the information contained in this prospectus. We have not, and the selling security holders have not, authorized anyone to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not, and the selling security holders are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. As used in this

prospectus, the terms "we", "us", "our", and "Unity" mean Unity Wireless Corporation and its subsidiary, unless otherwise indicated.

All dollar amounts refer to US dollars unless otherwise indicated.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements including the notes thereto, appearing elsewhere in this prospectus. Because it is a summary, it does not contain all of the information you should consider before making an investment decision.

Our Business

Our company, Unity Wireless Corporation, is a designer, developer and manufacturer of high power radio frequency amplifiers. Our principal executive offices are located at 7438 Fraser Park Driver, Burnaby, British Columbia, Canada, V5J 5B9. Our telephone number is (800) 337-6642. We maintain a website at www.unitywireless.com. Information contained on our website does not form part of this prospectus.

We have one wholly-owned subsidiary, Unity Wireless Systems Corporation, a British Columbia corporation incorporated on December 31, 2000.

Number of Shares Outstanding

There were 77,163,852 shares of our common stock issued and outstanding as at September 30, 2004.

Summary of Financial Data

The summarized financial data presented below is derived from and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2003 and 2002, including the notes to those financial statements which are included elsewhere in this prospectus, along with the section entitled "Management's Discussion and Analysis" beginning on page 16 of this prospectus.

	For the six-months ended June 30, 2004	For the six-months ended June 30, 2003
Revenue	\$2,823,580	\$2,047,888
Net Loss for the Period	(\$1,420,725)	(\$215,784)
Loss Per Share - basic and diluted	(\$0.02)	(\$0.01)
	As at June 30, 2004	As at December 31, 2003
Working Capital (Deficiency)	\$223,356	(\$375,479)
Total Assets	\$3,114,394	\$1,658,720
Total Number of Issued Common Stock	76,807,856	63,578,953
Deficit	(\$19,923,805)	(\$18,503,080)
Total Stockholders' Equity	\$1,176,601	\$525,735

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form SB-2 contains forward-looking statements. For this purpose, any statements contained in this Form SB-2 that are not statements of historical fact may be deemed to be forward-looking statements. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "continue" or the negative of these similar terms. In evaluating these forward-looking statements, you should consider various factors, including those listed below under the heading "Risk Factors". The Company's actual results may differ significantly from the results projected in the forward-looking statements. The Company assumes no obligation to update forward-looking statements.

RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this prospectus in evaluating our company and its business before purchasing shares of our company's common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations. You could lose all or part of your investment due to any of these risks.

We have had negative cash flows from operations and if we are not able to obtain further financing our business operations may fail.

To date we have had negative cash flows from operations and we have been dependent on sales of our equity and convertible securities to meet our cash requirements. As of June 30, 2004, we had working capital of \$223,356. We do not expect positive cash flow from operations in the near term. We may not be able to obtain additional financing. We have pledged all of our assets to secure convertible notes that we issued in August 2004.

There is substantial doubt about our ability to continue as a going concern.

We expect to incur operating losses and negative cash flow until our products gain market acceptance sufficient to generate a commercially viable and sustainable level of sales. These circumstances raise substantial doubt about our ability to continue as a going concern, as described in our independent auditors' report on the December 31, 2003 consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

We depend on a limited number of customers and if we are unable to diversify our customer base and we lose one or more of these customers, then our revenues will decrease significantly.

During the first half of 2004, sales to one customer accounted for 65% of our revenues, sales to another customer accounted for more than 10% of our revenues, and sales to these customers and two others together aggregated 93% of our revenues. In the six-months ended June 30, 2003, sales to three customers comprised 72% of our revenues.

We depend on experienced management and if we are unable to retain or hire such management in the future, then our ability to produce innovative and competitive products could be adversely affected.

We depend on the services of our senior management team. The loss of the services of any one of these persons, or an inability to recruit and retain additional qualified personnel, could have a material adverse effect on our business. We have no plans at present to obtain key person life insurance for any of our officers and directors. We are also dependent on highly qualified technical and engineering personnel. If we are unable to retain or hire such management and key technical employees, our ability to generate revenues could be adversely affected, as would our continued business operations. We have not entered into employment or non-competition agreements with our executive officers.

Substantially all of our assets and a majority of our directors and officers are outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.

Substantially all of our assets are located outside the United States and we do not currently maintain a permanent place of business within the United States. In addition, a majority of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under U.S. federal securities laws against them.

We operate in a highly competitive industry and our failure to compete effectively may adversely affect our ability to generate revenue.

The wireless communications industry is characterized by rapidly evolving technology and intense competition. We may be at a disadvantage to other companies having larger technical staff, established market share and greater financial and operational resources. Many of our competitors have achieved greater brand recognition and technologies than we currently enjoy. We may not be able to successfully compete.

We hold no patents on our technology and may not be able to protect our proprietary technology.

Other than a provisional patent application filed in the United States for our multi-carrier linear amplifier, we do not have any patents on our technology or products. We rely on a combination of copyright, trade secret, trademark and patent laws to protect our proprietary intellectual property.

Unanticipated warranty costs could affect the ongoing demand for our products and our ability to operate profitably.

Our products are relatively new to their respective markets and lack extensive field operating experience. While we have tested our products for failure in certain circumstances, there can be no assurance that our products will continue to operate satisfactorily after sustained field use. If a substantial number of products are returned and accepted for warranty replacement, the cost to us could have a material adverse effect on our business.

We have a significant amount of aged payables and if we are unable to pay such amounts or if a creditor decides to take legal action against us, we may have to scale down or cease the operation of our business.

As of June 30, 2004, we had accounts payable and accrued liabilities of \$1,728,379, of which approximately \$1,469,516 represented payables to trade creditors. To date, these creditors have been co-operating with us to accept a delayed payment of these outstanding payables. If one or more of these creditors is no longer willing to accept delayed payments and demands immediate payment of any such amounts, then our cash position and our need for further financing may become immediate. If we are unable to raise the funds to pay off such aged payables, then our continued operations may be negatively affected, and we may have to scale down or even cease the operation of our business.

Trading of our stock may be restricted by the SEC's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited

investors". These requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling stockholders. We will, however, receive proceeds upon exercise of the warrants and these proceeds will be used for general working capital purposes. We will incur all costs associated with this registration statement and prospectus.

SELLING SECURITY HOLDERS

The table sets forth certain information regarding the beneficial ownership of shares of common stock by the selling stockholders as of October 13, 2004, and the number of shares of common stock covered by this prospectus. All shares offered hereby are being registered pursuant to registration agreements with the Company.

The selling stockholders may offer and sell, from time to time, any or all of the 13,731,929 shares of common stock to be registered. No estimate can be given as to the amount or percentage of these shares of common stock that will be held by the selling stockholders upon termination of the offering.

The table indicates the shares that are offered hereby that are issuable upon conversion of convertible notes, or the exercise of warrants that were issued in private placements, or in lieu of interest on the convertible notes. The table also indicates the shares that are offered hereby that were issued to settle \$16,196 owed for services.

Shares owned prior to this	Shares issuable upon conversion of notes, all of which are registered hereunder	Shares issuable in lieu of interest on notes, all of which are registered hereunder	Shares issuable upon exercise of warrants, all of which are registered hereunder	Total Shares Registered	Number of Shares Owned by Selling Stockholder After Offering and Percent of Total Issued and Outstanding (1)	
					# of Shares	% of Class

offering

Bridges & Pipes LLC	0	2,500,000	467,836	1,250,000	4,217,836	0	0
Bushido Capital Master Fund, L.P.	0	2,000,000	374,269	1,000,000	3,374,269	0	0
DCOFI Master LDC	0	500,000	93,568	250,000	843,568	0	0
	18,374,594					18,374,594	
William N. Weidman		1,250,000	233,918	625,000	2,108,918		22.8%
Duncan Capital LLC	0			625,000	625,000	0	0
Keren MYCB Elias Foundation	0	555,555	75,000	555,555	1,186,110	0	0
Beth Medrash Govoha of Lakewood	1,666,666			833,333	833,333	1,666,666	2.1%
Mueller & Company Inc.	533,334			166,667	166,667	533,334	0.7%
Jeffrey Rubin	1,098,807			125,000	125,000	1,098,807	1.4%
Michael Mulshine	338,462			150,000	150,000	338,462	0.4%
John Douglas Shields Law Corp	101,228(2)				101,228	0	0
	22,113,091	6,805,555	1,244,591	5,580,555	13,731,929	22,011,863	

(1)

Assumes all of the shares of common stock offered are sold. Based on 77,163,852 shares of common stock issued and outstanding on September 30, 2004.

(2)

Consists of shares issued in payment for \$16,196 in services.

We may require the selling security holders to suspend the sales of the securities offered by this prospectus upon the occurrence of any event that makes any statement in this prospectus or the related registration statement untrue in any material respect or that requires the changing of statements in these documents in order to make statements in those documents not misleading.

PLAN OF DISTRIBUTION

The selling stockholders may, from time to time, sell all or a portion of the shares of common stock on any market upon which the common stock may be listed or quoted (currently the National Association of Securities Dealers OTC Bulletin Board), in privately negotiated transactions or otherwise. Such sales may be at fixed prices prevailing at the

time of sale, at prices related to the market prices or at negotiated prices. The shares of common stock being offered for resale by this prospectus may be sold by the selling stockholders by one or more of the following methods, without limitation:

- (a)
block trades in which the broker or dealer so engaged will attempt to sell the shares of common stock as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- (b)
purchases by broker or dealer as principal and resale by the broker or dealer for its account pursuant to this prospectus;
- (c)
an exchange distribution in accordance with the rules of the applicable exchange;
- (d)
ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- (e)
privately negotiated transactions;
- (f)
market sales (both long and short to the extent permitted under the federal securities laws);
- (g)
at the market to or through market makers or into an existing market for the shares;
- (h)
through transactions in options, swaps or other derivatives (whether exchange listed or otherwise); and
- (i)
a combination of any of the aforementioned methods of sale.

In the event of the transfer by any of the selling stockholders of its secured convertible notes, share purchase warrants or shares of common stock to any pledgee, donee or other transferee, we will amend this prospectus and the registration statement of which this prospectus forms a part by the filing of a post-effective amendment in order to have the pledgee, donee or other transferee in place of the selling stockholder who has transferred his, her or its shares.

In effecting sales, brokers and dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Brokers or dealers may receive commissions or discounts from a selling stockholder or, if any of the broker-dealers act as an agent for the purchaser of such shares, from a purchaser in amounts to be negotiated which are not expected to exceed those customary in the types of transactions involved. Broker-dealers may agree with a selling stockholder to sell a specified number of the shares of common stock at a stipulated price per share. Such an agreement may also require the broker-dealer to purchase as principal any unsold shares of common stock at the price required to fulfil the broker-dealer commitment to the selling stockholder if such broker-dealer is unable to sell the shares on behalf of the selling stockholder. Broker-dealers who acquire shares of common stock as principal may thereafter resell the shares of common stock from time to time in transactions which may involve block transactions and sales to and through other broker-dealers, including transactions of the nature described above. Such sales by a broker-dealer could be at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. In connection with such resales, the broker-dealer may pay to or receive from the purchasers of the shares commissions as described above.

The selling stockholders and any broker-dealers or agents that participate with the selling stockholders in the sale of the shares of common stock may be deemed to be "underwriters" within the meaning of the Securities Act in connection with these sales. In that event, any commissions received by the broker-dealers or agents and any profit on the resale of the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

From time to time, any of the selling stockholders may pledge shares of common stock pursuant to the margin provisions of customer agreements with brokers. Upon a default by a selling stockholder, their broker may offer and sell the pledged shares of common stock from time to time. Upon a sale of the shares of common stock, the selling stockholders intend to comply with the prospectus delivery requirements under the Securities Act by delivering a prospectus to each purchaser in the transaction. We intend to file any amendments or other necessary documents in compliance with the Securities Act which may be required in the event any of the selling stockholders defaults under any customer agreement with brokers.

To the extent required under the Securities Act, a post effective amendment to this registration statement will be filed disclosing the name of any broker-dealers, the number of shares of common stock involved, the price at which the common stock is to be sold, the commissions paid or discounts or concessions allowed to such broker-dealers, where applicable, that such broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus and other facts material to the transaction.

We and the selling stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations under it, including, without limitation, Rule 10b-5 and, insofar as a selling stockholder is a distribution participant and we, under certain circumstances, may be a distribution participant, under Regulation M. All of the foregoing may affect the marketability of the common stock.

All expenses of the registration statement including, but not limited to, legal, accounting, printing and mailing fees are and will be borne by us. Any commissions, discounts or other fees payable to brokers or dealers in connection with any sale of the shares of common stock will be borne by the selling stockholders, the purchasers participating in such transaction, or both.

Any shares of common stock covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act, as amended, may be sold under Rule 144 rather than pursuant to this prospectus.

LEGAL PROCEEDINGS

Other than as set forth below, we know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

We, along with Sonic Systems Corporation and M&M Realty Incorporated, have been sued in the Supreme Court of British Columbia, Canada, by Integrated Global Financial Corporation. The lawsuit was commenced on January 5, 2001. Integrated Global alleges it has options to purchase 500,000 shares, with no expiry date, at an alleged exercise price of \$1.00 per share, plus unspecified damages. We dispute the allegations and are defending the claim. No trial date has been set. An Examination for Discovery has been conducted. It is our view that the claim has little, if any, merit and we do not expect the proceeding to have any material adverse effect on us. It is our position that these options have expired and we have not included such options in our outstanding options at June 30, 2004.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Our directors and executive officers , their ages, positions held and duration each person has held that position, are as follows:

Name	Position Held with the Company	Age	Date First Elected or Appointed
<i>Ilan Kenig</i>	<i>President, Chief Executive Officer and Director</i>	<i>43</i>	<i>President on April 1, 2002 and Chief Executive Officer on October 31, 2002</i>
<i>Myer Bentob</i>	<i>Director and Executive Chairman of the Board of Directors</i>	<i>72</i>	<i>August 12, 2003</i>
<i>Dallas Pretty</i>	<i>Chief Financial Officer</i>	<i>34</i>	<i>April 1, 2004</i>
<i>Andrew James Chamberlain</i>	<i>Director and Corporate Secretary</i>	<i>42</i>	<i>Corporate Secretary October 28, 2002 and Director April 2, 2004</i>
<i>Ken Maddison</i>	<i>Director</i>	<i>63</i>	<i>October 29, 1998</i>
<i>Victor Halpert</i>	<i>Director</i>	<i>43</i>	<i>October 12, 2004</i>
<i>Doron Nevo</i>	<i>Director</i>	<i>48</i>	<i>July 11, 2002</i>
<i>Business Experience</i>			

The following is a brief account of the education and business experience of each director, executive officer and key employee during at least the past five years, indicating each person's principal occupation during the period, and the name and principal business of the organization by which he or she was employed.

Ilan Kenig - President, Chief Executive Officer and Director

Mr. Kenig has over 18 years of legal, venture capital and investment banking experience with specific emphasis in the technology and telecommunications arena. Mr. Kenig joined the company as Vice President of Business Development in December 2001 before assuming the position of President in April 2002. From January 1999 until December 2001, Mr. Kenig pursued international finance activities in New York. Mr. Kenig was a founder of a law firm in Tel-Aviv representing mostly technology and telecommunications interests. Mr. Kenig holds a law degree from Bar-Ilan University.

Myer Bentob - Director and Executive Chairman of the Board of Directors

Mr. Bentob joined Unity Wireless in August 2003. He founded Mitec Telecom in 1973, and served as its President and CEO from 1974 until 2002. Prior to founding Mitec, Mr. Bentob served as the Director of Engineering and Marketing at Andrew's Canadian Operations, a system engineer at Canadian Marconi, and a research engineer at Marconi Research Labs UK.

Dallas Pretty - Chief Financial Officer

Mr. Pretty is a Chartered Accountant with over 10 years of experience in both public and private companies with specific emphasis in the technology arena. Mr. Pretty joined the Company as an advisor and consultant in April 2003 before assuming the position of Chief Financial Officer in April 2004. Mr. Pretty worked in KPMG's Assurance Group from 1994 to 2000. From 2000 until joining the Company he worked as a financial consultant. Mr. Pretty holds a BBA from Simon Fraser University.

Ken Maddison - Director

Mr. Maddison, a Chartered Accountant since 1966 and elected a Fellow of the Institute of Chartered Accountants of British Columbia in 1975, retired in August 1997 after a lengthy career as a partner with the accounting firm KPMG between 1977 and 1997. Since September 1997, Mr. Maddison has been self-employed as a consultant providing various financial advisory services. Mr. Maddison currently serves as CFO and director of three public companies: International Wayside Gold Mines Ltd., Island Mountain Gold Mines Ltd., and Golden Caribou Resources Ltd. He is also a director and audit committee chairman for Northern Continental Resources Inc, Northern Hemisphere Development Inc, Datec Group Ltd. (formerly Broyer Technology Group Ltd), and Helijet International.

Victor Halpert - Director

From 1993 through to 2003, Mr. Halpert was an equity research analyst with Salomon Smith Barney, Robertson Stephens, Solomon Brothers and Israel Equity Research & Management Ltd. Since 2003, Mr. Halpert has managed a hedge fund that specializes in global growth shares. Mr. Halpert holds a Master of Business Administration degree from the University of Chicago and a Master of Science in Accounting degrees from the University of Illinois at Chicago. He is director of Top Image Systems Ltd., a NASDAQ listed technology company.

Andrew James Chamberlain - Director and Corporate Secretary

Mr. Chamberlain has practiced law for more than five years in Edmonton, Alberta, as a partner with the law firm of Chamberlain Hutchison. Mr. Chamberlain is a sessional instructor in corporate securities at the University of Alberta law school. He is a director and corporate secretary of Datec Group Ltd. (formerly Broyer Technology Group Ltd.), a company whose shares of common stock are registered with the Securities and Exchange Commission, and a director of Loma Oil & Gas Ltd., a company listed on the TSX Venture Exchange.

Doron Nevo - Director

Currently, Mr. Nevo is President and CEO of KiloLambda Technologies, Ltd. an optical subsystems company he founded in early 2001. From July 1999 to January 2001, Mr. Nevo was the President and CEO of D.FourD., Ltd., a venture capital investment company. From March 1996 to June 1999, Mr. Nevo was President and CEO of NKO, Inc. a company he founded that designed and developed a carrier grade IP Telephony system platform and established its own IP network. From February 1992 to February 1996, Mr. Nevo was also President and CEO of Clalcom Ltd., an international telecommunications service provider in Israel which he founded in 1992. Prior to Clalcom, he held various positions with Sprint International Inc. He also serves on the board of a number of companies including Audiocodes, Ltd. (a telecommunication technology company), a company whose shares of common stock are

registered with the Securities and Exchange Commission, Elcom Technologies (a manufacturer of Satcom and Digital Radio synthesizers), and Notox, Ltd. (a biotech company). Mr. Nevo received a B.Sc. in Electrical Engineering from the Technion and an M.Sc. in Telecommunications Management from Brooklyn Polytechnic.

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See *Certain Relationships and Related Transactions* for information on transaction between the Company and Messrs. Bentob and Chamberlain, and with Mr. Casey O Byrne who was a director of the Company until April 2, 2004.

Family Relationships

There are no family relationships among our directors or officers.

The Company has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Serving on the Committee are Ken Maddison, and there are two current vacancies.

The Board of Directors had determined that Mr. Maddison serves on the audit committee as a financial expert. Mr. Maddison is an independent director as defined in Item 7(d)(3)(iv) of Schedule 14A.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of September 30, 2004, certain information with respect to the beneficial ownership of our shares of common stock by each shareholder known to us to be the beneficial owner of more than 5% of our shares of common stock, and by each of our officers and directors. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class⁽¹⁾
<i>Ilan Kenig</i> <i>1099 Marinaside Crescent</i> <i>Suite 802</i> <i>Vancouver, BC V6Z 2Z3</i>	<i>1,783,167⁽²⁾</i>	<i>2.27%</i>
<i>Doron Nevo</i> <i>15 Yakov Hazan</i> <i>Raanana, Israel 43563</i>	<i>111,666⁽³⁾</i>	<i>*</i>
<i>Ken Maddison</i> <i>2591 Lund Avenue</i> <i>Coquitlam, BC V3K 6J8</i>	<i>183,333⁽⁴⁾</i>	<i>*</i>
<i>Myer Bentob</i> <i>331 Beaconsfield Blvd</i> <i>Quebec H9W 4A6</i>	<i>3,062,491⁽⁵⁾</i>	<i>3.91%</i>
<i>Victor Halpert</i> <i>14 Peachtree Drive</i>	<i>5,000</i>	<i>*</i>

<i>Montville, NJ 07045</i>		
<i>Andrew Chamberlain</i>	52,083 ⁽⁶⁾	*
<i>9222 - 183B Street</i>		
<i>Edmonton, AB T5J 3Z7</i>		
<i>Dallas Pretty</i>	83,333 ⁽⁷⁾	*
<i>462 West 21St Avenue</i>		
<i>Vancouver, BC V5Y 2E7</i>		
<i>William Weidman</i>	20,483,512 ⁽⁸⁾	25.4%
<i>136 Shorewood Drive</i>		
<i>Great Neck, NY 11021</i>		
<i>Directors and Executive Officers as a</i>	5,281,073 ⁽⁹⁾	6.60%
<i>Group</i>		

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* - less than 1%

(1)

Based on 77,163,852 shares of common stock issued and outstanding as of September 30, 2004.

(2)

Includes options to acquire an aggregate of 1,387,500 shares of common stock exercisable within sixty days. The shares owned by Ilan Kenig were purchased by him in December, 2001.

(3)

Includes options to acquire an aggregate of 61,666 shares of common stock exercisable within sixty days.

(4)

Includes options to acquire an aggregate of 133,333 shares of common stock exercisable within sixty days.

(5)

Includes options to acquire an aggregate of 258,333 shares of common stock and warrants to purchase an aggregate of 924,720 shares of common stock, exercisable within sixty days.

(6)

Includes options to acquire an aggregate of 52,083 shares of common stock exercisable within sixty days.

(7)

Includes options to acquire an aggregate of 83,333 shares of common stock exercisable within sixty days.

(8)

Includes warrants to purchase an aggregate of 2,210,300 shares of common stock, exercisable within sixty days and 1,250,000 shares issuable upon conversion of \$250,000 principal amount of secured convertible notes.

(9)

Includes options to acquire an aggregate of 1,976,248 shares of common stock and warrants to purchase an aggregate of 924,720 shares of common stock, exercisable within sixty days.

DESCRIPTION OF SECURITIES

We are authorized to issue 150,000,000 shares of common stock without par value and up to 5,000,000 shares of preferred stock on such terms as the Board may determine. As at September 30, 2004 we had 77,163,852 shares of common stock outstanding and no preferred stock outstanding. All outstanding shares of our common stock are duly authorized, validly issued, fully paid and non-assessable. Upon liquidation, dissolution or winding up of the corporation, the holders of common stock are entitled to share rateably in all net assets available for distribution to stockholders after payment to creditors. The common stock is not convertible or redeemable and has no pre-emptive, subscription or conversion rights.

Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. There are no cumulative voting rights.

The holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at such times and in such amounts as our Board of Directors may from time to time determine. Holders of common stock will share equally on a per share basis in any dividend declared by the Board of Directors. We have not paid any dividends on our common stock and do not anticipate paying any cash dividends on such stock in the foreseeable future. In any event, we have agreed not to pay dividends so long as any of our convertible notes issued in August 2004 are outstanding.

In the event of a merger or consolidation, all holders of common stock will be entitled to receive the same per share consideration.

The preferred shares could, in certain instances, render more difficult or discourage a merger, tender offer, or proxy contest and thus potentially have an "anti-takeover" effect, especially if preferred shares were issued in response to a potential takeover. In addition, issuances of authorized preferred shares can be implemented, and have been implemented by some companies in recent years, with voting or conversion privileges intended to make acquisition of the corporation more difficult or more costly. Such an issuance could deter the types of transactions which may be proposed or could discourage or limit the stockholders' participation in certain types of transactions that might be proposed (such as a tender offer), whether or not such transactions were favored by the majority of the stockholders, and could enhance the ability of officers and directors to retain their positions.

INTEREST OF NAMED EXPERTS AND COUNSEL

No expert or counsel named in this prospectus as having prepared or certified any part of this prospectus or having given an opinion upon the validity of the securities being registered or upon other legal matters in connection with the registration or offering of the common stock was employed on a contingency basis or had, or is to receive, in connection with the offering, a substantial interest, directly or indirectly, in the registrant or any of its parents or subsidiaries. Nor was any such person connected with the registrant or any of its parents, subsidiaries as a promoter, managing or principal underwriter, voting trustee, director, officer or employee.

This prospectus and registration statement contains consolidated financial statements as at June 30, 2004 for the three and six-months ended June 30, 2004 and 2003 that have not been audited. The consolidated financial statements as at December 31, 2003 and 2002 and for the years then ended that are contained in this prospectus and registration statement have been audited by KPMG LLP, independent chartered accountants, as set forth in their report accompanying the consolidated financial statements and have been included herein in reliance upon such report, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2003 consolidated financial statements contains an explanatory paragraph that states our recurring losses from operations and working capital deficiency raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

Certain legal matters in connection with this offering and Registration Statement are being passed upon by Oscar D. Folger, New York, New York.

DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our bylaws provide that directors and officers shall be indemnified by us to the fullest extent authorized by the Delaware General Corporation Law, against all expenses and liabilities reasonably incurred in connection with services for us or on our behalf.

Insofar as indemnification for liabilities arising under the Securities Act might be permitted to directors, officers or persons controlling our company under the provisions described above, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

DESCRIPTION OF BUSINESS

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this prospectus and registration statement, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "CDN\$" refer to Canadian dollars and all references to "shares of common stock" refer to the shares of common stock in our capital stock.

Business Development During Last Three Years

Our company was incorporated in the State of Delaware on October 1, 1998. During the period from December 1998 until June 2001 we were engaged in the traffic control business. In November 2000 we entered the business of designing, developing and manufacturing linear power amplifiers for the wireless network infrastructure industry. During 2001, we focused on developing new products and expanding our marketing, sales and global distribution network. In 2002, our business strategy evolved and focused on securing long-term supply agreements with strategic key customers. In 2003, we continued to focus on securing long-term supply agreements with key customers and developing new RF power amplifiers and technology. We completed the initial development of our efficiency enhanced product and made samples available to a select group of interested potential customers.

*Our Current Business**Principal Products*

We make high power radio frequency amplifiers. We have developed over 30 models of our products which are used in cellular, personal communication services (PCS), paging, wireless local loop (WLL) and third generation (3G) networks. Each one of our high power amplifiers is custom made to satisfy each customer's particular requirements. Most of our products are high power amplifiers, defined as single channel power amplifiers used for sending signals from a network to a terminal such as a cell phone.

Most of our amplifiers are used in signal repeaters that are used to extend coverage in cellular telephone networks.

Some of our products are also used in base station equipment and some are multi-channel power amplifiers. We have developed power amplifiers for use in digital television broadcasting in Korea and for base station applications for both the mobile phone and wireless local loop network. Wireless local loop networks are sometimes referred to as "the last mile" solution because unlike cellular phone systems which are mobile wireless networks, wireless local loop networks are designed to deliver voice and high speed data (e.g., Internet) services to fixed locations such as homes and small offices via wireless communication devices without the need for special wiring.

Our family of amplifiers covers a range of average output power levels (from 2 watts to 80 watts) and a number of different operating frequency bands. Substantially all of our assets and operations are located in British Columbia, Canada.

Revenues from operations were approximately \$2,823,580 in the six-months ended June 30, 2004 and \$2,047,888 in the six-months ended June 30, 2003. A summary of sales by geographic region for the six-months ended June 30, 2004 and 2003 is as follows:

<u>Place</u>	<u>Six-Months ended June 30, 2004 Sales (in thousands)</u>	<u>% of Total Period Sales</u>	<u>Six-Months ended June 30, 2003 Sales (in thousands)</u>	<u>% of Total Period Sales</u>
Korea	\$ --	--%	\$ 93	4.5%
China	1,833	64.9%	518	25.3%
Sweden	-	--%	165	8.1%
United States	895	31.7%	1,113	54.3%

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Israel	36	1.3%	38	1.9%
Canada	60	2.1%	115	5.6%
Other	-	--%	6	0.3%

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Product Research and Development

We mainly work with our own proprietary technology and certain technology developers to increase the performance and efficiency of our amplifiers. In November 2002, we entered into a licensing agreement with Paragon Communications, an Israeli company, for the development of a new generation of amplifiers.

We devote a large portion of our research and development resources towards next generation products and developing products for customers who exhibit long-term revenue and growth potential.

Sales and Marketing of Our Products

Our principal customers are the original equipment manufacturers of repeaters and base stations. The original equipment manufacturers sell their products, which include our radio frequency power amplifiers, to the operators of wireless networks.

We also sell our products through independent sales agents who are paid on a commission basis and through sales individuals who are engaged on a full time basis as employees of the Corporation. We develop this sales channel by identifying and engaging sales representatives who sell our products in other markets.

Our sales to date have been by way of purchase orders that typically cover periods ranging from several months to one year. We have no sales agreements that extend beyond one year.

Manufacturing and Suppliers

We subcontract a portion of our manufacturing of our electronics components to qualified companies with a history of quality assurance. This minimizes the need for capital expenditures related to electronics manufacturing facilities, minimizes staff and allows us to utilize specialists in each stage of manufacturing. Alternate contract manufacturers are available should any of our existing contract manufacturers cease providing services to us. We currently assemble, configure, tune and test our products and radio frequency circuitry in our facility located in Burnaby, British Columbia, Canada. We have limited capacity, and the process to assemble, test and tune our current products is labor intensive.

The principal raw materials used in the production of our products are mostly standard electronic, plastic and hardware components. We have from time to time experienced difficulties in obtaining raw materials and we reduce supply risk by using alternate suppliers.

Our arrangements with suppliers are on a short term basis. We have not entered into any long term arrangements.

Competition and Competitive Advantage

Powerwave, Remec and Andrew dominate our industry, and produce power amplifiers that are integrated into larger base states components. These companies have significantly greater financial resources than our company, engage in high volume production and account for the great majority of revenues in the market for amplifiers. We compete with smaller amplifier companies in niche and specialty markets, and seek to win sales based on superior technology and customer service.

Intellectual Property

We rely on a combination of trademarks and trade secrets to protect our intellectual property. We execute confidentiality and non-disclosure agreements with our management and engineering employees and limit access to our proprietary information.

Trademarks

We use the trademark "Unity Wireless", which is registered in Canada. We intend to register the "Unity Wireless" trade-mark in the U.S.

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Service and Product Warranty

We generally offer a standard warranty of one year on parts and labor from date of shipment. In some cases, a warranty period of up to two years may be negotiated. We repair units under warranty at our cost and return the units freight prepaid back to the customer. We typically warranty a repaired unit for the remainder of the original warranty period or for one year from the repair date, whichever is longer.

Government Regulation

Our power amplifiers a