

UNITY WIRELESS CORP  
Form SB-2  
April 26, 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)

<b>Delaware</b>	<b>4812</b>	<b>91-1940650</b>
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.  
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New York, New York 10175

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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. [  ]

1

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered <sup>(1)</sup>	Proposed maximum offering price per share <sup>(2)</sup>	Proposed maximum aggregate offering price (US\$) <sup>(2)</sup>	Amount of registration fee <sup>(3)</sup>
Common Stock, no par value	14,764,338	0.445	\$ 6,570,130	\$ 832.44

(1) Pursuant to Rule 429, this is a combined registration statement that covers 3,689,886 shares being carried forward from Registration Statements Nos. 333-82922 and 333-99169 and 11,074,452 shares being registered for the first time by this registration statement.

(2) 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 April 22, 2004.

(3) A registration fee of \$387.00 was previously paid in connection with the registration of 5,147,551 shares on Registration Statement No. 333-82922 of which 1,924,217 shares are being carried forward, corresponding to a registration fee previously paid of \$144.66. In addition, a registration fee of \$51.94 was previously paid in connection with the registration of 2,454,786 shares on Registration Statement No. 333-99169 of which 1,765,669 shares are being carried forward, corresponding to a registration fee previously paid of \$37.36. A registration fee of \$ 650.42 is being submitted in connection with this registration statement.

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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.

#### EXPLANATORY NOTE

Unity Wireless Corporation has previously filed Registration Statements Nos. 333-82922 and 333-99169 to register shares of its common stock, as well as shares of its common stock underlying warrants held by certain selling shareholders. Pursuant to Rule 429 of the Securities Act of 1933, as amended, this Registration Statement also serves as a post-effective amendment to the prior registration statements. This Registration Statement eliminates those selling shareholders who have previously sold such shares pursuant to the previous registration statements and also eliminates those selling shareholders to whom the Company no longer has registration obligations. This Registration Statement also registers an additional 11,074,452 shares of common stock or shares of common stock underlying warrants which have not previously been registered.

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, APRIL 22, 2004

UNITY WIRELESS CORPORATION  
A DELAWARE CORPORATION

14,764,338 SHARES OF COMMON STOCK OF UNITY WIRELESS CORPORATION

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The prospectus relates to the resale by certain selling stockholders of Unity Wireless Corporation of up to 14,764,338 shares of our common stock in connection with the resale of:

- up to 8,574,269 shares issued upon exercise of warrants;
- up to 1,176,666 shares issued on conversion of promissory notes;
- up to 160,577 shares issued in payment of accounts payable; and
- up to 4,852,826 shares issuable on the exercise of warrants

For a description of the plan of distribution of the shares, please see page 10 of this Prospectus.

Our common stock is traded on the National Association of Securities Dealers OTC Bulletin Board under the symbol "UTYW". On April 15, 2004, the closing bid price of our common stock was \$0.515.

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 6 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 April 22, 2004.

**TABLE OF CONTENTS**

	PAGE NUMBER
PROSPECTUS SUMMARY INFORMATION	5
RISK FACTORS	6
USE OF PROCEEDS	8
SELLING SECURITY HOLDERS	8
PLAN OF DISTRIBUTION	10
LEGAL PROCEEDINGS	12
DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS	12
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	15
DESCRIPTION OF SECURITIES	16
INTEREST OF NAMED EXPERTS AND COUNSEL	17

DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES	1 7
DESCRIPTION OF BUSINESS	1 7
WHERE YOU CAN FIND MORE INFORMATION	20
MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION	21
DESCRIPTION OF PROPERTY	2 5
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	2 5
MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	2 6
EXECUTIVE COMPENSATION	2 7
FINANCIAL STATEMENTS	30
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	5 5
INDEMNIFICATION OF DIRECTORS AND OFFICERS	5 6
OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION	5 6
RECENT SALES OF UNREGISTERED SECURITIES	5 6
EXHIBITS	5 8
UNDERTAKINGS	61
SIGNATURES	6 2

4

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](http://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 77,591,069 shares of our common stock issued and outstanding as at April 15, 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 19 of this prospectus.

	<b>For the year ended December 31, 2003</b>	<b>For the year ended December 31, 2002</b>
Revenue	\$2,375,128	\$2,991,971
Net Loss for the Period	(\$3,007,950)	(\$2,664,841)
Loss Per Share - basic and diluted	(\$0.07)	(\$0.08)
	<b>As at December 31, 2003</b>	<b>As at December 31, 2002</b>
Working Capital (Deficiency)	(\$375,479)	(\$394,917)
Total Assets	\$1,658,720	\$2,185,902
Total Number of Issued Common Stock	63,578,953	35,016,894
Deficit	(\$18,503,080)	(\$15,495,130)
Total Stockholders' Equity	\$525,735	\$468,633





## **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 December 31, 2003, we had a working capital deficiency of \$375,479. We do not expect positive cash flow from operations in the near term. We may not be able to obtain additional financing.

*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, which are included with this annual report. 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.*

Sales to five customers comprised 77% of our revenue in the year ended December 31, 2003 and sales to five customers comprised 80% in the year ended December 31, 2002. During fiscal 2003, two of the five customers accounted for more than ten percent (10%) 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.

6

*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 the provisional patent application that we recently 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. Management believes that the patent application process in many countries in which we intend to sell products would be time-consuming and expensive and any patent protection might be out of date by the time the patent were to be granted.

*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, the continued or ongoing

demand for our products and our ability to operate profitably.

*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 at December 31, 2003, we had accounts payable and accrued liabilities of \$957,221, of which approximately \$788,000 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.

Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information provided by the prospectus is accurate as of any date other than the date on the front of this prospectus.

### **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 April 15, 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 14,764,338 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.

38,462 of the shares offered by Michael Mulshine, 72,115 of the shares offered by Michael Cuniff, and all of the shares offered by Doron Nevo, who is a director of the Company, were issued in payment of accounts payable.

Of the 1,075,664 shares being offered by Mueller & Company ("Mueller"), 500,000 were acquired by Mueller on exercise of warrants issued in 2001 for consulting services ( consulting warrants ), 500,000 are issuable to Mueller on exercise of replacement warrants issued on exercise of the consulting warrants, and the 75,664 share balance was issued to Mueller as a finder's fee in 2002. Mueller was a registered broker-dealer until December 2002. Mueller has advised that it acquired the securities listed opposite its name below in the ordinary course of business for its own account, and, at the time of purchase of the securities, had no agreements or understandings with any person, directly or indirectly, to distribute the securities.

The balance of the shares being offered hereby were issued in private placements by the Company or are on exercise of warrants issued in private placements by the Company, or are issuable on exercise of such warrants.

8

Selling Stockholder	Shares beneficially owned before the offering (excluding shares issuable on exercise of Warrants)	Shares referred to in preceding column that are registered hereunder	Shares issuable upon exercise of warrants owned before the offering, 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
324168 AB Ltd.	114,172	57,086	-	57,086	57,086	0.074%
Abraham Muller	22,714	17,857	-	17,857	4,857	0.006%
Alan Gelfand	35,713	-	35,713	35,713	35,713	0.046%
Albert Beta	100,000	-	100,000	100,000	100,000	0.129%
Ben Rosenblum	91,269	91,269	-	91,269	-	0.000%
Beth Medrash Govoha of Lakewood	1,276,666	1,276,666	1,666,666	2,943,332	-	0.000%
Canaccord Capital Corporation	-	-	20,550	20,550	-	0.000%
Casey J. O'Byrne Professional Corporation (2)	686,548	-	666,667	666,667	686,548	0.885%
Chancellor Apartments LLC (3)	1,523,819	1,035,000	258,750	1,293,750	488,819	0.630%
Clayton Duxbury	-	-	57,086	57,086	-	0.000%
David Zajac	107,142	53,571	-	53,571	53,571	0.069%
Doron Nevo (4)	50,000	50,000	-	50,000	-	0.000%

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Ezra Schnapp	285,714	185,714	-	185,714	100,000	0.129%
Friendly Trend Fund Inc.	37,076	-	57,086	57,086	37,086	0.048%
Jeffrey Rubin	1,803,244	1,056,866	264,217	1,321,083	746,378	0.962%
John Anderson	50,000	-	21,429	21,429	50,000	0.064%
John Leslie	1,311,144	521,822	-	521,822	789,322	1.017%
Jon Gahre	60,000	30,000	-	30,000	30,000	0.039%
Ken Coward	308,672	57,086	-	57,086	251,586	0.324%
Keren MYCB Elias Foundation Inc.	272,818	272,818	-	272,818	-	0.000%
Liz Biderman	17,143	17,143	-	17,143	-	0.000%
Mark Hammerstone	36,508	36,508	-	36,508	-	0.000%
Michael A. Mulshine	510,962	38,462	200,000	238,462	472,500	0.609%
Michael Cuniff	552,715	72,115	50,000	122,115	480,600	0.619%
Michael Hammerstone	80,158	80,158	-	80,158	-	0.000%
Mokhlis Y. Zaki	722,632	100,000	50,000	150,000	622,632	0.802%
Morten Borch	300,000	97,143	-	97,143	202,857	0.261%
Moshe Rosner	835,987	528,434	132,109	660,543	307,553	0.396%
Mueller & Company, Inc.	500,000	500,000	575,664	1,075,664	-	0.000%
Murray Weitman	82,207	74,603	-	74,603	7,604	0.010%
Ole Nyflot	30,000	-	30,000	30,000	30,000	0.039%
Pemo AS	145,000	10,000	30,000	40,000	135,000	0.174%
Pergola AS	170,000	-	40,000	40,000	170,000	0.219%
Rachel Mendelovitz	183,333	183,333	-	183,333	-	0.000%
Robert Millham	-	-	35,713	35,713	-	0.000%
Salvatore Amato	36,775	36,775	-	36,775	-	0.000%
Sara Heiman	2,294,498	1,585,300	396,325	1,981,625	709,198	0.914%
Shalom Torah Centers (5)	525,949	517,500	129,375	646,875	8,449	0.011%
Sid Tarrabain Professional Corporation (6)	167,333	66,667	33,334	100,001	100,666	0.130%
Sondre Invest AS	400,000	80,000	-	80,000	320,000	0.412%
Van Wyck Window Fashions Inc.	208,382	208,382	-	208,382	-	0.000%
Wayne Gambell	2,500,000	933,234	-	933,234	1,566,766	2.019%
Wimo Invest AS	130,000	40,000	-	40,000	90,000	0.116%
Wolverton Securities Ltd.	-	-	2,143	2,143	-	0.000%
	18,566,303	9,911,512	4,852,826	14,764,338	8,654,791	

(1)

Assumes all of the shares of common stock offered are sold. Based on 77,591,069 shares of common stock issued and outstanding on April 15, 2004.

(2) Casey J. O'Byrne Professional Corporation is wholly owned by Casey J. O'Byrne. Mr. O'Byrne was a director of the Company from October 28, 2002 until April 2, 2004.

(3) Chancellor Apartments LLC is owned by Barry Singer who exercises dispositive and voting powers with respect to shares of common stock that Chancellor Apartments LLC owns or would acquire on exercise of warrants.

(4) Doron Nevo has been a director of the Company since July 11, 2002.

(5) Shalom Torah Centers is owned by Yisroel Kellner who exercises dispositive and voting powers with respect to shares of common stock that Shalom Torah Centers owns or would acquire on exercise of warrants.

(6) Sid M. Tarrabain Professional Corporation is wholly owned by Sid M. Tarrabain who exercises dispositive and voting powers with respect to shares of common stock that Sid M. Tarrabain Professional Corporation owns or would acquire on exercise of warrants.

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. No Examinations for Discovery have been conducted or have been scheduled. The matter is at a very preliminary stage. 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 December 31, 2003.

**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:

<b>Name</b>	<b>Position Held with the Company</b>	<b>Age</b>	<b>Date First Elected or Appointed</b>
<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>October 28, 2002</i>
<i>Ken Maddison</i>	<i>Director</i>	<i>63</i>	<i>October 29, 1998</i>
<i>Robert W. Singer</i>	<i>Director</i>	<i>56</i>	<i>June 22, 2001</i>
<i>Doron Nevo</i> <i>Business Experience</i>	<i>Director</i>	<i>48</i>	<i>July 11, 2002</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. Prior to pursuing

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.

12

*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. Prior to joining Unity Wireless, Mr. Pretty worked in KPMG's Assurance Group from 1994 to 2000 and since then has worked in senior management roles for a number of companies. 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 o