

NEOPROBE CORP
Form 424B3
November 17, 2006

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-110858

PROSPECTUS SUPPLEMENT

Number 3

to

Second Amended Prospectus dated April 7, 2006, and Prospectus Supplements dated May 16, 2006, and August 16, 2006

of

NEOPROBE CORPORATION

21,817,257 Shares of Common Stock

This Prospectus Supplement relates to the sale of up to 21,817,257 shares of Neoprobe Corporation common stock (the "Shares"). The Shares are being registered to permit public secondary trading of the shares that are being offered by the selling stockholders named in the prospectus. We are not selling any of the Shares in this offering and therefore will not receive any proceeds from this offering.

This Prospectus Supplement No. 3 includes the attached Quarterly Report on Form 10-QSB (the "Form 10-QSB") of Neoprobe Corporation (the "Company"), for the quarter ended September 30, 2006, filed by the Company with the Securities and Exchange Commission on November 14, 2006. The exhibits to the Form 10-QSB are not included with this Prospectus Supplement No. 3 and are not incorporated by reference herein. This Prospectus Supplement No. 3 should be read in conjunction with the prospectus supplements dated May 16, 2006, and August 16, 2006.

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol "NEOP."

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

The date of this Prospectus Supplement No. 3 is dated November 17, 2006.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-QSB

(Mark One)

**REPORT UNDER SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: September 30, 2006**

or

**TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE
EXCHANGE ACT
For the transition period from _____ to _____**

Commission File Number: 0-26520

NEOPROBE CORPORATION
(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

31-1080091
(I.R.S. employer identification no.)

425 Metro Place North, Suite 300, Dublin, Ohio 43017
(Address of principal executive offices)

614-793-7500
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 58,691,046 shares of common stock, par value \$.001 per share (as of the close of business on November 3, 2006).

Transitional Small Business Disclosure Format (check one) Yes No

NEOPROBE CORPORATION and SUBSIDIARIES

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****Neoprobe Corporation and Subsidiaries
Consolidated Balance Sheets**

ASSETS	September 30, 2006 (unaudited)	December 31, 2005
Current assets:		
Cash and cash equivalents	\$ 3,643,217	\$ 4,940,946
Available-for-sale securities	-	1,529,259
Accounts receivable, net	662,793	673,008
Inventory	1,045,914	803,703
Prepaid expenses and other	103,997	501,557
Total current assets	5,455,921	8,448,473
Property and equipment	2,178,894	2,051,793
Less accumulated depreciation and amortization	1,857,546	1,768,558
	321,348	283,235
Patents and trademarks	3,180,318	3,162,547
Acquired technology	237,271	237,271
	3,417,589	3,399,818
Less accumulated amortization	1,494,657	1,300,908
	1,922,932	2,098,910
Other assets	573,668	739,823
Total assets	\$ 8,273,869	\$ 11,570,441

Continued

Neoprobe Corporation and Subsidiaries
Consolidated Balance Sheets, continued

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30, 2006 (unaudited)	December 31, 2005
Current liabilities:		
Accounts payable	\$ 443,564	\$ 207,824
Accrued liabilities and other	259,115	821,781
Capital lease obligations, current	16,387	19,530
Deferred revenue, current	315,698	252,494
Notes payable to finance companies	-	200,054
Total current liabilities	1,034,764	1,501,683
Capital lease obligations	20,554	31,855
Deferred revenue	37,270	41,132
Note payable to CEO, net of discount of \$20,948 and \$26,249, respectively	79,052	73,751
Note payable to investor, net of discount of \$1,675,853 and \$2,099,898, respectively	6,324,147	5,900,102
Other liabilities	3,285	5,122
Total liabilities	7,499,072	7,553,645
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; \$.001 par value; 5,000,000 shares authorized at September 30, 2006 and December 31, 2005; none issued and outstanding	-	-
Common stock; \$.001 par value; 150,000,000 shares authorized, 58,690,046 shares issued and outstanding at September 30, 2006; 58,622,059 shares issued and outstanding at December 31, 2005	58,690	58,622
Additional paid-in capital	135,108,648	134,903,259
Accumulated deficit	(134,392,541)	(130,947,103)
Accumulated other comprehensive income	-	2,018
Total stockholders' equity	774,797	4,016,796