SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

(Mark One)

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: June 30, 1997

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 registrant as specified in its charter)

DELAWARE	31-1080091
(State or other jurisdiction of incorporation or organization)	(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, including area code)

Indicate by check X whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or 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.

[X]	[ ]
Yes	No

22,761,397 SHARES OF COMMON STOCK, PAR VALUE $.001 PER SHARE
(Number of shares of issuer's common equity outstanding as of the close of business on August 12, 1997)

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEOPROBE CORPORATION AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	DECEMBER 31, 1996	JUNE 30, 1997
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$30,168,412	$20,456,816
Available-for-sale securities	19,748,819	16,186,944
Accounts receivable	1,240,474	864,098
Inventory	216,272	630,952
Prepaid expenses and other current assets	2,289,546	2,272,075
Total current assets	53,663,523	40,410,885
Note receivable	1,500,000	1,500,000
Property and equipment at cost:		
Equipment, net of accumulated depreciation	4,916,650	5,874,246
Construction in progress	1,531,711	2,830,790
	6,448,361	8,705,036
Intangible assets, net of accumulated amortization	2,130,335	2,189,364
Other assets	130,949	139,010
Total assets	$63,873,168	$52,944,295

</TABLE>

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

NEOPROBE CORPORATION AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	DECEMBER 31 1996	JUNE 30, 1997
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,404,655	$ 1,866,286
Accrued expenses	2,951,430	3,266,415
Deferred revenue	2,000,000	2,000,000
Notes payable to finance company	155,091	39,355

Capital lease obligation, current	76,161	66,980
Total current liabilities	7,587,337	7,239,036
Long-term debt	1,000,687	1,687,777
Capital lease obligation	8,096	197,071
Total liabilities	8,596,120	9,123,884
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock; $.001 par value; 5,000,000 shares authorized at December 31, 1996 and June 30, 1997; none outstanding (500,000 shares designated as Series A, $.001 par value, at June 30, 1997; none outstanding)	--	--
Common stock; $.001 par value; 50,000,000 shares authorized; 22,586,527 and 22,758,725 shares issued and outstanding at December 31, 1996 and June 30, 1997, respectively	22,587	22,759
Additional paid-in capital	119,293,862	119,999,259
Deficit accumulated during development stage	(64,116,003)	(76,077,136)
Unrealized loss on available-for-sale securities	(29,859)	(38,100)
Cumulative foreign currency translation adjustment	106,461	(86,371)
Total stockholders' equity	55,277,048	43,820,411
Total liabilities and stockholders' equity	$ 63,873,168	$ 52,944,295

</TABLE>

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

NEOPROBE CORPORATION AND SUBSIDIARIES
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,		November 16, 1983 (inception) to June 30,
	1996	1997	1996	1997	1997
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	$ 159,419	$ 1,051,871	$ 355,816	$ 2,176,845	$ 6,235,842
Cost of goods sold	79,233	199,968	229,974	692,909	2,821,206
Gross profit	80,186	851,903	125,842	1,483,936	3,414,636
Operating expenses:					
Research and development	3,773,634	5,734,054	6,326,380	9,184,988	54,084,322
Marketing and selling	238,955	955,442	344,094	1,812,347	3,268,935
General and administrative	1,249,552	1,992,687	2,417,385	3,626,969	27,928,302

Total operating expenses	5,262,141	8,682,183	9,087,859	14,624,304	85,281,559
Loss from operations	(5,181,955)	(7,830,280)	(8,962,017)	(13,140,368)	(81,866,923)
Other income (expense):					
Interest income	568,495	623,062	803,323	1,207,665	4,973,050
Interest expense	(11,075)	(3,696)	(21,287)	(9,848)	(515,888)
Other	225,917	(24,291)	231,164	(18,582)	1,332,625
Total other income	783,337	595,075	1,013,200	1,179,235	5,789,787
Net loss	$ (4,398,618)	$ (7,235,205)	$ (7,948,817)	$(11,961,133)	$(76,077,136)
Net loss per share of common stock	$ (0.22)	$ (0.32)	$ (0.43)	$ (0.53)	
Shares used in computing net loss per share	19,740,705	22,749,713	$ 18,580,659	$ 22,701,093	

</TABLE>

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

NEOPROBE CORPORATION AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30,		NOVEMBER 16, 1983 (INCEPTION) TO JUNE 30,
	1996	1997	1997
<S>	<C>	<C>	<C>
Net cash used in operating activities	$ (7,234,086)	$(11,815,631)	$ (66,476,746)
Cash flows from investing activities:			
Purchases of available-for-sale securities	(35,393,239)	(5,986,812)	(100,660,228)
Proceeds from sale of available-for-sale securities	25,726,484	1,793,963	47,783,615
Maturities of available-for-sale securities	3,500,000	7,739,201	36,703,943
Purchase of property and equipment	(1,047,123)	(2,566,638)	(9,085,555)
Other	(41,467)	(69,211)	(908,370)
Net cash (used in) provided by investing activities	(7,255,345)	910,503	(26,166,595)
Cash flows from financing activities:			
Proceeds from issuance of common stock, net	34,286,997	705,571	102,524,492
Other	(226,064)	497,567	10,597,223

Net cash provided by financing activities	34,060,933	1,203,138	113,121,715
Effect of exchange rate changes on cash	(7,865)	(9,606)	(21,558)
Net increase (decrease) in cash and cash equivalents	19,563,637	(9,711,596)	20,456,816
Cash and cash equivalents at beginning of period	10,032,973	30,168,412	0
Cash and cash equivalents at end of period	$ 29,596,610	$ 20,456,816	$ 20,456,816

</TABLE>

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

NEOPROBE CORPORATION AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The information presented for June 30, 1996 and 1997, and for the periods then ended is unaudited, but includes all adjustments (which consist only of normal recurring adjustments) which the management of Neoprobe Corporation (the "Company") believes to be necessary for the fair presentation of results for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The results for the interim period are not necessarily indicative of results to be expected for the year. The financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 1996, which were included as part of the Company's Annual Report on Form 10-KSB/A (file no. 0-26520). Certain 1996 amounts have been reclassified to conform with the 1997 presentation.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 ("SFAS No. 128") "Earnings Per Share". SFAS No. 128 revises the method for computing and format for presentation of earnings per share for entities with publicly held common stock. This Statement supersedes APB Opinion No. 15 and is effective for financial statements issued for periods ending after December 15, 1997. Management of the Company intends to adopt SFAS No. 128 in connection with the issuance of financial statements

for the year ended December 31, 1997; however, management does not believe adoption will have any material impact on the financial condition or results of operations of the Company.

The Company is a development stage enterprise engaged in the development and commercialization of technologies for the diagnosis and treatment of cancers. There can be no assurance that the Company will be able to commercialize its proposed products. There can also be no assurance that adequate financing will be available when needed or on terms attractive to the Company.

2. INVENTORY

The components of inventory are as follows:

<TABLE>
<CAPTION>

	DECEMBER 31, 1996	June 30, 1997
<S>	<C>	<C>
Materials and component parts	$ 51,264	$265,387
Work-in-process	94,389	84,510
Finished goods	70,619	281,055
	$216,272	$630,952

</TABLE>

3. LONG-TERM DEBT

Neoprobe (Israel) Ltd. ("Neoprobe (Israel)"), a subsidiary of the Company, is in the process of constructing a radiolabeling facility near Dimona, Israel, for use in future operations of the Company. Construction of the facility is being partially financed under an investment program approved by the state of Israel's Finance Committee (the "Committee"). In July 1997, the Company was notified that the Committee had approved a $3.5 million increase in the approved investment, bringing the total approved investment to $8.3 million. Under the approved program, Neoprobe (Israel) is entitled to government grants and government loan guarantees equal to a percentage of the total loan taken for the construction and operation of the facility. Amounts received under the agreement are collateralized by certain property obtained through the use of proceeds received. As of June 30, 1997, Neoprobe (Israel) has received approximately $1.7 million and $400,000 in the form of loans and grants, respectively.

4. STOCK OPTIONS

In February 1997, the Board granted options to certain directors, officers, and employees of the Company under the Neoprobe Corporation Incentive Stock Option and Restricted Stock Purchase Plan (the "Plan") for 325,200 shares of common stock, exercisable at $13.38 per share, vesting over a period of three years. Currently, the Company has approximately 2.4 million options outstanding under the Plans, and approximately 1.4 million options have vested as of June 30, 1997.

5. AGREEMENTS

In May 1997, the Company and United States Surgical Corporation (USSC) executed an amendment ("Amendment No.1") to the License and Distributorship Agreement (the "Main Agreement"). Amendment No.1 revises terms of the Main Agreement related to sales of Neoprobe instruments by USSC's subsidiaries in certain foreign countries. Under Amendment No.1, Neoprobe will sell devices directly to USSC's subsidiaries for resale within the affected territories according to a set price structure, but will no longer pay USSC a commission on sales of such devices. The term of Amendment No.1 coincides with the term of the Main Agreement.

6. CONTINGENCIES

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Company.

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

This Management Discussion and Analysis of Financial Condition and Results of Operations and other parts of this Report contain forward-looking statements that involve risks and uncertainties. The Company's actual results in 1997 and future periods may differ significantly from the prospects discussed in the forward-looking statements.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has financed its operations primarily through private and public offerings of its equity securities, from which it has raised gross proceeds of approximately $120 million. The Company has devoted substantially all of its efforts and resources to research and clinical development of innovative systems for the intraoperative diagnosis and treatment of cancers. The RIGS system integrates radiolabeled targeting agents and a radiation detection instrument. The Company has completed testing in a pivotal Phase III clinical trial for the detection of metastatic colorectal cancer.

The Company must obtain regulatory approval to market its products before commercial revenue can be generated. During 1996, the Company submitted to the European regulatory agencies and to the FDA applications to request permits to begin marketing and selling the Company's RIGS products for the detection of metastatic colorectal cancer. During the fourth quarter of 1996, the Company received notification from its Korean marketing partner that it had received an approved license to distribute RIGScan CR49 in South Korea. The Company began distributing commercial product in Korea during 1997.

The Company is studying the safety and efficacy of RIGS products for the detection of other solid tumor cancer types, and the safety and efficacy of certain cancer therapy products (RIGS/ACT) based on its activated cellular therapy technology. In addition, the Company is funding the initial Phase I study to determine the safety and feasibility of using activated cellular therapy to help boost the immune system of patients with HIV/AIDS and patient enrollment was completed during the first quarter of 1997. There can be no assurance that the Company's products will be approved for marketing by the FDA or any foreign government agency, or that any such products will be successfully introduced or achieve market acceptance.

For the period from inception to June 30, 1997, the Company has incurred cumulative net losses of approximately $76.1 million. The Company does not currently have a RIGS product approved for commercial sale, but has filed its request for a marketing permit in the U.S. and Europe. The Company has incurred, and will continue to incur, substantial expenditures for research

and development activities related to bringing its products to the commercial market. The Company intends to devote significant additional funds to clinical testing, manufacturing validation, and other activities required for regulatory review and commercialization of RIGS products. The amount of funds and length of time required to complete such testing will depend upon the outcome of regulatory reviews. The regulatory bodies may require more testing than is anticipated by the Company. There can be no assurance that the Company's RIGS products will be approved for marketing by the FDA or any foreign government agency, or that any such products will be successfully introduced or achieve market acceptance.

As of June 30, 1997, the Company has cash, cash equivalents, and available-for-sale securities of $36.6 million. In April 1996, the Company sold 1,750,000 shares of common stock at a price of $18.50 per share in a secondary offering, and received proceeds net of underwriting discounts of $30.5 million. In November 1992 and December 1993, the Company issued a total of 2,330,000 Class E Redeemable Common Stock Purchase Warrants ("Class E Warrants") which expired on November 12, 1996. During 1996, the Company received proceeds from the exercise of Class E Warrants of approximately $15.0 million. In September 1996, the Company received a $2 million license payment from United States Surgical Corporation ("USSC"). If the Company does not receive FDA and European regulatory approvals for the RIGS system within 24 months from the execution date, and if USSC terminates the Agreement pursuant to certain provisions in the Agreement during this period, the Company must refund the license payment to USSC.

The Company anticipates that 1997 research and development expenses will continue to increase over 1996 levels and selling, general and administrative expenses will increase significantly over 1996 expenditures. A significant portion of the increased selling, general and administrative expenses will be associated with marketing activities in preparation for the commercial launch of the first RIGS product. In addition, the Company anticipates expenses directly associated with selling RIGScan CR49 and the Neoprobe 1000 system will increase proportionately with sales, particularly in the second half of 1997. The Company cannot predict when marketing approvals will be received. However, when the Company receives permission from the regulatory authorities to begin marketing its products and begins generating revenue from the sale of its products, additional costs for marketing and distribution will be incurred. During 1997, in addition to product launch activities, the Company will continue to focus on improving manufacturing processes for the production of RIGS products and developing other RIGScan products. The Company also anticipates opening clinical trials for additional applications of RIGScan CR49. The Company currently anticipates that approximately $21.0 million in cash will be used to finance operating activities during 1997. The Company has executed various agreements with third parties that supplement the technical and business

capabilities of the Company. The Company is generally obligated to such parties to pay royalties or commissions upon commercial sale of the related product. The Company's estimate of its allocation of cash resources is based on the current state of its business operations, its business plan, and current industry and economic conditions, and is subject to revisions due to a variety of factors including without limitation, additional expenses related to marketing and distribution, regulatory licensing and research and development, and to reallocation among categories and to new categories. The Company may need to supplement its funding sources from time to time.

Neoprobe Europe AB ("Neoprobe Europe"), formerly NewMonoCarb AB, is a wholly-owned subsidiary of the Company, located in Lund, Sweden, where it operates a manufacturing and purification facility. The Company intends to use the production capability of Neoprobe Europe to produce future RIGScan

products and to prepare the CC49 monoclonal antibody produced by Bio-Intermediair BV for final radiolabeling. The Company advanced Neoprobe Europe funds during the first half of 1997 to cover capital expenditures of approximately $360,000 and operating expenses of approximately $650,000. The Company anticipates advancing $1.4 million during the second half of 1997 to cover operating and capital expenditures.

In 1994, the Company formed Neoprobe (Israel) to construct and operate a radiolabeling facility for the Company's targeting agents. The Company owns 95 percent of Neoprobe (Israel), with Rotem Industries Ltd., the private arm of the Israeli atomic energy authority ("Rotem") owning the balance and managing the facility. Construction of a facility is underway near Dimona, Israel and is being financed through an investment program approved by the state of Israel's Finance Committee ("the Committee"). In July 1997, the Company was notified that the Committee had approved an increase in the approved investment of $3.5 million, bringing the total approved investment to $8.3 million. Under the approved program, Neoprobe (Israel) is entitled to government grants and government loan guarantees equal to a percentage of the total loan taken for the construction and operation of the facility. Amounts received under the agreement are collateralized by certain property obtained through the use of proceeds received. As of June 30, 1997, Neoprobe (Israel) had received approximately $1.7 million and $400,000 in the form of loans and grants, respectively. On August 10, 1995, the Company and Neoprobe (Israel) raised $1.1 million for Neoprobe (Israel) through the issuance of convertible debentures. During 1996, all of these convertible debentures were converted into 200,000 shares of Common Stock of Neoprobe Corporation. Costs associated with construction of the facility and operations at Neoprobe (Israel) during 1997 have been financed primarily through funds advanced by the Company and with government grants and loans guaranteed by the Israeli government. During the first half of 1997, Neoprobe (Israel) expended approximately $2.1 million on capital expenses and approximately $560,000 on operating activities. The Company anticipates Neoprobe (Israel) will have approximately $2.7 million of capital expenditures and approximately $580,000 of operating expenditures during the second half of 1997.

At December 31, 1996, the Company had net operating loss carryforwards of approximately $55.6 million to offset future taxable income through 2011. Additionally, the Company has tax credit carryforwards of approximately $1.9 million available to reduce future income tax liability through 2011. Under Section 382 of the Internal Revenue Code of 1986, as amended, use of prior net operating loss carryforwards is limited after an ownership change. As a result of ownership changes which occurred in March 1989 and in September 1994, the Company's net operating tax loss carryforwards and tax credit carryforwards are subject to the limitations described by Section 382.

RESULTS OF OPERATIONS

Since inception, the Company has dedicated substantially all of its resources to research and development of its RIGS system for the interoperative diagnosis and treatment of cancer. Until the appropriate regulatory approvals are received, the Company is limited in its ability to generate revenue. Although the Company's Neoprobe 1000 and Neoprobe 1500 systems have received regulatory clearance, the Company does not anticipate generating positive cash flow from sales of the Neoprobe 1000 or 1500 systems alone. During the first half of 1997, the Company generated sales of Neoprobe 1000 systems of approximately $2.1 million. Sales of the Neoprobe 1500 are expected to start during the third quarter of 1997.

Since acquiring Neoprobe Europe in December 1993 for the purpose of manufacturing RIGScan products, Neoprobe Europe has continued to generate revenue from the sale of its serology products. Neoprobe Europe generated

sales of serology products of approximately $100,000 during the first half of 1997. The Company currently plans to sell Neoprobe Europe's serology business and develop production capacity at Neoprobe Europe for future RIGScan products. As a result, the Company anticipates that revenue generated from sale of serology products will continue to decline in 1997 and subsequent periods.

Three months ended June 30, 1996 and 1997. Total net sales for the three months ended June 30, 1997 were approximately $1.1 million, compared to net sales of approximately $159,000 during the same period during 1996. The increase is attributed to the increased level of sales of the Neoprobe 1000 Portable Radioisotope Detector during the second quarter of 1997. Net sales in the second quarter of 1997 related almost entirely to the Neoprobe 1000. Net sales in the second quarter of 1996 related primarily to sales of serology products by Neoprobe Europe of $104,000. Interest income for the three months period ended June 30, 1997 was approximately $623,000, compared to interest income of approximately $568,000 for the same period in 1996.

Research and development expenses increased to approximately $5.7 million for the second quarter in 1997 from approximately $3.8 million in 1996. The expenses increased as a result of additional contracted services and wages and benefits. Contracted services increased primarily from instrument development efforts as well as ongoing validation efforts related to the commercialization of RIGScan CR49. Wages and benefits increased primarily due to new personnel added over the course of the first quarter and second quarter of 1997. Research and development expenses also increased due to activities associated with the Company's therapy business. The Company expects these expenses to continue during the remainder of 1997.

Marketing and Selling expenses increased to approximately $955,000 during the second quarter of 1997 from approximately $239,000 for the same period in 1996. The increase was a result of commissions earned by the Company's marketing partner associated with sales of the Neoprobe 1000 system, additional staff, and RIGScan CR49 pre-launch activities.

General and administrative expenses increased to approximately $2.0 million during the second quarter of 1997 from approximately $1.2 million during the same period of 1996. The increase was a result of hiring additional staff, and increased costs for rent, equipment leases, and taxes.

Six months ended June 30, 1996 and 1997. Total net sales for the six months ended June 30, 1997 were approximately $2.2 million, compared to net sales of approximately $356,000 during the same period in 1996. The increase is from the level of sales of the Neoprobe 1000 Portable Radioisotope Detector during the first half of 1997. Net sales during the first half of 1997 were primarily related to the sale of the Neoprobe 1000. Net sales during the first half of 1996 consisted primarily of sales of serology products by Neoprobe Europe. Interest income for the six-month period ended June 30, 1997 was approximately $1.2 million compared to interest income of approximately $803,000 for the same period in 1996. During 1996, the Company also collected other income of approximately $230,000 related to a license fee paid upon the exercise of an option for marketing rights in additional territories in Asia.

Research and development expenses increased to approximately $9.2 million in the first half of 1997 from approximately $6.3 million in the first half of 1996. The expenses increased as a result of additional contracted services and wages and benefits. Contracted services increased primarily from instrument design development efforts as well as ongoing process and validation efforts related to the commercialization of RIGScan CR49. Wages and benefits increased primarily due to new personnel added in 1997. Research and development expenses also increased due to activities associated with the Company's therapy business.

Marketing and Selling expenses increased to approximately $1.8 million in the first half of 1997 from approximately $344,000 in the first half of 1996. The increase was primarily a result of commissions earned by the Company's marketing partner from sales of the Neoprobe 1000 system, additional staff, and RIGScan CR49 pre-launch activities.

General and administrative expenses increased to approximately $3.6 million in the first half of 1997 from approximately $2.4 million in the first half of 1996. The increase was a result of hiring additional staff, and increased costs for rent, equipment leases and taxes.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 2. CHANGES IN SECURITIES.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

An annual meeting of the stockholders (the "Stockholders") of the Registrant was held on May 29, 1997. The matters voted upon at the annual meeting and the results of the votes are set forth below.

(i) Melvin D. Booth was elected a director to serve for a term of three years. 17,642,285 shares were voted for his election and 92,830 shares withheld authority.

(ii) John S. Christie was elected a director to serve for a term of three years. 17,646,822 shares were voted for his election and 88,293 shares withheld authority.

(iii) J. Frank Whitley, Jr. was elected a director to serve for a term of three years. 17,653,247 shares were voted for his election and 81,868 shares withheld authority.

(iv) An amendment (the "Amendment") to the 1996 Stock Incentive Plan was approved. 14,202,455 shares were voted for approval, 1,126,214 shares were voted against approval and 82,454 shares abstained. The material terms of the Amendment allow grants of limited amounts of unrestricted stock to employees and consultants of the Registrant, change the number of shares subject to non-employee director annual stock option awards ("Directors Options") from 3,600 to 5,000 shares, add an attendance of board meetings requirement as a precondition to

receiving Directors Options, give the board of directors power to increase or decrease the number of shares covered by each Directors Option and remove the limitation on the frequency with which the provisions concerning Directors Options may be amended.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) LIST OF EXHIBITS

3. ARTICLES OF INCORPORATION AND BY-LAWS

Exhibit 3.1

Complete Restated Certificate of Incorporation of Neoprobe Corporation, as corrected February 18, 1994 and as amended June 27, 1994, July 25, 1995 and June 3, 1996 (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K dated June 20, 1996; Commission File No. 0-26520).

Exhibit 3.2

Amended and Restated By-Laws dated July 21, 1993 as amended July 18, 1995 and May 30, 1996 (incorporated by reference to Exhibit 99.4 to the Registrant's Current Report on Form 8-K dated June 20, 1996; Commission File No. 0-26520).

4. INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES

Exhibit 4.1

See Articles FOUR, FIVE, SIX and SEVEN of the Restated Certificate of Incorporation of the Registrant (see Exhibit 3.1).

Exhibit 4.2

See Articles II and VI and Section 2 of Article III and Section 4 of Article VII of the Amended and Restated By-Laws of the Registrant (see Exhibit 3.2).

Exhibit 4.3

Rights Agreement dated as of July 18, 1995 between the Registrant and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 1 of the registration statement on Form 8-A; Commission File No. 0-26520).

10. MATERIAL CONTRACTS

Exhibit 10.1.1 - 10.4.20

Reserved.

Exhibit 10.4.21

First Amendment to License and Distributorship Agreement dated May 1, 1997 between the Registrant and United States Surgical Corporation (filed pursuant to Rule 24b-2 under which the Registrant has requested confidential treatment of certain portions of this Exhibit).

11. STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

Exhibit 11.1

Computation of Net Loss Per Share.

27. FINANCIAL DATA SCHEDULE

Exhibit 27.1

Financial Data Schedule (submitted electronically for SEC information only).

(b) REPORTS ON FORM 8-K.

No report on Form 8-K was filed by the Registrant during the fiscal quarter ended June 30, 1997.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

<TABLE>
<S> <C>

NEOPROBE CORPORATION

(the "Registrant")

Dated: August 13, 1997

By: /s/ Larry E. Anderson

Larry E. Anderson
Vice President, Chief Financial Officer
(duly authorized officer and principal financial officer)

By: /s/ John Schroepfer

John Schroepfer
Vice President, Finance and Administration
(chief accounting officer)

</TABLE>

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

NEOPROBE CORPORATION

FORM 10-Q QUARTERLY REPORT

FOR THE FISCAL QUARTER ENDED:

JUNE 30, 1997

EXHIBITS

- ---
- ---

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Exhibit 4.2

See Articles II and VI and Section 2 of Article III and Section 4 of Article VII of the Amended and Restated By-Laws of the Registrant (see Exhibit 3.2).

Exhibit 4.3

Rights Agreement dated as of July 18, 1995 between the Registrant and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 1 of the registration statement on Form 8-A; Commission File No. 0-26520).

Exhibit 10.4.21

First Amendment to License and Distributorship Agreement dated May 1, 1997 between the Registrant and United States Surgical Corporation (filed pursuant to Rule 24b-2 under which the Registrant has requested confidential treatment of certain portions of this Exhibit).

Page 17 in the manually signed original.

Exhibit 11.1

Computation of Net Loss Per Share

Page 23 in the manually signed original.

Exhibit 27.1

Financial Data Schedule (submitted electronically for SEC information only).

EXHIBIT 10.4.21

FIRST AMENDMENT TO LICENSE AND DISTRIBUTORSHIP AGREEMENT

THIS FIRST AMENDMENT is made as of the 1st day of May, 1997 by and between Neoprobe Corporation, a Delaware corporation with offices at 425 Metro Place North, Suite 400, Dublin, Ohio 43017 (hereinafter referred to as "Neoprobe"), and United States Surgical Corporation, a Delaware corporation having offices at 150 Glover Avenue, Norwalk, Connecticut 06856 (hereinafter referred to as "USSC") (Neoprobe and USSC, each a "Party" and collectively the "Parties").

WHEREAS, under the License and Distributorship Agreement dated September 18, 1996 (the "Main Agreement"), Neoprobe appointed USSC as Neoprobe's sole and exclusive marketer throughout the Territory for Neoprobe Products in the Field; and

WHEREAS, the Parties desire to amend the Main Agreement to further appoint USSC's Subsidiaries as the sole and exclusive distributors of "Devices" throughout the "Distributor Territory" (as such terms are defined below), and to establish pricing for the Subsidiaries;

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I. DEFINITIONS

101. Definitions. Except if and as otherwise expressly defined herein, all capitalized terms contained in this First Amendment shall have the meanings ascribed to them in the Main Agreement.

102. Device. As used herein, the term "Device" shall mean an interoperative radiation detection device, Control Unit, Probe and all parts, components or accessories therefor, as well as Improvements of such devices, parts and components and/or accessories; as of the Effective Date, the interoperative radiation detection device manufactured and marketed by Neoprobe is the Neoprobe(R) 1000.

103. Distributor Territory. As used herein, the term "Distributor Territory" shall mean the countries of ****.

104. Effective Date. The "Effective Date" of this First Amendment is the date first written herein above.

105. Invoice Price. As used herein, the term, "Invoice Price" shall mean the total purchase price (converted to dollars pursuant to Section 2.04 below) for Devices invoiced by USSC's Subsidiaries' to their respective customers, net of VAT, returns, and demonstration devices, and USSC's Subsidiaries' respective landing costs (i.e., import duties).

****Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

105. Quarter. As used herein, the "Quarter" shall mean a fiscal quarter in a fiscal year as follows: First fiscal quarter - December 1 through February 28; Second fiscal quarter - March 1 through May 31; Second fiscal quarter - June 1 through August 31; and Fourth fiscal quarter - September 1 through November 30.

106. USSC's Subsidiaries. As used herein, the term "USSC's Subsidiaries" shall mean a Person that is wholly owned or controlled by USSC; Schedule 1.06 attached hereto is a listing of USSC's Subsidiaries located in the Distributor Territory as of the Effective Date.

ARTICLE II. DISTRIBUTION BY SUBSIDIARIES

2.01 Appointment. Neoprobe hereby appoints USSC's Subsidiaries located in the Distributor Territory as the sole and exclusive distributors of the Devices. Except as the parties may otherwise agree in writing, USSC's

Subsidiaries shall have the sole and exclusive right to solicit and accept orders from, and invoice, ship and deliver Devices to, purchasers located in the Distributor Territory. All prices and terms of resale to such purchasers, and all decisions concerning marketing and sales of Devices within the Distributor Territory, shall be subject to USSC's Subsidiaries' sole discretion. Provided, however, that each of USSC's Subsidiaries shall market Devices in a manner consistent with the labeling approved by the local health authority.

2.02 Purchase Price. For purposes of resale by USSC's respective Subsidiaries to purchasers located in the Distributor Territory covered by the Subsidiaries, Neoprobe shall sell Devices to the subsidiary or, at USSC's request, to USSC for its resale to the subsidiary, as USSC or the subsidiary may order from time to time, at the applicable "Purchase Prices" defined below, CIP the location of the USSC's Subsidiary.

2.03 Initial Purchase Prices. During the **** Quarters occurring during the term of this Agreement, the Purchase Prices shall be as follows: (i) **** Dollars ($****) per Neoprobe(R) 1000 System, (ii) **** Dollars ($****) per single 19mm reusable Probe for the Neoprobe(R) 1000 System (purchased individually and not as part of the Neoprobe(R) 1000 System or any other system), and (ii) **** Dollars ($****) per single Control Unit for the Neoprobe(R) 1000 System (purchased individually and not a part of the Neoprobe(R) 1000 System or any other system), including any related Improvements. The Parties shall negotiate with each other in good faith concerning the initial Purchase Price for any additional Devices, as and when the same are available for sale.

2.04 Adjusted Purchase Prices. For each Device (including each system, such as the Neoprobe(R) 1000 System, and each Device purchased individually and not as part of a system), the Purchase Price during the **** occurring after the Effective Date shall be equal to **** of the **** at which USSC's Subsidiaries sold the relevant Device during the **** preceding the prior **** (e.g., Purchase Prices in effect for the **** shall equal **** during the ****). For purposes of the foregoing, USSC's Subsidiaries' **** shall be converted to United States Dollars

****Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

based upon the average monthly exchange rate reported by The New York Times for the **** during which the relevant **** occur.

2.05 Minimum Purchase Price. Notwithstanding the terms of Section 2.03 above, the Purchase Price shall not be lower than **** Dollars ($****) per Neoprobe(R) 1000 System, (ii) **** Dollars ($****) per single 19 mm reusable Probe for the Neoprobe(R) 1000 System (purchased individually and not as part of the Neoprobe(R) 1000 System or any other system), and (ii) **** Dollars ($****) per single Control Unit for the Neoprobe(R) 1000 System (purchased individually and not as part of the Neoprobe(R) 1000 System or any other system), including any related Improvements.

2.06 Sales Report. During the **** occurring after the effective date of this First Amendment, USSC shall provide Neoprobe with a sales report setting forth the information listed on Schedule 2.06 attached hereto and incorporated herein. Neoprobe shall use such information solely to adjust the Purchase Prices pursuant to Section 2.03.

2.07 Payment of Purchase Price. Payment for Neoprobe Products shipped by Neoprobe to a USSC Subsidiary shall be due within **** (****) days from the date of invoice.

2.08 No ****. As a consequence of additional costs USSC's Subsidiaries will incur to receive, warehouse and distribute Devices, no **** shall be due to Neoprobe pursuant to Section **** of the Main Agreement for Devices sold by USSC's Subsidiaries pursuant to the terms of this Article II.

2.09 No ****. No **** shall due to USSC pursuant to Section **** for the Main Agreement for sales of Devices made by Neoprobe to any of USSC's Subsidiaries or by any of USSC's Subsidiaries to a third party.

2.10 Shipment of Neoprobe Products. As stated in Section 2.01, shipment of Devices shall be CIP the location of the USSC's Subsidiary to which

the Devices are to be shipped. Accordingly, risk of loss for, and title to, the Devices will pass to the USSC Subsidiary when the Devices have been delivered by Neoprobe to the carrier, has paid the freight to the Subsidiary's location, provided export clearance, and obtained and paid for insurance of the Devices during transit, all in accordance with INCOTERMS 1990.

2.11 Warranty. All Devices purchased by USSC for resale to USSC's Subsidiaries, or directly by USSC's Subsidiaries hereunder shall be subject to, and each of the respective USSC's Subsidiary's customers shall have all rights and benefits under, the warranties established pursuant to Section 3.6 of the Main Agreement or otherwise provided by Neoprobe to other purchasers of the Neoprobe Products.

**** Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

ARTICLE III. MISCELLANEOUS

3.01 Term of First Amendment. Unless otherwise agreed in writing by the Parties, the term of this First Amendment shall be for so long as the Main Agreement remains in effect.

3.02 Import and Sales Permits. The respective USSC's Subsidiaries shall be permitted to communicate and otherwise interact and make filings with all International Regulatory Agencies located in the Territory, insofar as deemed necessary or desirable by such Subsidiary to allow it to lawfully import and sell Neoprobe Products within the Distributor Territory. Neoprobe shall cooperate with USSC's Subsidiaries, as they may reasonably request, in connection with such communication, interaction and filings with International Regulatory Agencies.

3.03 Right to Audit. Upon reasonable notice, USSC shall allow any independent certified public accounting firm appointed by Neoprobe and reasonably acceptable to USSC to examine USSC's Subsidiaries' respective books and records, at such the location of USSC's Subsidiaries. Such examinations shall occur on or after **** of any calendar year, only during normal business hours, and not more than once a calendar year, and shall be solely for the purpose of verifying the calculation of the **** contained in the sales report delivered by USSC pursuant to Section 2.06 for the ****. The fees and expenses of the accounting firm performing the examination shall be borne by Neoprobe. Unless written objection is made by Neoprobe and delivered to USSC within thirty (30) days after completion of such examinations, the calculation of the **** contained in the relevant sales report shall be final and binding on the Parties, except insofar as adjusted or corrected as a result of the subsidiary's statutory audit or USSC's regular annual audit. It is understood that USSC's Subsidiaries shall not be required to furnish or permit the examination of any information not required to verify the calculation of the relevant reported ****. Any information provided to the foregoing accounting firm shall be treated as USSC's Confidential Information.

3.04 Main Agreement. Except for the terms and conditions of this First Amendment as specifically applied to the subject matter herein, the terms and conditions of the Main Agreement shall remain in full force and effect, and, taken together with this First Amendment as so amended, shall apply to all transactions contemplated by this First Amendment.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be signed by their respective duly authorized corporate officers as of the date first above set forth.

UNITED STATES SURGICAL CORPORATION	NEOPROBE CORPORATION
By: /s/ Howard M. Rosenkrantz	By: /s/ David Bupp
Name: Howard M. Rosenkrantz	Name: David Bupp
Title: President and C.O.O.	Title: President, COO

**** Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

SCHEDULE 1.06

Auto Suture ****
Auto Suture ****
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**** Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

SCHEDULE 2.06

Once per **** for the preceding ****, by the **** day following the end of the preceding ****, a sales report will issue with at least the following information:

1. Total sales of Devices per Subsidiary within the Distributor Territory, calculated on the basis of ****.

2. Total sales for each of Neoprobe(R) 1000, Control Unit and Probe, calculated on the basis of ****.

3. Units of Devices sold per Subsidiary for Neoprobe(R) 1000, Control Unit and Probes;

4. Total number of units sold for Neoprobe(R) 1000, Control Unit and Probe; and

5. Details of returns, demonstration devices and landing costs deducted from sales figures.

**** Omitted and filed separately under Rule 24b-2 pursuant to which Neoprobe Corporation has requested Confidential Treatment of this information.

Exhibit 11.1

NEOPROBE CORPORATION AND SUBSIDIARIES
COMPUTATION OF NET LOSS PER SHARE

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	Three Months Ended March 31,		Six Months Ended March 31,	
	1996	1997	1996	1997
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Net Loss	($4,398,618)	($7,235,205)	($7,948,817)	($11,961,133)
Weighted average number of shares outstanding:				
Weighted average common shares outstanding beginning of period	17,426,614	22,652,473	17,334,800	22,586,527
Weighted average common shares issued during period	2,314,091	97,240	1,245,859	114,566
Weighted average number of shares outstanding used in computing primary net loss per share	19,740,705	22,749,713	18,580,659	22,701,093
Weighted average number of shares used in computing fully diluted net loss per share	19,740,705	22,749,713	18,580,659	22,701,093
Earnings (Net Loss) Per Share:				
Primary	($0.22)	($0.32)	($0.43)	($0.53)
Fully diluted	($0.22)	($0.32)	($0.43)	($0.53)

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