

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 21, 2012 (June 15, 2012)

BioDrain Medical, Inc.
(Exact name of Registrant as Specified in its Charter)

Minnesota
(State or Other Jurisdiction of Incorporation)

333-155299
(Commission File Number)

33-1007393
(IRS Employer Identification No.)

2915 Commers Drive, Suite 900
Eagan, MN 55121
(Address of Principal Executive Offices and Zip Code)

(651) 389-4800
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

The information included in Item 3.02 below is incorporated by reference in its entirety.

Item 3.02 Unregistered Sales of Equity Securities.

On June 15, 2012, BioDrain Medical, Inc. (the “Company”) sold and issued 2,214,142 units of its securities (each a “Unit”, collectively, the “Units”), at a price of \$0.07 per Unit, for aggregate proceeds of \$154,989.93. Each Unit consists of one share of common stock of the Company (“Common Stock”) and a warrant (collectively, the “Warrants”) to purchase one share of Common Stock. The Warrants are exercisable at an exercise price of \$0.15 per share (the “Exercise Price”) any time after the date of issuance (the “Issue Date”) until 5:00 p.m. Eastern time on the fifth anniversary of the Issue Date (the “Expiration Date”). In addition, provided that the shares of Common Stock underlying the Warrants are not registered pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”) and the fair market value of one share of Common Stock is greater than the Exercise Price, any time from and after the 180th day following the Issue Date until the Expiration Date, the Warrants may be exercised on a cashless basis. The Units were sold and issued pursuant to the form of Securities Purchase Agreement, and the Warrants were issued in the form of, Exhibits 10.1 and 4.1, respectively, of this Current Report. No commissions were paid in respect of the sale of the Units. The Units and securities underlying the Units were issued in reliance upon the exemption from registration provided by Rule 506 of Regulation D under the Securities Act of 1933, as amended, inasmuch as the Units were sold to accredited investors only and the Company did not engage in any general advertisement or general solicitation in connection with the offering of the Units. As of the date of this filing, there are 65,309,406 shares of common stock of the Company issued and outstanding.

The above descriptions of the Securities Purchase Agreements and Warrants are intended to be a summary only and are qualified in their entirety by the terms of such documents, which are attached as exhibits to this Current Report.

Item 9.01. Exhibits and Financial Statements

- 10.1 Form of Securities Purchase Agreement.
 - 4.1 Form of Warrant issued in the Offering.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 21, 2012

BIODRAIN MEDICAL, INC.

By: /s/ Josh Komberg

Josh Komberg
Chief Executive Officer

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT THERETO UNDER THE ACT AND APPLICABLE LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND APPLICABLE LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Certificate No. WC-_____
Dated: _____, 2012

Warrant to Purchase _____ Shares of
Common Stock (subject to adjustment)

WARRANT TO PURCHASE COMMON STOCK
of
BIODRAIN MEDICAL, INC.

This certifies that, for value received, _____, or registered assigns (the "Holder") is entitled, subject to the terms set forth below, to purchase from BioDrain Medical, Inc., a Minnesota corporation (the "Company"), up to _____ shares of its common stock, par value \$0.01 per share (the "Common Stock"), as constituted on the date hereof (the "Warrant Issue Date"), upon surrender hereof, at the principal office of the Company referred to below, with the Notice of Exercise form annexed hereto duly executed, and simultaneous payment therefor in lawful money of the United States or otherwise as hereinafter provided, at the Exercise Price set forth in Section 2 below. The number and character of such shares of Common Stock and the Exercise Price (defined below) are subject to adjustment as provided herein. The term "Warrant" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein. This Warrant is being issued pursuant to the Securities Purchase Agreement, dated the date hereof, by and between the Company and the Holder, and in connection with the corresponding Subscription Application of the Holder.

1 . *Term of Warrant.* Subject to the terms and conditions set forth herein, this Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m., Eastern Standard Time, on the five (5) year anniversary of the Warrant Issue Date (the "Term"), and shall be void thereafter.

2 . *Exercise Price.* The exercise price at which this Warrant may be exercised shall be \$0.15 per share of Common Stock (the "Exercise Price"), as such Exercise Price may be adjusted from time to time pursuant to Section 11 hereof.

3. *Exercise of Warrant.*

(a) *Method of Exercise.* The purchase rights represented by this Warrant are exercisable by the Holder in whole or in part, at any time, or from time to time, during the Term, by the surrender of this Warrant and the Notice of Exercise annexed hereto duly completed and executed on behalf of the Holder, at the principal office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company), upon (i) payment (A) in cash or by check acceptable to the Company, (B) by cancellation by the Holder of indebtedness or other obligations of the Company to the Holder, or (C) by a combination of (A) and (B), of the purchase price of the shares to be purchased or (ii) a net issue exercise as provided in Section 3(c) below.

(b) *Issuance of Shares.* This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, and the person entitled to receive the shares of Common Stock issuable upon such exercise shall be treated for all purposes as the holder of record of such shares as of the close of business on such date. As promptly as practicable on or after such date and in any event within ten (10) days thereafter, the Company at its expense shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of shares issuable upon such exercise. In the event that this Warrant is exercised in part, the Company at its expense will execute and deliver a new Warrant of like tenor exercisable for the remaining number of shares for which this Warrant may then be exercised.

(c) *Net Issue Exercise.* Notwithstanding any provisions herein to the contrary, if at any time from and after the 180th day following the Warrant Issue Date until the end of the Term the shares of Common Stock issuable upon exercise of this Warrant are not registered pursuant to an effective registration statement under the Securities Act of 1933, as amended, and the fair market value of one share of Common Stock is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant for cash, the Holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise and notice of such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

- Where
- X = The number of shares of Common Stock to be issued to the Holder
 - Y = the number of shares of Common Stock purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being canceled (at the date of such calculation)
 - A = the fair market value of one share of the Common Stock (at the date of such calculation)
 - B = Exercise Price (as adjusted to the date of such calculation).

For purposes of the above calculation, fair market value of one share of Common Stock shall be determined by the Company's Board of Directors in good faith; provided, however, that where there exists a public market for the Common Stock at the time of such exercise, the fair market value of one share of Common Stock shall be the average of the closing bid and asked prices of the Common Stock quoted on the OTC Bulletin Board or the average closing price of the Common Stock on any national stock exchange in the United States or a foreign country, including without limitation, the Nasdaq Stock Market, the NYSE Amex or the Toronto Stock Exchange, on which the Common Stock is listed, whichever is applicable, as reported by Bloomberg L.P. for the five (5) trading days prior to the date of determination of fair market value. If the Common Stock is listed on an exchange in the United States and in a foreign country, then the for the purpose of determining fair market value hereunder, the prices on the exchange in the United States shall govern.

Net issue exercise pursuant to this Section 3 shall not be available during the period from the Warrant Issue Date up to and including the 180th day following the Warrant Issue Date.

4. *No Fractional Shares or Scrip.* No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. In lieu of any fractional share to which the Holder would otherwise be entitled (after aggregating all shares that are being issued upon such exercise), the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

5. *Replacement of Warrant.* On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

6. *Rights of Stockholders.* Subject to Sections 9 and 11 of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of the Common Stock or any other securities of the Company that may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant shall have been exercised as provided herein.

7. *Transfer of Warrant.*

(a) *Warrant Register.* The Company will maintain a register (the "Warrant Register") containing the names and addresses of the Holder or Holders. Any Holder of this Warrant or any portion thereof may change its address as shown on the Warrant Register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be delivered or given by mail to such Holder as shown on the Warrant Register and at the address shown on the Warrant Register. Until this Warrant is transferred on the Warrant Register of the Company, the Company may treat the Holder as shown on the Warrant Register as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary.

(b) *Warrant Agent.* The Company may, by written notice to the Holder, appoint an agent for the purpose of maintaining the Warrant Register referred to in Section 7(a) above, issuing the Common Stock or other securities then issuable upon the exercise of this Warrant, exchanging this Warrant, replacing this Warrant, or any or all of the foregoing (the "Warrant Agent"). Thereafter, any such registration, issuance, exchange or replacement, as the case may be, shall be made at the office of the Warrant Agent.

(c) *Transferability and Negotiability of Warrant.* This Warrant may not be transferred or assigned in whole or in part without compliance with all applicable federal and state securities laws by the transferor and the transferee (including the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, if such are requested by the Company). Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "Act"), title to this Warrant may be transferred by endorsement (by the Holder executing the Assignment Form annexed hereto) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(d) *Exchange of Warrant Upon a Transfer.* Upon surrender of this Warrant for exchange, properly endorsed on the Assignment Form and subject to the provisions of this Warrant with respect to compliance with the Act and with the limitations on assignments and transfers contained in this Section 7, the Company at its expense shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise hereof.

(e) *Compliance with Securities Laws.*

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant and the shares of Common Stock to be issued upon exercise hereof are being acquired for investment purposes, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any shares of Common Stock to be issued upon exercise hereof except under circumstances that will not result in a violation of the Act or any state securities laws.

(ii) This Warrant and all shares of Common Stock issued upon exercise hereof or conversion thereof shall be stamped or imprinted with a legend in substantially the following form (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT THERETO UNDER SUCH ACT AND APPLICABLE LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND APPLICABLE LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

8 . *Reservation of Stock.* The Company covenants that during the Term, the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of Common Stock upon the exercise of this Warrant and, from time to time, will take all steps necessary to amend its Certificate or Articles of Incorporation (the "Certificate") to provide sufficient reserves of Common Stock issuable upon exercise of this Warrant. The Company further covenants that all shares of Common Stock that may be issued upon the exercise of rights represented by this Warrant and payment of the Exercise Price, all as set forth herein will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the shares of Common Stock upon the exercise of this Warrant.

9. *Notices.*

(a) Whenever the Exercise Price or the shares purchasable hereunder shall be adjusted pursuant to Section 11 hereof, the Company shall issue a certificate signed by its Chief Financial Officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the shares purchasable hereunder after giving effect to such adjustment, and shall cause a copy of such certificate to be mailed (by first-class mail, postage prepaid) to the Holder of this Warrant.

(b) In case:

(i) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time receivable upon the exercise of this Warrant) for the purpose of entitling them to receive any dividend or other distribution, or any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, or

(ii) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation or entity, or any conveyance of all or substantially all of the assets of the Company to another corporation or entity, or

(iii) of any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will mail or cause to be mailed to the Holder or Holders a notice specifying, as the case may be, (A) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (B) the date on which such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such stock or securities at the time receivable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding-up. Such notice shall be mailed at least 10 days prior to the record date specified in (A) above or 20 days prior to the date specified in (B) above.

10. *Amendments and Waivers.*

(a) Except as provided in Section 10(b) below, this Warrant, or any provision hereof, may be amended, waived, discharged or terminated only by a statement in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

(b) Any term or condition of this Warrant may be amended with the written consent of the Company and holders of at least 51% of the then outstanding warrant shares underlying the warrants included within the Units issued to the Other Purchasers (as defined in the SPA) and the Holder combined. Any amendment effected in accordance with this Section 10(b) shall be binding upon the Holder and each future holder of this Warrant and the Company.

(c) No waivers of, or exceptions to, any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

11. *Adjustments.* The Exercise Price and the shares purchasable hereunder are subject to adjustment from time to time as follows:

(a) *Merger, Sale of Assets, etc.* If at any time while this Warrant is outstanding and unexpired there shall be (i) a reorganization (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), (ii) a merger or consolidation of the Company with or into another corporation in which the Company is not the surviving entity, or (iii) a sale or transfer of the Company's properties and assets as, or substantially as, an entirety to any other corporation or other entity, then, as a part of such reorganization, merger, consolidation, sale or transfer, lawful provision shall be made so that the holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect, the number of shares of stock or other securities or property of the successor corporation or other entity resulting from such reorganization, merger, consolidation, merger, sale or transfer that a holder of the shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, consolidation, merger, sale or transfer if this Warrant had been exercised immediately before such reorganization, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section 11. The foregoing provision of this Section 11(a) shall similarly apply to successive reorganizations, consolidations, mergers, sales and transfers and to the stock or securities of any other corporation or other entity that are at the time receivable upon the exercise of this Warrant. If the per-share consideration payable to the Holder for shares in connection with any such transaction is in a form other than cash or marketable securities, then the fair market value of such consideration shall be determined in accordance with Section 3(c). In all events, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.

(b) *Reclassification, etc.* If the Company, at any time while this Warrant remains outstanding and unexpired, by reclassification of securities or otherwise, shall change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification or other change and the Exercise Price therefor shall be appropriately adjusted, all subject to further adjustment as provided in this Section 11.

(c) *Split, Subdivision or Combination of Shares.* If the Company at any time while this Warrant remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Warrant exist, into a different number of securities of the same class, the Exercise Price for such securities shall be proportionately decreased in the case of a split or subdivision or proportionately increased in the case of a combination and the number of such securities shall be proportionately increased in the case of a split or subdivision or proportionately decreased in the case of a combination.

(d) *Dividends in Stock or other Securities or Property.* If while this Warrant remains outstanding and unexpired, the holders of the securities as to which purchase rights under this Warrant exist (including without limitation securities into which such securities may be converted) at the time shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property (other than cash) of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of the security receivable upon exercise of this Warrant, and without payment of any additional consideration therefor, the amount of such other or additional stock or other securities or property (other than cash) of the Company that such holder would hold on the date of such exercise had it been the holder of record of the security receivable upon exercise of this Warrant (or upon such conversion) on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional stock available by it as aforesaid during such period, giving effect to all adjustments called for during such period by the provisions of this Section 11.

(e) *Calculations.* All calculations under this Section 11 shall be made to the nearest four decimal points.

(f) *No Impairment.* The Company will not, by amendment of its charter or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

12. *Saturdays, Sundays and Holidays.* If the last or appointed day for the taking of any action or the expiration of any right granted herein shall be a Saturday, Sunday or legal holiday, then (notwithstanding anything herein to the contrary) such action may be taken or such right may be exercised on the next succeeding day that is not a Saturday, Sunday or legal holiday.

13. *Governing Law.* This Warrant shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

14. *Binding Effect.* The terms of this Warrant shall be binding upon and inure to the benefit of the Company and the Holder and their respective successors and assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, BioDrain Medical, Inc. has caused this Warrant to be executed by its officers thereunto duly authorized.

Dated: _____

BioDrain Medical, Inc.

By: _____

Name: Joshua Komberg

Title: Chief Executive Officer

NOTICE OF EXERCISE

(1) The undersigned hereby (A) elects to purchase _____ shares of Common Stock of **BIODRAIN MEDICAL, INC.**, pursuant to the provisions of Section 3(a) of the attached Warrant, and tenders herewith payment of the purchase price for such shares in full, or (B) elects to exercise this Warrant for the purchase of _____ shares of Common Stock, pursuant to the provisions of Section 3(c) of the attached Warrant.

(2) In exercising this Warrant, the undersigned hereby confirms and acknowledges that the shares of Common Stock to be issued upon exercise hereof are being acquired for investment purposes, and that the undersigned will not offer, sell or otherwise dispose of any such shares of Common Stock except under circumstances that will not result in a violation of the Securities Act of 1933, as amended, or any applicable state securities laws.

(3) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

(Name)

(Name)

(4) Please issue a new Warrant for the unexercised portion of the attached Warrant in the name of the undersigned or in such other name as is specified below:

(Name)

(Date) _____
(Signature)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Warrant hereby sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock set forth below:

Name of Assignee	Address	No. of Shares
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and does hereby irrevocably constitute and appoint _____ Attorney to make such transfer on the books of **BIODRAIN MEDICAL, INC.**, maintained for the purpose, with full power of substitution in the premises.

The undersigned also represents that, by assignment hereof, the Assignee acknowledges that this Warrant and the shares of stock to be issued upon exercise hereof are being acquired for investment purposes, and that the Assignee will not offer, sell or otherwise dispose of this Warrant or any shares of stock to be issued upon exercise hereof except under circumstances which will not result in a violation of the Securities Act of 1933, as amended, or any applicable state securities laws.

Dated: _____

Signature of Holder

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "Agreement") is made as of the later date set forth on the signature pages hereto, by and among BioDrain Medical, Inc., a Minnesota corporation (the "Company"), and the purchaser whose name and address are set forth on the signature page annexed hereto (the "Purchaser"). The foregoing parties are sometimes referred to hereinafter individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, pursuant to the Subscription Application of the Purchaser of even date herewith (each a "Subscription Application"), and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to sell to the Purchaser and the Purchaser desires to acquire from the Company that number of units of the Company's securities (the "Units") as are set forth on the Purchaser's signature page annexed hereto, at a price of **\$0.07** per Unit, subject to the terms and conditions of this Agreement and the other documents or instruments contemplated hereby; and

WHEREAS, each Unit consists of: (i) one share of the Company's \$0.01 par value common stock (the "Common Stock"), and (ii) a five-year warrant, in the form of Exhibit A attached hereto, to purchase one (1) share of Common Stock at an exercise price of **\$0.15** per share (collectively, "Warrants").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant and agree as follows:

AGREEMENT

Section 1. Sale and Issuance of Units.

1.1 Subject to the terms and conditions of this Agreement, the Company's board of directors has authorized the sale and issuance of up to 7,142,858 Units (the "Offering"). At the Closing (as defined below), the Company shall sell and issue to the Purchaser, and the Purchaser shall purchase from the Company, the number of Units set forth on the Purchaser's signature page hereto. The Company intends to enter into this same form of purchase agreement with certain other purchasers (collectively, the "Other Purchasers", and collectively with the Purchaser, the "Purchasers") and expects to complete sales of Units to them. The maximum number of Units that the Company may sell to the Purchasers is 7,142,858, unless a higher amount is authorized by the Company's board of directors in its sole discretion. The Purchaser's obligations hereunder are expressly not subject to or conditioned on the purchase of Units by any or all of such Other Purchasers.

1.2 The aggregate purchase price for the Units to be purchased by the Purchaser (the "Purchase Price") shall be the amount set forth on the Purchaser's signature page hereto.

Section 2. The Closing.

2.1 The closing of the sale and issuance to the Purchaser (the "Closing") shall take place on the date when the Company's legal counsel, Richardson & Patel, LLP (the "Escrow Agent"), receives all of the materials required pursuant to the Escrow Agreement annexed hereto as Exhibit B (the "Escrow Agreement"), including, without limitation, immediately available funds via wire transfer or a certified check equal to the subscription amount set forth on the Purchaser's signature page hereto.

2.2 At the Closing, the Company shall instruct its transfer agent to issue and deliver to the Purchaser a certificate representing the Common Stock, against receipt by the Escrow Agent of a certified bank check or wire transfer in an aggregate amount equal to the Purchase Price for the Units set forth on the Purchaser's signature page hereto.

Section 3. Representations and Warranties of the Company.

The Company hereby represents and warrants to the Purchaser as follows:

3.1 Organization.

The Company is duly organized, validly existing and in good standing under the laws of the State of Minnesota and is qualified to conduct its business as a foreign corporation in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Company.

3.2 Authorization of Agreement, Etc.

The execution, delivery, and performance by the Company of its obligations under this Agreement, the Escrow Agreement, the Subscription Application, the Warrants and each other document or instrument contemplated hereby or thereby (collectively, the "Transaction Documents") has been duly authorized by all requisite corporate action on the part of the Company; and this Agreement and the Transaction Documents have been duly executed and delivered by the Company. Each of the Transaction Documents, when executed and delivered by the Company, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

3.3 Issuance of Common Stock and Warrants.

The Units are duly authorized and, when paid for and issued in accordance with the Transaction Documents, will be duly and validly issued, fully paid, and nonassessable, free and clear of all liens.

Section 4. Representations and Warranties of the Purchaser.

The Purchaser hereby represents and warrants to the Company as follows:

4.1 Authorization of the Documents.

The Purchaser has all requisite power and authority (corporate or otherwise) to execute, deliver, and perform its obligations under the Transaction Documents, and the execution, delivery, and performance by the Purchaser of its obligations under the Transaction Documents has been duly authorized by all requisite action on the part of the Purchaser and each such Transaction Document, when executed and delivered by the Purchaser, shall constitute the valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.2 Investment Representations.

All of the representations, warranties, and information of the Purchaser as set forth in the Purchaser's Subscription Application are incorporated by reference herein, shall be deemed to be a part hereof, and shall be true and correct at the Closing with the same force and effect as if made by the Purchaser as of the date thereof.

4.3 Access to Company Information.

The Purchaser acknowledges that it has been afforded access and the opportunity to obtain all financial and other information concerning the Company that such Purchaser desires (including the opportunity to meet with the Company's executive officers, either in person or telephonically). The Purchaser has reviewed copies of all reports filed by the Company (the "Filings") with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since December 31, 2009, all of which are available for review at www.sec.gov. The Purchaser further acknowledges that it is familiar with the contents of the Filings and that there is no further information about the Company that the Purchaser desires in determining whether to acquire the Units in the Offering.

4.4 Risk Factors

The Purchaser acknowledges that the Company is a development stage company with limited revenues and currently not operating with positive cash-flow from operations, and there can be no assurances that the Company will ever develop its operations as currently contemplated. The Purchaser acknowledges that an investment in the Units is extremely speculative and that there is a substantial likelihood that the investor will lose their entire investment.

Section 5. Brokers and Finders.

The Company shall not be obligated to pay any commission, brokerage fee, or finder's fee based on any alleged agreement or understanding between the Purchaser and a third person in respect of the transactions contemplated hereby. The Purchaser hereby agrees to indemnify the Company against any claim by any third person for any commission, brokerage fee, finder's fee, or other payment with respect to this Agreement or the transactions contemplated hereby based on any alleged agreement or understanding between the Purchaser and any such third person, whether express or implied from the actions of the Purchaser or anyone acting or purporting to act on behalf of the Purchaser.

Section 6. Indemnification by the Purchaser.

The Purchaser hereby agrees to indemnify and defend (with counsel acceptable to the Company) the Company and its officers, directors, employees, and agents and hold them harmless from and against any and all liability, loss, damage, cost, or expense, including costs and reasonable attorneys' fees, incurred on account of or arising from:

(a) any breach of or inaccuracy in any of the Purchaser's representations, warranties, or agreements made herein, in any of the Transaction Documents, or in any document or instrument contemplated hereby or thereby; and

(b) any action, suit, or proceeding based on a claim that the Purchaser's representations, warranties or agreements made herein, in any of the Transaction Documents, or in any document or instrument contemplated hereby or thereby, were inaccurate or misleading, or otherwise cause for obtaining damages or redress from the Company or any current or former officer, director, employee, or agent of the Company under the Securities Act.

Section 7. Successors and Assigns.

This Agreement shall bind and inure to the benefit of the Company, the Purchaser, and their respective successors and assigns.

Section 8. Entire Agreement.

This Agreement and the other writings and agreements referred to in this Agreement or delivered pursuant to this Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or verbal, among the Parties with respect thereto.

Section 9. Notices.

All notices, demands and requests of any kind to be delivered to any Party in connection with this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered or if sent by internationally-recognized overnight courier or by registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

if to the Company, to:

BioDrain Medical, Inc.
2915 Commers Drive, Suite 900
Eagan, MN 55121
Attention: Bob Myers, Acting Chief Financial Officer

with a copy to:

Richardson & Patel LLP
750 Third Avenue
9th Floor
New York, NY 10017
Attention: Kevin Friedmann

if to the Purchaser, to:

at the address of the Purchaser set forth on the Purchaser's signature page hereto;

or to such other address as the Party to whom notice is to be given may have furnished to the other Parties to this Agreement in writing in accordance with the provisions of this Section. Any such notice or communication shall be deemed to have been received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of internationally-recognized overnight courier, on the next business day after the date when sent and (iii) in the case of mailing, on the third business day following that on which the piece of mail containing such communication is posted.

Section 10. Amendments.

This Agreement may not be modified or amended, nor may any provision of this Agreement be waived, except as evidenced by a written agreement duly executed by Purchasers who hold a majority of the Common Stock and shares of Common Stock underlying Warrants acquired in the Offering.

Section 11. Governing Law; Waiver of Jury Trial.

All questions concerning the construction, interpretation, and validity of this Agreement shall be governed by and construed and enforced in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether in the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. In furtherance of the foregoing, the internal law of the State of New York will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily or necessarily apply.

Section 12. Submission to Jurisdiction.

Any legal action or proceeding with respect to this Agreement may be brought in the courts of the State of New York and the United States of America located in the Borough of Manhattan in the City of New York, New York, and, by execution and delivery of this Agreement, the Company hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Purchaser hereby irrevocably waives, in connection with any such action or proceeding, any objection, including, without limitation, any objection to the venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The Purchaser hereby irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address as set forth herein.

Section 13. Severability.

It is the desire and intent of the Parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited, or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited, or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 14. Independence of Agreements, Covenants, Representations and Warranties.

All agreements and covenants hereunder shall be given independent effect so that if a certain action or condition constitutes a default under a certain agreement or covenant, the fact that such action or condition is permitted by another agreement or covenant shall not affect the occurrence of such default, unless expressly permitted under an exception to such covenant. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of or a breach of a representation and warranty hereunder. The exhibits and any schedules annexed hereto are hereby made part of this Agreement in all respects.

Section 15. Counterparts.

This Agreement may be executed in any number of counterparts, and each such counterpart of this Agreement shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Facsimile or PDF counterpart signatures to this Agreement shall be acceptable and binding.

Section 16. Headings.

The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 17. Expenses.

Each Party shall pay its own fees and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement, the Transaction Documents and any document or instrument contemplated hereby or thereby.

Section 18. Preparation of Agreement.

The Company prepared this Agreement and the Transaction Documents solely on its behalf. Each Party to this Agreement acknowledges that: (i) the Party had the advice of, or sufficient opportunity to obtain the advice of, legal counsel separate and independent of legal counsel for any other Party hereto; (ii) the terms of the transactions contemplated by this Agreement are fair and reasonable to such Party; and (iii) such Party has voluntarily entered into the transactions contemplated by this Agreement without duress or coercion. Each Party further acknowledges that such Party was not represented by the legal counsel of any other Party hereto in connection with the transactions contemplated by this Agreement, nor was he or it under any belief or understanding that such legal counsel was representing his or its interests. Each Party agrees that no conflict, omission, or ambiguity in this Agreement, or the interpretation thereof, shall be presumed, implied, or otherwise construed against any other Party to this Agreement on the basis that such Party was responsible for drafting this Agreement.

Section 19. Use of Proceeds.

The Company shall use the net proceeds from the Offering for general working capital and general corporate purposes and debt service obligations.

Section 20. Signature Page.

It is hereby agreed that the execution by the Purchaser of this Subscription Agreement, in the place set forth herein, will constitute agreement by the Purchaser to be bound by the terms and conditions of (1) this Subscription Agreement and (2) the Warrant, in the form attached hereto as Exhibit A.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Securities Purchase Agreement as of the later date set forth on the signature pages below.

COMPANY:

Date: _____, 2012

BIODRAIN MEDICAL, INC.

By:

Name: Joshua Komberg
Title: Chief Executive Officer

[PURCHASER'S SIGNATURE PAGE FOLLOWS]

PURCHASER SIGNATURE PAGE TO BIODRAIN MEDICAL, INC.
SECURITIES PURCHASE AGREEMENT

PURCHASER:

Name of Purchaser (Individual or
Institution)

Name of Individual representing
Purchaser (if an Institution)

Title of Individual representing
Purchaser (if an Institution)

Signature of Individual Purchaser or
Individual representing Purchaser

Address:

Telephone:

Facsimile:

Number of Units

Aggregate Purchase Price

Date
