

Neuralstem, Inc.
Form 10QSB
May 15, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark one)

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 2007

or

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 000-1357459

Neuralstem, Inc.

(Name of small business issuer in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

52-2007292
(I.R.S. Employer
Identification No.)

9700 Great Seneca Highway,
Rockville, Maryland
(Address of principal executive offices)

20850
(Zip Code)

Issuer's telephone number: (301) 366-4841

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes No

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

As of May 8, 2007 there were 29,132,105 shares of common stock, \$.001 par value, issued and outstanding.

Neuralstem, Inc.

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ADVISEMENT

Unless the context requires otherwise, “*Neuralstem*”, “*the company*”, “*we*”, “*us*”, “*our*” and similar terms refer to Neuralstem, Inc. Our common stock, par value \$.001 per share is commonly referred to in this quarterly report as our “*common shares*”. The information in this quarterly report is current as of the date of this quarterly report (March 31, 2007), unless another date is specified.

We prepare our interim financial statements in accordance with United States generally accepted accounting principles. Our financial condition and results of operations for the three-month interim period ended March 31, 2007 are not necessarily indicative of our prospective financial condition and results of operations for the pending full fiscal year ended December 31, 2007. The interim financial statements presented in this quarterly report as well as other information relating to our company contained in this quarterly report should be read in conjunction and together with any reports, statements and information filed with the SEC.

FORWARD LOOKING STATEMENTS

In this quarterly report we make a number of statements, referred to as “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), which are intended to convey our expectations or predictions regarding the occurrence of possible future events or the existence of trends and factors that may impact our future plans and operating results. These forward-looking statements are derived, in part, from various assumptions and analyses we have made in the context of our current business plan and information currently available to use and in light of our experience and perceptions of historical trends, current conditions and expected future developments and other factors we believe are appropriate in the circumstances. You can generally identify forward looking statements through words and phrases such as “*believe*”, “*expect*”, “*seek*”, “*estimate*”, “*anticipate*”, “*intend*”, “*plan*”, “*budget*”, “*project*”, “*may likely result*”, “*may continue*” and other similar expressions.

When reading any forward-looking statement you should remain mindful that actual results or developments may vary substantially from those expected as expressed in or implied by that statement for a number of reasons or factors, including but not limited to:

- the success of our research and development activities, the development of a viable commercial production model, and the speed with which regulatory authorizations and product launches may be achieved;
- whether or not a market for our product develops and, if a market develops, the rate at which it develops;
- our ability to successfully sell our products if a market develops;
- our ability to attract and retain qualified personnel to implement our growth strategies;
- our ability to develop sales marketing and distribution capabilities;
- our ability to obtain reimbursement from third party payers for the products that we sell;
- the accuracy of our estimates and projections;
- our ability to fund our short-term and long-term financing needs;

- changes in our business plan and corporate strategies; and
- other risks and uncertainties discussed in greater detail in the section captioned “Risk Factors”

Each forward-looking statement should be read in context with and in understanding of the various other disclosures concerning our company and our business made elsewhere in this report as well as our public filings with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statement as a prediction of actual results or developments. We are not obligated to update or revise any forward-looking statements contained in this report or any other filing to reflect new events or circumstances unless and to the extent required by applicable law.

FINANCIAL STATEMENTS.**NEURALSTEM, INC.****BALANCE SHEET****(Unaudited)**

March 31, 2007

ASSETS**CURRENT ASSETS**

Cash	\$	6,638,156
Accounts receivable		79,359
Prepaid expenses		21,175
Other assets		5,978
Total current assets		6,744,668

Property and equipment, net		24,221
Other assets		35,940
Intangible assets, net		21,776
Total assets	\$	6,826,605

LIABILITIES AND STOCKHOLDERS' EQUITY**CURRENT LIABILITIES**

Note payable, current portion	\$	5,631
Accounts payable and accrued expenses		478,569
Total current liabilities		484,200

Note payable, long-term portion		20,846
Total liabilities		505,046

STOCKHOLDERS' EQUITY

Preferred stock: \$0.01 par value; authorized 7,000,000 shares; no shares issued and outstanding	\$	-
Common stock: \$0.01 par value; authorized 75,000,000 shares; 28,884,605 shares issued and outstanding		288,846
Additional paid-in capital		45,574,680
Accumulated deficit		(39,541,967)

Total stockholders' equity		6,321,559
Total liabilities and stockholders' equity	\$	6,826,605

See Accompanying Notes to Financial Statements.

NEURALSTEM, INC.

STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended March 31,	
	2007	2006
Revenues	\$ 181,825	\$ 34,487
Operating expenses		
Research and development costs	845,589	349,999
General, selling and administrative expenses	291,053	148,151
Depreciation and amortization	12,981	13,394
	1,149,623	511,544
Operating loss	(967,798)	(477,057)
Nonoperating income (expense)		
Interest	18,903	10,490
Interest expense	(347)	(8,279)
Net loss	\$ (949,242)	