

Neuralstem, Inc.  
Form 10-Q  
November 13, 2008

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

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**FORM 10-Q**

(Mark one)

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

**For the Quarterly Period Ended September 30, 2008**

**Or**

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

**Commission File Number 000-1357459**

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**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, 20850**

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**(Address of principal executive offices)**  
**(Zip Code)**

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

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Indicate by check mark whether the registrant (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. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer  (Do not check if a small reporting company)  Smaller reporting company

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 November 13, 2008 there were 32,151,300 shares of common stock, \$.01 par value, issued and outstanding.

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**Neuralstem, Inc.**

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**PART I**  
**FINANCIAL INFORMATION**

**NEURALSTEM, INC.**  
**BALANCE SHEETS**

	Sept. 30, 2008 (Unaudited)	Dec. 31, 2007
<b>ASSETS</b>		
Cash	\$ 5,249,805	\$ 7,403,737
Prepaid expenses	211,766	130,719
Total current assets	5,461,571	7,534,456
Property and equipment, net	172,283	136,920
Other assets	54,446	43,271
Intangible assets, net	162,985	111,406
Total assets	\$ 5,851,285	\$ 7,826,053
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued expenses	\$ 1,270,809	\$ 1,016,699
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock, 7,000,000 shares authorized, zero issued and outstanding	—	—
Common stock, \$.01 par value, 150 million shares authorized, 32,151,300 and 31,410,566 shares outstanding in 2008 and 2007	321,513	314,106
Additional paid-in capital	58,325,041	52,151,245
Accumulated deficit	(54,066,078)	(45,655,997)
Total stockholders' equity	4,580,476	6,809,354
Total liabilities and stockholders' equity	\$ 5,851,285	\$ 7,826,053

See accompanying notes to Financial Statements.

**NEURALSTEM, INC.**  
**STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2008	2007	2008	2007
Revenues	\$ -	\$ 45,733	\$ -	\$ 306,057
Operating expenses:				
Research and development costs	1,766,040	672,101	4,598,611	2,202,670
General, selling and administrative expenses	1,400,795	832,348	3,802,673	2,359,515
Depreciation and amortization	17,223	22,403	46,760	48,365
Total operating expenses	3,184,058	1,526,852	8,448,044	4,610,550
Operating loss				