

IR BIOSCIENCES HOLDINGS INC  
Form 10-Q  
August 14, 2009

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

\_\_\_\_\_  
FORM 10-Q  
\_\_\_\_\_

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

For the quarterly period ended June 30, 2009

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 033-05384

IR BIOSCIENCES HOLDINGS, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or Other Jurisdiction of  
Incorporation or Organization)

13-3301899  
(I.R.S. Employer Identification No.)

8777 E. Via De Ventura, Suite 280,  
Scottsdale, AZ  
(Address of Principal Executive Offices)

85258  
(Zip Code)

Registrant's telephone number, including area code: (480) 922-3926

\_\_\_\_\_  
N/A  
\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether 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 twelve 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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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. (Check one):

Large accelerated filer <input type="radio"/>	Accelerated filer <input type="radio"/>
Non-accelerated filer <input type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="radio"/>

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

The number of shares outstanding of Registrant's common stock as of August 11, 2009 was 13,230,857.

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## ITEM 1. FINANCIAL INFORMATION

IR BioSciences Holdings, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Balance Sheets as of June 30, 2009 (unaudited)  
And December 31, 2008

Assets	June 30, 2009 (unaudited)	December 31, 2008
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,472,480	\$ 3,158,226
Prepaid services and other current assets (note 1)	169,650	222,018
Total current assets	1,642,130	3,380,244
Deposits and other assets (note 1)	7,493	7,378
Furniture and equipment, net of accumulated depreciation of \$83,115 and \$75,480, respectively (note 2)	35,212	41,347
<b>Total assets</b>	<b>\$ 1,684,835</b>	<b>\$ 3,428,969</b>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$ 792,929	\$ 862,926
Current portion of notes payable (note 5)	1,500,000	1,500,000
Redemption option liability	150,000	-
Total current liabilities	2,442,929	2,362,926
Derivative liability (note 6)	2,264,480	-
Notes payable, net of discount of \$3,234,871 and \$1,474,937, respectively (note 5)	3,934,018	5,293,952
<b>Total liabilities</b>	<b>8,641,427</b>	<b>7,656,878</b>
Commitments and contingencies	-	-
<b>Stockholders' deficit (note 7)</b>		
Preferred stock, \$0.001 par value: 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value: 100,000,000 shares authorized; 13,097,525 shares and 12,264,191 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	13,098	12,265
Additional paid-in capital	18,459,152	20,066,317

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Common stock subscribed (note 7)	38,000	250,000
Deficit Accumulated during the development stage	(25,466,842)	(24,556,491)
Total stockholder's deficit	(6,956,592)	(4,227,909)
Total liabilities and stockholder's deficit	\$ 1,684,835	\$ 3,428,969

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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IR BioSciences Holdings, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Statements of Losses  
For the three and six months ended June 30, 2009 and 2008,  
and for the period of inception (October 30, 2002) to June 30, 2009  
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		For the Period October 30, 2002 to June 30, 2009
	2009	2008	2009	2008	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Selling, general and administrative expenses	819,958	834,512	1,664,868	2,011,419	22,774,822
Merger fees and costs	-	-	-	-	350,000
Impairment of intangible asset costs	-	-	-	-	6,393
Total operating expenses	819,958	834,512	1,664,868	2,011,419	23,131,215
Operating loss	(819,958)	(834,512)	(1,664,868)	(2,011,419)	(23,131,215)
Other expense:					
Cost of penalty for late registration of shares	-	-	-	-	2,192,160
(Gain) loss from marking to market - warrant portion of penalty for late registration of shares	-	-	-	-	(378,198)
(Gain) loss from marketing to market - stock portion of penalty for late registration of shares	-	-	-	-	(760,058)
(Gain) loss from change in fair value of derivative liability	644,265	-	1,376,560	-	(2,196,405)
Financing cost	31,250	-	62,500	-	331,875
Interest (income) expense, net	533,166	58,148	1,065,758	104,475	3,135,709
Total other (income) expense	1,208,681	58,148	2,504,818	104,475	2,325,083
Income (loss) before income taxes	(2,028,639)	(892,660)	(4,169,686)	(2,115,894)	(25,456,298)
Provision for income taxes	-	-	-	-	(10,544)

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Net (loss)	\$ (2,028,639)	\$ (892,660)	\$ (4,169,686)	\$ (2,115,894)	\$ (25,466,842)
Net (loss) per share - basic and diluted	\$ (0.15)	\$ (0.08)	\$ (0.32)	\$ (0.18)	\$ (3.44)
Weighted average shares outstanding (post reverse stock split)- basic and diluted	13,097,525	11,600,451	13,069,901	11,481,627	7,410,216

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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IR BioSciences Holding, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Statement of Stockholders' Equity (Deficit)  
From Date of Inception (October 30, 2002) to June 30, 2009  
(Unaudited)

	Common Stock		Additional	Deferred	Common	Accumulated	Total
	Shares	Amount	Paid-In Capital	Compensation	Stock Subscribed	Deficit	
Balance at October 30, 2002 (date of inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shares of common stock issued at \$0.006 per share to founders for license of proprietary right in December 2002	1,661,228	1,661	7,589	-	-	-	9,250
Shares of common stock issued at \$0.006 per share to founders for services rendered in December 2002	140,531	141	641	-	-	-	782
Shares of common stock issued at \$1.671 per share to consultants for services rendered in December 2002	5,388	5	8,995	(9,000)	-	-	