

IR BIOSCIENCES HOLDINGS INC
Form 10-Q
May 24, 2010

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 March 31, 2010

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 May 24, 2010 was 15,931,706.

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IR BIOSCIENCES HOLDINGS, INC. AND SUBSIDIARY

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ITEM 1. FINANCIAL INFORMATION

IR BioSciences Holdings, Inc. and Subsidiary
(A Development Stage Company)
Condensed Consolidated Balance Sheets as of March 31, 2010 (unaudited)
And December 31, 2009

	March 31, 2010 (unaudited)	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 280,309
Prepaid services and other current assets (note 1)	41,472	68,347
Total current assets	41,472	348,656
Deposits and other assets (note 1)	7,718	7,693
Furniture and equipment, net of accumulated depreciation of \$91,487 and \$89,130, respectively (note 2)	26,839	29,197
Total assets	\$ 76,029	\$ 385,546
Liabilities and Stockholders' Deficit		
Current liabilities		
Cash overdraft	\$ 2,240	\$ -
Accounts payable and accrued liabilities (note 3)	1,110,912	785,501
Current portion of notes payable (note 4)	2,000,000	2,000,000
Redemption option liability (note 4)	300,000	300,000
Total current liabilities	3,413,152	3,085,501
Derivative liability (note 5)	4,397,040	2,256,200
Notes payable, net of discount of \$2,921,339 and \$3,006,498, respectively (note 4)	4,347,550	4,062,391
Total liabilities	12,157,742	9,404,092
Commitments and contingencies	-	-
Stockholders' deficit (note 6)		
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; 14,130,857 shares and 13,630,857 shares issued and outstanding		

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at March 31, 2010 and December 31, 2009, respectively	14,130	13,630
Additional paid-in capital	18,969,888	18,717,575
Common stock subscribed (note 6)	20,444	10,222
Deficit Accumulated during the development stage	(31,086,175)	(27,759,973)
Total stockholder's deficit	(12,081,713)	(9,018,546)
Total liabilities and stockholders' deficit	\$ 76,029	\$ 385,546

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 months ended March 31, 2010 and 2009,
and for the period of inception (October 30, 2002) to March 31, 2010
(Unaudited)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009	Cumulative from Inception (October 30, 2002) to March 31, 2010
Revenue	\$	\$-	\$
Operating expenses:			
Selling, general and administrative expenses	889,838	844,910	25,126,215
Merger fees and costs	-	-	350,000
Impairment of intangible asset	-	-	6,393
Total operating expenses	889,838	844,910	25,482,608
Operating loss	(889,838)	(844,910)	(25,482,608)
Other expense:			
Cost of penalty for late registration of shares	-	-	2,192,160
(Gain) loss from change in fair value of derivative liability	1,940,840	732,295	(1,721,782)
Financing cost	9,375	31,250	403,750
Interest (income) expense, net	486,149	532,592	4,718,895
Total other (income) expense	2,436,364	1,296,137	5,593,023
Loss before income taxes	(3,326,202)	(2,141,047)	(31,075,631)
Provision for income taxes	-	-	(10,544)
Net loss	\$(3,326,202)	\$(2,141,047)	\$(31,086,175)
Net loss per share - basic and diluted	\$(0.24)	\$(0.16)	\$(3.87)
Weighted average shares outstanding - basic and diluted	13,891,968	13,041,969	8,025,105

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 March 31, 2010
(Unaudited)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
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)	-	-	-
Sale of common stock for cash at \$1.671 per share in December 2002	18,558	19	30,982	-	-	-	31,001
Net loss for the period from inception (October 30, 2002) to December 31,	-	-	-	-	-	(45,918)	(45,918)

2002

Balance at December 31, 2002 (reflective of stock splits)	1,825,704	\$1,826	\$48,207	\$ (9,000)	\$-	\$(45,918)	\$(4,885)
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Shares granted to consultants at \$1.392 per share for services rendered in January 2003	9,878	10	13,740	-	-	-	13,750
Sale of shares of common stock for cash at \$1.517 per share in January 2003	32,955	33	49,967	-	-	-	50,000
Shares granted to consultants at \$1.392 per share for services rendered in March 2003	15,445	15	21,485	-	-	-	21,500
Conversion of notes payable to common stock at \$1.392 per share in April 2003	143,674	144	199,856	-	-	-	200,000
Shares granted to consultants at \$1.413 per share for services rendered in April 2003	1,437	1	2,029	-	-	-	2,030
Sale of shares of common stock for cash at \$2.784 per share in May 2003	1,796	2	4,998	-	-	-	5,000

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Sales of shares of common stock for cash at \$2.784 per share in June 2003	3,592	4	9,996	-	-	-	10,000
Conversion of notes payable to common stock at \$1.392 per share in June 2003	71,837	72	99,928	-	-	-	100,000
Beneficial conversion feature associated with notes issued in June 2003	-	-	60,560	-	-	-	60,560
Amortization of deferred compensation	-	-	-	9,000	-	-	9,000
Costs of GPN Merger in July 2003	236,813	237	(121,036)	-	-	-	(120,799)
Value of warrants issued with extended notes payable in October 2003	-	-	189,937	-	-	-	189,937
Value of Company warrants issued in conjunction with fourth quarter notes payable issued October through December 2003	-	-	207,457	-	-	-	207,457
Value of warrants contributed by founders in conjunction with fourth quarter notes payable issued October through December 2003	-	-	183,543	-	-	-	183,543

Value of warrants issued for services in October through December 2003	-	-	85,861	-	-	-	85,861
Net loss for the twelve month period ended December 31, 2003	-	-	-	-	-	(1,856,702)	(1,856,702)
Balance at December 31, 2003	2,343,130	\$2,343	\$1,056,529	\$-	\$-	\$(1,902,620)	\$(843,748)

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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Shares granted at \$10.00 per share pursuant to the Senior Note Agreement in January 2004	60,000	60	599,940	(600,000)	-	-	-
Shares issued at \$10.00 per share to a consultant for services rendered in January 2004	80,000	80	799,920	(800,000)	-	-	-
Shares issued to a consultant at \$6.20 per share for services rendered in February 2004	4,000	4	24,796	(24,800)	-	-	-
Shares issued to a consultant at \$4.00 per share for services rendered in March 2004	105,160	105	420,535	(420,640)	-	-	-
Shares issued to a consultant at \$5.00 per share for services rendered in March 2004	50,000	50	249,950	(250,000)	-	-	-
Shares sold for cash at \$1.50 per share in March, 2004	800	1	1,199	-	-	-	1,200
Shares issued at \$5.00 per share to consultants for	2,000	2	9,998	-	-	-	10,000

services rendered
in March 2004

Shares issued to a
consultant
at \$4.00 per share
for services
rendered in March
2004

200	0	800	-	-	-	800
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Shares issued to
consultants at
\$3.20 per share for
services rendered
in March 2004

9,160	9	29,303	-	-	-	29,312
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Shares to be issued to consultant at \$4.10 per share in April 2004 for services to be rendered through March 2005	-	-	-	(82,000)	-	-	(82,000)
Shares granted pursuant to the New Senior Note Agreement in April 2004	60,000	60	149,940	(150,000)	-	-	-
Shares issued to officer at \$3.20 per share for services rendered in April 2004	20,000	20	63,980	-	-	-	64,000
Conversion of Note Payable to common stock at \$1.00 per share in May 2004	35,000	35	34,965	-	-	-	35,000
Beneficial Conversion Feature associated with note payable in May 2004	-	-	35,000	-	-	-	35,000
Issuance of warrants to officers and founder for services rendered in May 2004	-	-	269,208	-	-	-	269,208

Shares to a consultant at \$2.00 per share as a due diligence fee in May 2004	12,500	13	24,988	-	-	-	25,000
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Shares issued to a consultant at \$10.00 per share for services to be rendered over twelve months beginning May 2004	50,000	50	499,950	(500,000)	-	-	-
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Beneficial Conversion Feature associated with notes payable issued in June 2004	-	-	3,000	-	-	-	3,000
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Issuance of warrants to note holders in April, May, and June 2004	-	-	17,915	-	-	-	17,915
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Issuance of warrants to employees and consultants for services rendered in April through June 2004	-	-	8,318	-	-	-	8,318
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Shares issued in July to a consultant at \$1.00 for services to be rendered through July 2005	25,000	25	24,975	(25,000)	-	-	-
Shares issued to a consultant in July and September at \$4.10 per share for services to be rendered through April 2005	20,000	20	81,980	-	-	-	82,000
Shares issued to a consultant in September at \$1.20 to \$2.20 for services rendered through September 2004	12,728	13	16,896	-	-	-	16,909
Shares issued in July to September 2004 as interest on note payable	30,000	30	35,970	-	-	-	36,000
Issuance of warrants with notes payable in July and August 2004	-	-	72,252	-	-	-	72,252
Accrued deferred compensation in August 2004 to a consultant for 10,000 shares at	-	-	-	(10,000)	-	-	(10,000)

\$1.00 per share,
committed but
unissued

Shares issued in
August 2004 at
\$1.40 to a
consultant for
services to be
performed through
October 2004

10,000	10	13,990	(14,000)	-	-	-
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Shares issued in
August 2004 at
\$1.25 per share for
conversion of
\$30,000 demand
loan

24,000	24	29,976	-	-	-	30,000
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Shares issued in
August 2004 at
\$1.60 per share to
a consultant for
services provided.

12,500	13	19,988	-	-	-	20,000
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Shares issued to
employees at
\$1.60 to \$2.50 per
share

4,880	5	8,379	-	-	-	8,384
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Commitment to issue 10,000 shares of stock to a consultant at \$2.30 per share for services to be provided through September 2005	-	-	-	(23,000)	-	-	(23,000)
Sale of stock for cash in October at \$1.25 per share, net of costs of \$298,155	1,816,000	1,816	1,362,107	-	-	-	1,363,923
Value of warrants issued with sale of common stock in October, net of costs	-	-	607,922	-	-	-	607,922
Issuance of warrant to officer in October	-	-	112,697	-	-	-	112,697
Issuance of stock to investment bankers in October 2004 for commissions earned	490,000	490	(490)	-	-	-	-
Conversion of accounts payable to stock in October at \$1.25 per share	125,775	126	108,514	-	-	-	108,640
	-	-	48,579	-	-	-	48,579

Value of warrants issued with accounts payable conversions							
Conversion of demand loan to stock in October at \$1.10 per share	9,330	9	10,254	-	-	-	10,263
Forgiveness of notes payable in October 2004	-	-	36,785	-	-	-	36,785
Issuance of stock to officer and director at \$1.25 per share in October for conversion of liability	144,000	144	123,789	-	-	-	123,933
Value of warrants issued with officer and director conversion of liabilities	-	-	56,067	-	-	-	56,067
Conversion of debt and accrued interest to common stock at \$0.75 to \$1.25 per share in October 2004	670,315	670	423,547	-	-	-	424,217
Value of warrants issued with conversion of debt	-	-	191,111	-	-	-	191,111

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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Conversion of Note Payable of \$5,000 plus accrued interest of \$71 in October, 2004	6,761	7	4,993	-	-	-	5,000
Issuance of warrants to note holders in October 2004	-	-	112,562	-	-	-	112,562
Value of shares issued to CFO as compensation in December 2004	10,000	10	34,990	-	-	-	35,000
Value of warrants issued to members of advisory committees in November and December 2004	-	-	16,348	-	-	-	16,348
Beneficial conversion feature associated with notes payable in December 2004	-	-	124,709	-	-	-	124,709
Shares issued in error to be cancelled in December	(900)	(1)	1	-	-	-	0
Amortization of deferred	-	-	-	2,729,454	-	-	2,729,454

compensation through December 31, 2004								
Loss for the twelve months ended December 31, 2004	-	-	-	-	-	(5,305,407)	(5,305,407)	
Balance at December 31, 2004	6,242,339	\$6,242	\$7,979,124	\$(169,986)	\$-	\$(7,208,027)	\$607,353	
Sale of shares of common stock for cash at \$2.00 per share in March 2005 for warrant exercise, net of costs	660,078	660	1,190,196	-	-	-	1,190,856	
Value of warrants issued to members of advisory committees in March 2005	-	-	137,049	-	-	-	137,049	
Deferred compensation in February 2005 to a consultant for 5,000 shares of common stock at \$6.50 per share	-	-	-	(32,500)	-	-	(32,500)	
Warrants exercised at \$0.50 per share in June 2003	8,000	8	3,992	-	-	-	4,000	

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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Value of warrants issued to members of advisory committee in June 2005	-	-	70,781	-	-	-	70,781
Value of warrants issued to investors and service providers in June 2005	-	-	32,991	-	-	-	32,991
Issuance of 23,215 shares of common stock in July 2005 for conversion of notes payable	23,215	23	64,980	-	-	-	65,003
Issuance of 10,000 shares of common stock in August 2005 to a consultant for services provided	10,000	10	9,990	-	-	-	10,000
Value of warrants issued to advisory committee in September 2005 for services	-	-	20,491	-	-	-	20,491
Amortization of deferred comp for the twelve months ended December, 2005	-	-	-	199,726	-	-	199,726

Value of warrants issued in October and December 2005 to investors and service providers	-	-	18,399	-	-	-	18,399
Loss for the year ended December 31, 2005	-	-	-	-	-	(4,591,107)	(4,591,107)
Balance as of December 31, 2005	6,943,632	\$6,943	\$9,527,993	\$(2,760)	\$-	\$(11,799,134)	\$(2,266,958)

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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Issuance of 10,000 shares to officer, previously accrued	10,000	10	41,406	-	-	-	41,416
Value of warrants issued to members of advisory committee in March 2006	-	-	8,399	-	-	-	8,399
Amortization of deferred compensation for the three months ended March 31, 2006	-	-	-	2,760	-	-	2,760
Issuance of common stock in May 2006 to a consultant for services provided	3,446	3	16,194	-	-	-	16,197
Conversion of accrued interest to common stock at \$1.25 per share in May, 2006	1,929	2	2,409	-	-	-	2,411
Conversion of accrued interest to common stock at \$1.25 per share in May, 2006	1,632	2	2,039	-	-	-	2,041
	1,345	1	1,354	-	-	-	1,355

Conversion of accrued interest to common stock at \$1.00 per share in May, 2006							
Common stock issued pursuant to the exercise of warrants at \$0.90 per share in June 2006	500	1	450	-	-	-	450
Value of warrants issued to members of advisory committee in June 2006	-	-	8,820	-	-	-	8,820
Value of warrants issued to members of advisory committee in September 2006	-	-	3,495	-	-	-	3,495
Value of warrants issued to officers	-	-	50,874	-	-	-	50,874
Issuance of penalty Common Stock, previously accrued	415,080	415	871,250	-	-	-	871,665
Issuance of penalty warrants, previously accrued	-	-	182,239	-	-	-	182,239
Value of options issued to officer	-	-	78,802	-	-	-	78,802
Value of warrants issued to members of advisory committee in December 2006	-	-	1,974	-	-	-	1,974
	3,426,625	3,427	4,610,122	-	-	-	4,613,549

Issuance of Common Stock for cash								
Common stock to be issued as commission for equity fund raising	-	-	(5,483)	-	5,483	-	-	
Value of options issued to officer	-	-	185,472	-	-	-	185,472	
Value of shares issued to officer	-	-	32,120	-	-	-	32,120	
Loss for the year ended December 31, 2006	-	-	-	-	-	(1,486,046)	(1,486,046)	
Balance as of December 31, 2006	10,804,190	\$10,804	\$15,619,928	\$-	\$5,483	\$(13,285,180)	\$2,351,035	

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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Common stock issued as commission for equity fund raising in January 2007	548,260	548	4,935	-	(5,483)	-	-
Common stock issued to consultant in January 2007 at \$1.50 per share	29,804	30	44,676	-	-	-	44,706
Common stock issued to consultants in January 2007 at \$1.55 per share	40,000	40	61,960	-	-	-	62,000
Common stock issued to consultants in January 2007 at \$1.50 per share	10,000	10	14,990	-	-	-	15,000
Value of options issued to officer in January, February and March 2007	-	-	471,457	-	-	-	471,457
Value of options issued to employee in January 2007	-	-	5,426	-	-	-	5,426
Value of warrants issued to consultant in	-	-	166,998	-	-	-	166,998

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April 2007

Value of options issued to employees in July 2007	-	-	996,133	-	-	-	996,133
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Value of options issued to directors in July 2007	-	-	537,833	-	-	-	537,833
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Value of options issued to consultants in July 2007	-	-	80,996	-	-	-	80,996
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Common stock to be issued for consulting services in 2008 at \$1.10 per share in November 2007	-	-	-	-	33,000	-	33,000
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Common stock to be issued for finders fee in 2008 at \$1.20 per share in November 2007	-	-	-	-	120,000	-	120,000
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Loss for the year ended December 31, 2007	-	-	-	-	-	(5,463,958)	(5,463,958)
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Balance as of December 31, 2007	11,432,254	\$ 11,432	\$ 18,005,332	\$-	\$ 153,000	\$(18,749,138)	\$(579,374)
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Common stock issued for consulting services previously accrued in November 2007	30,000	30	32,970	-	(33,000)	-	-
Common stock issued for finders fee previously accrued in November 2007	100,000	100	119,900	-	(120,000)	-	-
Value of warrants issued pursuant to convertible debt agreement in January 2008	-	-	226,754	-	-	-	226,754
Adjustment to value of warrants, previously issued in January 2008, due to decrease of exercise price	-	-	60,092	-	-	-	60,092
Value of options issued to advisory board in March 2008	-	-	3,729	-	-	-	3,729
Value of options issued to employee in January 2007	-	-	5,428	-	-	-	5,428
Value of options issued to consultants in July	-	-	6,994	-	-	-	6,994

2007

Common stock issued for March 2008 interest payment at \$0.488 per share	39,500	39	19,237	-	-	-	19,276
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Value of options issued to employees in March 2008	-	-	1,708	-	-	-	1,708
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Value of options issued to a Director in March 2008	-	-	19,625	-	-	-	19,625
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Common stock issued for June 2008 interest payment at \$0.699 per share in July 2008	28,220	28	19,698	-	-	-	19,726
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Common stock issued for June 2008 interest payment at \$0.699 per share in July 2008	2,822	3	1,969	-	-	-	1,972
Common stock issued for interest payment at \$0.33032 per share in August 2008	95,825	96	31,557	-	-	-	31,653
Common stock issued for interest payment at \$0.33032 per share in August 2008	2,228	2	734	-	-	-	736
Common stock issued for interest payment at \$0.33032 per share in August 2008	124,794	125	41,097	-	-	-	41,222
Common stock issued for pre-payment of interest payment at \$0.33032 per share in August 2008	162,721	163	53,587	-	-	-	53,750
Common stock issued for pre-payment of	3,785	4	1,246	-	-	-	1,250

interest payment at \$0.33032 per share in August 2008							
Common stock issued for pre-payment of interest payment at \$0.33032 per share in August 2008	211,916	212	69,788	-	-	-	70,000
Common stock issued pursuant to the exercise of warrants at \$0.375 per share in June and July 2008	30,000	30	11,220	-	-	-	11,250
Common stock issued for rounding due to reverse stock split in August 2008	126	1	(1)	-	-	-	-
Common stock subscribed pursuant to agreement for capital raise in August 2008	-	-	-	-	250,000	-	250,000
Value of warrants issued pursuant to convertible debt agreement in August 2008	-	-	286,846	-	-	-	286,846
Value of warrants issued pursuant to convertible debt agreement in August 2008	-	-	427,628	-	-	-	427,628
Value of warrants issued	-	-	9,946	-	-	-	9,946

pursuant to convertible debt agreement in August 2008

Value of warrants issued pursuant to convertible debt agreement in August 2008

-	-	556,949	-	-	-	556,949
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Value of options issued to directors in November 2008

-	-	52,284	-	-	-	52,284
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Loss for the year ended December 31, 2008

-	-	-	-	-	(5,807,353)	(5,807,353)
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Balance at December 31, 2008

12,264,191	\$12,265	\$20,066,317	\$-	\$250,000	\$(24,556,491)	\$(4,227,909)
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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 March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Cumulative effect of change in accounting principle- January 1, 2009 reclassification of embedded feature of equity-linked financial instrument to derivative liability	-	-	(1,856,576)	-	-	3,259,335	1,402,759
Common stock issued pursuant to agreement for capital raise previously accrued in August 2008 at \$0.30 per share	833,334	833	249,167	-	(250,000)	-	-
Common stock issued for consulting services performed from June to August 2009 at \$0.19 per share	200,000	200	37,800	-	-	-	38,000
Common stock issued for consulting services performed in September 2009 at \$0.36 per share	44,444	44	15,956	-	-	-	16,000
Common stock issued for	44,444	44	15,956	-	-	-	16,000

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consulting services performed in October 2009 at \$0.36 per share							
Common stock issued for consulting services performed in November 2009 at \$0.23 per share	44,444	44	10,178	-	-	-	10,222
Common stock issued for consulting services performed in November 2009 at \$0.35 per share	200,000	200	69,800	-	-	-	70,000
Common stock to be issued for consulting services performed in December 2009 at \$0.23 per share	-	-	-	-	10,222	-	10,222
Value of options issued to employees in March 2008	-	-	244	-	-	-	244
Value of options issued to advisory board in Aug 2009	-	-	4,045	-	-	-	4,045
Value of options issued to consultants in Aug 2009	-	-	3,646	-	-	-	3,646
Value of options issued to employees in Aug 2009	-	-	6,250	-	-	-	6,250
Value of options issued to Officers	-	-	94,792	-	-	-	94,792

and Directors in
Aug 2009