ARDENT MINES LTD
Form 424B3
November 01, 2012

Prospectus Supplement No. 7

Filed Pursuant to Rule 424(b)(3)

Filed November 1, 2012

Registration Statement No. 333-177076

PROSPECTUS SUPPLEMENT NO. 7

ARDENT MINES LIMITED

This Prospectus Supplement No. 7 hereby supplements the Prospectus filed by Ardent Mines Limited (the "Company") with the Commission on January 6, 2012 and the Prospectus Supplements filed on February 28, 2012, May 7, 2012, May 21, 2012, July 12, 2012, August 24, 2012 and September 20, 2012.

The Company has filed the following Reports attached hereto with the Commission since the date of filing of Prospectus Supplement No. 6 on September 20, 2012:

1. The Company's Annual Report on Form 10-K, filed with the Commission on October 15, 2012.

2. Amendment No. 1 to the Company's Annual Report on Form 10-K/A, filed with the Commission on October 25, 2012.

3. The Company's Current Report on Form 8-K, filed with the Commission on October 29, 2012.

The first date on which this Prospectus Supplement will be used is on or after November 1, 2012.

The date of this Prospectus Supplement No. 7 is November 1, 2012.

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1. The Company's Annual Report on Form 10-K, filed with the Commission on October 15, 2012.

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: June 30, 2012

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number: **000-50994**

Ardent Mines Limited

(Exact Name of Registrant as Specified in its Charter)

Nevada	**88-0471870**
(State of other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

100 Wall Street, 10th Floor

New York, NY 10005

(Address of principal executive offices)

778-892-9490

(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 x No ¨

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 x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ¨

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	¨	Accelerated Filer	¨
Non-Accelerated Filer	¨	Smaller Reporting Company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter: $1,601,621 at December 31, 2011.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date: The Issuer had 16,623,391 shares of Common Stock, par value $.00001, outstanding as of October 11, 2012.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Annual Report on Form 10-K (this “Report”) and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “believes,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “intend,” “plan,” “projection,” “outlook” and the like, constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). However, as we issue “penny stock,” as such term is defined in Rule 3a51-1 promulgated under the Exchange Act, we are ineligible to rely on these safe harbor provisions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned to carefully read all “Risk Factors” set forth under Item 1A and not to place undue reliance on any forward-looking statements. We disclaim any obligation to update any such factors or to announce publicly the results of any revisions of the forward-looking statements contained or incorporated by reference herein to reflect future events or developments, except as required by the Exchange Act. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Unless otherwise provided in this Report, references to the “Company,” the “Registrant,” the “Issuer,” “we,” “us,” and “our” re to Ardent Mines Limited.

PART I

ITEM 1: BUSINESS

Corporate Information

We were incorporated in the State of Nevada on July 27, 2000. We are presently engaged in the acquisition and exploration of mining properties. The Company's address is 100 Wall Street, 10th Floor, New York, NY 10005. The Company's telephone number is (778) 892-9490.

Background

In August 2000, we acquired the right to prospect one mineral property containing eight mining claims located on Copperkettle Creek in British Columbia, Canada. We have allowed these claims to lapse. From August 26, 2006 to December 11, 2006, we did not conduct any operations. During that period, we intended to identify an acquisition or merger candidate with ongoing operations in any field. However in December 2006 we decided to acquire the right to explore a new property in British Columbia and returned to the business of mineral exploration. On April 30, 2009, the Company decided not to renew certain claims, and later determined not to pursue its remaining claim in Canada. The Company subsequently determined to pursue other mining development opportunities.

The Company's Current Business Operations

During the period covered by this Report, the Company has appointed new officers and directors, opened a new office, and negotiated and conducted due diligence regarding several potential acquisitions. The Company's most significant achievement to date has been its acquisition of Gold Hills Mining Ltda., as described below.

Gold Hills Mining Ltda.

In January of 2011, the Company entered into a term sheet to acquire Gold Hills Mining Ltda. ("Gold Hills"), a Brazilian corporation which possesses rights for mineral extraction on properties located in Northeastern Brazil. After the completion of due diligence, on May 4, 2011, the Company acquired Gold Hills pursuant to a Purchase Agreement (the "Purchase Agreement") by and between the Company, Gold Hills and the two shareholders of Gold Hills (such shareholders are referred to herein as the "Sellers"). Pursuant to the Purchase Agreement, the Sellers have sold to the Company One Hundred Percent (100%) of all the issued and outstanding equity interests (the "Shares") of Gold Hills in accordance with the following terms:

(a) Payment of two hundred and fifty thousand U.S. dollars ($250,000), which has been paid.

(b) The Company shall conduct an exploration campaign at the properties (the "Exploration"). Upon the completion of the Exploration, the following amounts shall be paid by Gold Hills to the Sellers:

(i) If the Exploration confirms the existence of gold mineral reserves of less than Three Hundred Thousand (300,000) ounces, no additional payment shall be made by the Company to the Sellers.

(ii) If the Exploration confirms the existence of gold mineral reserves of between Three Hundred Thousand (300,000) and Four Hundred Ninety-Nine Thousand Nine Hundred and Ninety-Nine (499,999) ounces, the additional payment to be made to the Sellers shall be Four Hundred Thousand U.S. Dollars ($400,000).

(iii) If the Exploration confirms the existence of gold mineral reserves of greater than Four Hundred Ninety-Nine Thousand Nine Hundred and Ninety-Nine (499,999) ounces, the additional payment to be made to the Sellers shall be (a) One Million U.S. Dollars ($1,000,000); plus (b) Two U.S. Dollars ($2) per additional ounce in excess of the first Five Hundred Thousand (500,000) ounces, to be paid in four biannual installments starting in twelve (12) months.

(c) Upon Gold Hills obtaining certain enumerated environmental licenses which are necessary to commence Gold Hills planned mining operations, the Company will make an additional cash payment to the Sellers in the amount of Seven Hundred Thousand U.S. Dollars ($700,000).

(d) Upon the commencement of the successful mining and processing of gold by Gold Hills, the Sellers shall be entitled to receive a royalty equal to Two Percent (2%) of Gold Hills' gross income, as calculated in accordance with generally accepted accounting principals.

Subject to the Company's determination of the existence of such gold reserves as set forth above, the Company has agreed to invest Three Million Five Hundred Thousand U.S. Dollars ($3,500,000) in Gold Hills.

Pursuant to the Purchase Agreement, one of the Sellers shall be appointed to Gold Hills' Board. The Purchase Agreement also contains standard representations and warranties, and provides for arbitration in the event of any dispute.

On July 5, 2011, the Company announced that it has received a 43-101 Technical Report on Exploration prepared by SRK Consulting (U.S.) Inc. for the Gold Hills project. The report was prepared upon SRK's completion of a site visit and the analysis of geological and geophysical evidence. SRK confirmed the existence of a highly mineralized vein containing gold of high grade (4 to 7 g/t), originally prospected by the CPRM, an agency of the Brazilian government.

On July 2, 2012, the Company announced the commencement of geological exploration work at the Gold Hills project. On August 16, 2012, the Company announced that it has contracted Drilrent Ltd., a Brazilian-based company, to commence an exploratory drilling campaign at Gold Hills. The drilling program is anticipated to cost approximately $700,000. The Company's subsidiary Gold Hills Mining Ltda. has received a definitive exploration permit from the Ministry of Mines and Energy allowing the Company to commence its exploration program.

Acquisition of Mineral Rights in Brazil's Carajás Mining District in the State of Para, Brazil

The Company announced on October 24, 2011 that Gold Hills Mining Ltda., its wholly owned Brazilian subsidiary, has, effective October 18, 2011, closed on its acquisition of the mineral rights in a highly mineralized area of 9,000 Hectares located in the Carajas Mineral Province, State of Para, with an option exercise payment of $350,000 plus additional payments totaling $107,756 made to the Cooperativa dos Produtores de Minerios de Curionópolis

(“COOPEMIC”). The Company refers to this property as Serra do Sereno, or Misty Hills.

The Serra dos Carajás Mineral Province is a distinct geologic dominium, well known worldwide for hosting Brazil’s largest iron, copper and gold deposits. The Company plans to begin the initial exploration campaign at Misty Hills as soon as financing for the project can be obtained. The Company has agreed, under the Option Agreement, to expend a minimum of $5,000,000 in the exploration of the applicable mining rights area. The Company expects that the initial campaign will cost between $5,000,000 and $10,000,000.

In addition to the option exercise payment made to COOPEMIC, the Company has undertaken certain exploration commitments to COOPEMIC. The Company has also agreed to make subsequent payments to COOPEMIC on the basis of the exploration report and the extent of the extraction of gold, silver, copper and their respective by-products. If the Company determines it is advisable to continue exploration, the Company shall pay to COOPEMIC $250,000 after six months of exploration and an additional $150,000 after twelve months of exploration. If the Company’s exploration activities confirm the existence of gold, silver or cooper and their respective by-products in excess of 400,000 gold equivalent ounces, certified under the standard NI-43101, as established by the Canadian Securities Administration as "measured resources," the Company shall pay to COOPEMIC, at the end of such initial exploration, 30% of $24 per gold equivalent ounce contained in the mineral reserves in three tranches: (i) one-third shall be paid when the Brazilian National Department of Mineral Production shall approve the final mineral exploration report; (ii) one-third shall be paid upon commencement of the extraction of gold, silver, copper and their respective by-products, contained in the areas covered by the mining rights; and (iii) one-third shall be paid within six months from the date of commencement of the extraction of gold, silver and copper and their respective by-products, contained in the areas covered by the mining rights.

On August 23, 2012, the Company announced that the Brazilian National Department of Minerals Production has completed the legal procedures required to transfer to the Company the exploration rights for the Company's Misty Hills property.

Other Prospective Acquisitions

On September 25, 2010, the Company entered into a letter of intent (the "Letter of Intent") with Rio Sao Pedro Mineracao LTDA ("Rio Sao Pedro"), a Brazilian mining company. Rio Sao Pedro owns a prospective gold mine, the "Fazenda Lavras," which is near the Morro do Ouro mine of Kinross Gold Corporation in the city of Paracatu, located in the State of Minas Gerais, Brazil. The Rio Sao Pedro Fazenda Lavras property covers approximately 211 hectares (approximately 521 acres), with gold mining rights and other mineral rights on a total of 828 hectares (approximately 2,046 acres). The Company and Rio Sao Pedro and the Sellers continued negotiations for the acquisition of Rio Sao Pedro amicably for some time, however, at the present time, the Company does not anticipate that this transaction will proceed.

On December 12, 2010, the Company entered into an Exploration and Acquisition Agreement (the "Capri Agreement") with Afrocan Resources Ltd. ("Afrocan"). Afrocan owns 100% of all issued and outstanding shares of Capri General Trading Co. Ltd. ("Capri"), which is the legal and beneficial owner of 100% of all mineral rights on a property in Tanzania (the "Shenda Property"). The Company agreed that subject to certain conditions, including final due diligence satisfactory to the Company and the completion and execution of detailed long form agreements supplementing the terms and conditions of the Capri Agreement, the Company would conduct exploration activities at the Shenda Property. In the event that the Company could ascertain certain levels of commercially available and commercially exploitable reserves, the Company would acquire all of the issued and outstanding equity interests in Capri from Afrocan in exchange for shares of the Company's common stock. As of the date of this Report, the Company is no longer actively pursuing the Capri transaction.

During 2011, the Company agreed to general terms for the purchase of 100% of the shares of Sociedad Minera Las Cumbres SAC ("Las Cumbres"), the operator of a silver mine located in the Churín region of Peru, approximately 150 miles Northeast of the capital city of Lima. The Company also entered into an option agreement with Alfredo de Lima SMRL to purchase the mineral rights for the Condorsenga mine, where the Las Cumbres operation is located.

These agreements were subject to certain conditions which were not fulfilled by the counterparties, and the Company is no longer pursuing these transactions. The Company determined that due to certain political and regulatory changes and uncertainties, it is not advisable for the Company to pursue potential mining operations in Peru in the immediate future.

Employees

As of the end of the period covered by this Report, we had no employees in Brazil, other than Mr. Luciano Borges, and we utilized the services of consultants at the Gold Hills project as needed. Since June of 2012, we have also utilized the services of Para Geoexperts for certain tasks at the project. Subsequent to the period covered by this Report, the Company's staff has expanded, and now includes one employee in the United States, one in Brazil, and two in Europe (the Company's Chief Exploration Geologist / Exploration Vice President of Gold Hills Ltda. and the Company's Investor Relations Manager). The Company has also hired two independent consultants, a geologist and an exploration technician. In addition, subsequent to the period covered by this Report, the Company announced that it has contracted Drilrent Ltd., a Brazilian-based company, to commence an exploratory drilling campaign at Gold Hills, and certain work at Gold Hills will be conducted by temporary employees of Drilrent. The Gold Hills project is currently staffed by between 30-35 technicians, laborers and geologists at any given time, including Mr. Borges, the Company's consultants, and employees of Para Geoexperts and Drilrent. The Company intends to maintain this level of staffing at the Gold Hills project through the end of December, 2012, as the Company proceeds with its exploratory campaign work.

Corporate Development Services Agreement

On September 27, 2010, the Company entered into a Corporate Development Services Agreement (the "Services Agreement") with CRG Finance AG ("CRG"). Pursuant to the Services Agreement, CRG agreed to render to the Company consulting and other strategic advisory services (collectively, the "Advisory Services"). The Company agreed to pay to CRG the following amounts for the Advisory Services: (i) an inception fee of US$100,000.00 (one hundred thousand U.S. dollars) and (ii) a monthly services fee of US$25,000.00 (twenty five thousand U.S. dollars) per month, payable each month for the period commencing as of September 1, 2010. The Company agreed to pay CRG $10,000 per month of the Advisory Services Fee beginning September 1, 2010, with the balance of $15,000 per month of the Advisory Services Fees together with the Inception Payment accruing until completion of the first Company financing when such accruals shall be fully due and payable. In consideration of any and all Investment Banking Services provided to the Company, CRG shall receive in cash ten percent (10%) of the total value of each such transaction, payable at the closing of each such transaction. The Services Agreement also contains provisions for the reimbursement of reasonable expenses incurred by CRG, and for indemnification of CRG and its affiliates from claims related to the services provided under the Services Agreement. The term of the Services Agreement shall be three years, and may be terminated at any time for any reason by CRG upon not less than thirty (30) days' advance written notice. During May and June 2011, the inception fee and the accrued monthly service fees through June 2011 were paid in full. In July 2011, Ardent Mines and CRG entered into a suspension agreement whereby the investment banking services were terminated and the monthly service fees beginning July 2011 will no longer be due. During the year ended June 30, 2011, we borrowed a total of $750,000 from CRG Finance AG at a rate of 7.5% per annum, calculated based on a year of 365 days and actual days elapsed. The loan, plus any interest accumulated, is due upon demand after the first anniversary of the agreement date within thirty calendar days upon delivery to the Borrower a written demand by the Lender. On October 18, 2011, the loan become convertible into common stock at the holder's option at $3.68 per share.

CRG Finance AG Commitment Agreement

On March 1, 2012, the Company and CRG Finance AG entered into a commitment letter (the "Commitment Letter") pursuant to which CRG Finance AG has agreed to provide the Company with up to One Million U.S. Dollars (USD $1,000,000) to maintain the Company's ordinary course of business operations. Funds underlying the Commitment Letter may be drawn by the Company in increments or tranches upon written consent of CRG Finance AG at any time prior to the first anniversary of the date of the Commitment Letter. The Commitment Letter will facilitate funding for the Company as a supplement to the prior commitment of CRG Finance AG in the amount of One Million U.S. Dollars (USD $1,000,000) that was contained in the Corporate Development Services Agreement between CRG Finance AG and the Company, dated September 27, 2010, which has been fully drawn by the Company.

Any and all draws against the Commitment Letter shall be subject to the following conditions: (i) adherence of the Company to its business plan; (ii) satisfactory progress with respect to operations of the Company; (iii) satisfactory management of the Company; (iv) satisfactory compliance of the Company with any and all laws, rules, and regulations applicable to the Company, its subsidiaries and their respective operations; and (v) in such increments or tranches reasonably acceptable to CRG Finance AG (collectively, each of (i), (ii), (iii), (iv) and (v), are referred to as the “Conditions Precedent”). The satisfactory nature of any and all of the Conditions Precedent shall in each case be determined at the sole discretion of CRG Finance AG. Neither the Company nor any third party shall have any rights of any nature of kind whatsoever to compel CRG Finance AG to perform in respect of the Commitment Letter if CRG Finance AG has determined that the Company is deficient with respect to one or more of the Conditions Precedent.

Amended and Restated Senior Secured Note

On March 1, 2012, the Company issued an Amended and Restated Senior Secured Note to CRG Finance AG in the amount of $1,142,900 (the "Amended and Restated Note"). The Amended and Restated Note consolidates (i) all the outstanding loans, advances and interest due and payable to CRG Finance AG for all periods prior to December 31, 2011; (ii) the additional advances and loans to the Company subsequent to December 31, 2011 through February 28, 2012, but without the inclusion of interest; and (iii) all advisory fees due and payable to CRG through February 28, 2012.

The Amended and Restated Note has an interest rate of seven and one-half percent (7.5%) per annum. All principal and interest on the Amended and Restated Note shall be due and payable thirty (30) days after notice and demand to the Company by CRG Finance AG. In the event of a default by the Company under the terms of the Amended and Restated Note, the interest rate shall increase to sixteen percent (16%) per annum.

Security Agreement

The Amended and Restated Note is secured by a senior security interest of CRG Finance AG in all tangible and intangible assets and properties of the Company and its subsidiaries as collateral pursuant to the terms and conditions of a Security Agreement entered into with CRG Finance AG (the "Security Agreement"). The Security Agreement will also secure and include all future notes issued by the Company as and when the Company draws upon the supplemental funds to be made available to the Company under the terms of the Commitment Letter. The extent of the security interest in such collateral includes all currently owned assets and properties of the Company and its subsidiaries and all after-acquired worldwide assets of the Company and its subsidiaries.

Where You Can Find More Information

The Company files annual, quarterly and other requisite filings with the U.S. Securities and Exchange Commission (the "SEC"). Members of the public may read and copy any materials which we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Members of the public may obtain additional information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy and information statements, as well as other information regarding issuers that file electronically with the SEC. This site is located at http://www.sec.gov.

We maintain an Internet website at www.ardentmines.com. In addition to news and other information about our company, we make available on our website our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after we electronically file this material with, or furnish it to, the Securities and Exchange Commission and copies of our Code of Ethics. The information available on our website is provided for convenience only and is not incorporated into this Report.

You may also request a copy of our filings at no cost, by writing or telephoning us at:

Ardent Mines Limited

100 Wall Street, 10th Floor

New York, NY 10005

Telephone: (778) 892-9490

Attention: Urmas Turu

Title: Interim Chief Executive Officer

ITEM 1A. RISK FACTORS

An investment in our Company involves a risk of loss. You should carefully consider the risks described below, before you make any investment decision regarding our Company. Additional risks and uncertainties may also impair our business. If any such risks actually materialize, our business, financial condition and operating results could be adversely affected. In such case, the trading price of our common stock could decline.

Risks Related to Our Company

We have not yet commenced revenue generating operations under our business model and we have no past performance which can serve as an indicator of our future potential.

We are presently at the early stages of the implementation of our business plan. Our most recent financial statements will therefore not provide sufficient information to assess our future prospects. Our likelihood of success must be considered in light of all of the risks, expenses and delays inherent in establishing a new business, including, but not limited to unforeseen expenses, complications and delays, established competitors and other factors.

Our Auditors have issued an opinion expressing uncertainty regarding our ability to continue as a going concern. If we are not able to continue operations, investors could lose their entire investment in our Company.

We have a history of operating losses, and may continue to incur operating losses for the foreseeable future. This raises substantial doubts about our ability to continue as a going concern. Our auditors issued an opinion in their audit report dated October 15, 2012 expressing uncertainty about our ability to continue as a going concern. This means that there is substantial doubt whether we can continue as an ongoing business without additional financing and/or generating profits from our operations. If we are unable to continue as a going concern and our Company fails, investors in our Company could lose their entire investment.

We need to raise additional capital which may not be available to us or might not be available on favorable terms.

We will need additional funds to implement our business plan as our business model requires significant capital expenditures. We will need substantially more capital to execute our business plan. Our future capital requirements will depend on a number of factors, including our ability to grow our revenues and manage our business. Our growth will depend upon our ability to raise additional capital, possibly through the issuance of long-term or short-term indebtedness or the issuance of our equity securities in private or public transactions. If we are successful in raising equity capital, because of the number and variability of factors that will determine our use of the capital, our ultimate use of the proceeds may vary substantially from our current plans.

We were incorporated in July 2000 and have yet to generate any revenues. We have losses which we expect to continue into the future. As a result, we may have to suspend or cease operations.

We were incorporated on July 27, 2000, and have not generated any revenues. Our net loss since inception is significant. To achieve and maintain profitability and positive cash flow we are dependent upon our ability to generate revenues and control exploration costs.

Based upon current plans, we expect to incur operating losses in future periods. This will happen because there are expenses associated with the exploration of our mineral properties. As a result, we may not generate revenues in the future. Failure to generate revenues will cause us to suspend or cease operations.

We will have to hire additional qualified personnel. If we cannot locate qualified personnel, we may have to suspend or cease operations.

We will have to hire additional qualified persons to perform surveying, exploration, and excavation of the Gold Hills property and properties we may acquire in the future. If we are unable to hire additional skilled employees, our operations will not succeed.

Indebtedness may burden us with high interest payments and highly restrictive terms which could adversely affect our business.

As a matter of Company policy, our financial plans will limit our debt exposure to a reasonable level. However, a significant amount of indebtedness could increase the possibility that we may be unable to generate sufficient revenues to service the payments on indebtedness, when due, including principal, interest and other amounts.

We may be exposed to tax audits.

Our U.S. federal and state tax returns may be audited by the U.S. Internal Revenue Service (the "IRS"). An audit may result in the challenge and disallowance of deductions claimed by us. We are unable to guarantee the deductibility of any item that we acquire. We will claim all deductions for federal and state income tax purposes which we reasonably believe that we are entitled to claim. In the event the IRS should disallow any of our deductions, the directors, in their sole discretion, will decide whether to contest such disallowance. No assurance can be given that in the event of such a contest the deductions would be sustained by the courts.

Because we intend to conduct our mineral exploration and development activities outside of the United States, we will be required to obtain approvals from foreign national and local governments.

The Company intends to pursue projects outside of the United States, which may require us to seek the approval of various foreign governments. Seeking such approvals may be expensive, complex, time consuming and uncertain.

Risks related to our Stock

We do not anticipate paying cash dividends.

We do not anticipate paying cash dividends in the foreseeable future. We intend to retain any cash flow we generate for investment in our business. Accordingly, our common stock may not be suitable for investors who are seeking current income from dividends. Any determination to pay dividends on our common stock in the future will be at the discretion of our board of directors.

Because the market for our common shares is limited, investors may not be able to resell their common shares.

Our common shares trade on the pink sheets electronic quotation system. Trading in our shares has historically been subject to very low volumes and wide disparity in pricing. Investors may not be able to sell or trade their common shares because of thin volume and volatile pricing with the consequence that they may have to hold your shares for an indefinite period of time.

There are legal restrictions on the resale of the common shares offered, including penny stock regulations under the U.S. Federal Securities Laws.

Our common stock may continue to be subject to the penny stock rules under the Securities Exchange Act of 1934, as amended. These rules regulate broker/dealer practices for transactions in "penny stocks." Penny stocks are generally equity securities with a price of less than $5.00. The penny stock rules require broker/dealers to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations and the broker/dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction, the broker and/or dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The transaction costs associated with penny stocks are high, reducing the number of broker-dealers who may be willing to engage in the trading of our shares. These additional penny stock disclosure requirements are burdensome and may reduce nowrap valign="bottom" width="1%">

Merger fees and costs
- - 350,000
Financing cost
- - 90,000
Impairment of intangible asset costs
- - 6,393
Total operating expenses
1,176,907 874,110 17,709,241
Operating loss
(1,176,907) (874,110) (17,709,241)
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)
Interest (income) expense, net	46,327	(20,866)	1,198,683
Total other (income) expense	46,327	(20,866)	2,252,587
Loss before income taxes	(1,223,234)	(853,244)	(19,961,828)
Provision for income taxes	-	(8,115)	(10,544)
Net Loss	$(1,223,234)	$(861,359)	$(19,972,372)
Net Loss per share - basic and diluted	$(0.01)	$(0.01)	$(0.32)
Weighted average shares outstanding - basic and diluted	114,885,174	113,914,576	62,638,869

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, 2008
(Unaudited)

	Common Stock		Additional	Deferred	Common	Accumulated	
	Shares	Amount	Paid-In Capital	Compensation	Stock Subscribed	Deficit	Total
Balance at October 30, 2002 (date of inception)	-	$ -	$ -	$ -	$ -	$ -	$ -
Shares of common stock issued at $0.0006 per share to founders for license of proprietary right in December 2002	16,612,276	16,612	(7,362)	-	-	-	9,250
Shares of common stock issued at $0.0006 per share to founders for services rendered in December 2002	1,405,310	1,405	(623)	-	-	-	782
Shares of common stock issued at $0.1671 per share to consultants for services rendered in December 2002	53,878	54	8,946	(9,000)	-	-	-
Sale of common stock for cash at $0.1671 per share in December 2002	185,578	186	30,815	-	-	-	31,001

Net loss for the period from inception (October 30, 2002) to December 31, 2002	-	-	-	-	-	(45,918)	(45,918)
Balance at December 31, 2002 (reflective of stock splits)	18,257,042	$ 18,257	$ 31,776	$ (9,000)	$ -	$ (45,918)	$ (4,885)
Shares granted to consultants at $0.1392 per share for services rendered in January 2003	98,776	99	13,651	-	-	-	13,750
Sale of shares of common stock for cash at $0.1517 per share in January 2003	329,552	330	49,670	-	-	-	50,000

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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, 2008
(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares granted to consultants at $0.1392 per share for services rendered in March 2003	154,450	154	21,346	-	-	-	21,500
Conversion of notes payable to common stock at $0.1392 per share in April 2003	1,436,736	1,437	198,563	-	-	-	200,000
Shares granted to consultants at $0.1413 per share for services rendered in April 2003	14,368	14	2,016	-	-	-	2,030
Sale of shares of common stock for cash at $0.2784 per share in May 2003	17,960	18	4,982	-	-	-	5,000
Sales of shares of common stock for cash at $0.2784 per share in June 2003	35,918	36	9,964	-	-	-	10,000

Conversion of notes payable to common stock at $0.1392 per share in June 2003	718,368	718	99,282	-	-	-	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	2,368,130	2,368	(123,168)	-	-	-	(120,799)

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From date of inception (October 30, 2002) to March 31, 2008
(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
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	23,431,300	$ 23,431	$ 1,035,441	$ -	$ -	$ (1,902,620)	$ (843,748)
Shares granted at $1.00 per share pursuant to the Senior Note Agreement in January 2004	600,000	600	599,400	(600,000)	-	-	-
Shares issued at $1.00 per share to a consultant for services rendered in January 2004	800,000	800	799,200	(800,000)	-	-	-

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(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares issued to a consultant at $0.62 per share for services rendered in February 2004	40,000	40	24,760	(24,800)	-	-	-
Shares issued to a consultant at $0.40 per share for services rendered in March 2004	1,051,600	1,051	419,589	(420,640)	-	-	-
Shares issued to a consultant at $0.50 per share for services rendered in March 2004	500,000	500	249,500	(250,000)	-	-	-
Shares sold for cash at $0.15 per share in March, 2004	8,000	8	1,192	-	-	-	1,200
Shares issued at $0.50 per share to consultants for services rendered in March 2004	20,000	20	9,980	-	-	-	10,000
Shares issued to a consultant at $0.40 per share for services rendered in March 2004	2,000	2	798	-	-	-	800
Shares issued to consultants at	91,600	92	29,220	-	-	. -	29,312

$0.32 per share for services rendered in March 2004							
Shares to be issued to consultant at $0.41 per share in April 2004 for services to be rendered through March 2005	-	-	-	(82,000)	-	-	(82,000)

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IR Biosciences Holding, Inc. and Subsidiary
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(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares granted pursuant to the New Senior Note Agreement in April 2004	600,000	600	149,400	(150,000)			
Shares issued to officer at $0.32 per share for services rendered in April 2004	200,000	200	63,800	-	-	-	64,000
Conversion of Note Payable to common stock at $0.10 per share in May 2004	350,000	350	34,650	-	-	-	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 $0.20 per share as a due diligence fee in May 2004	125,000	125	24,875	-	-	-	25,000

Shares issued to a consultant at $1.00 per share for services to be rendered over twelve months beginning May 2004	500,000	500	499,500	(500,000)	-	-	-
Beneficial Conversion Feature associated with notes payable issued in June 2004	-	-	3,000	-	-	-	3,000

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IR Biosciences Holding, Inc. and Subsidiary
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From date of inception (October 30, 2002) to March 31, 2008
(Unaudited)
(continued)

	Common Stock		Additional	Deferred	Common	Accumulated	
	Shares	Amount	Paid-In Capital	Compensation	Stock Subscribed	Deficit	Total
Issuance of warrants to note holders in April, May, and June 2004	-	-	17,915	-	-	-	17,915
Issuance of warrants to employees and consultants for services rendered April to June 2004	-	-	8,318	-	-	-	8,318
Shares issued in July to a consultant at $0.10 for services to be rendered through July 2005	250,000	250	24,750	(25,000)	-	-	-
Shares issued to a consultant in July and September at $0.41 per share for services to be rendered through April 2005	200,000	200	81,800	-	-	-	82,000
Shares issued to a consultant in September at $0.12 to $0.22 for services rendered through September 2004	127,276	127	16,782	-	-	-	16,909
Shares issued in July to September	300,000	300	35,700	-	-	-	36,000

2004 as interest on note payable							
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 100,000 shares at $0.10 per share, committed but unissued	-	-	-	(10,000)	-	-	(10,000)

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From date of inception (October 30, 2002) to March 31, 2008
(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares issued in August 2004 at $0.14 to a consultant for services to be performed through October 2004	100,000	100	13,900	(14,000)	-	-	-
Shares issued in August 2004 at $0.125 per share for conversion of $30,000 demand loan	240,000	240	29,760	-	-	-	30,000
Shares issued in August 2004 at $0.16 per share to a consultant for services provided.	125,000	125	19,875	-	-	-	20,000
Shares issued in October 2004 to employees at $0.16 to $0.25 per share	48,804	49	8,335	-	-	-	8,384
Commitment to issue 100,000 shares of stock to a consultant at $0.23 per share for services to be provided through September 2005	-	-	-	(23,000)	-	-	(23,000)

Sale of stock for cash in October at $0.125 per share, net of costs of $298,155	18,160,000	18,160	1,345,763	-	-	-	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, 2004	-	-	112,697	-	-	-	112,697

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(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Issuance of stock to investment bankers in October 2004 for commissions earned	4,900,000	4,900	(4,900)	-	-	-	-
Conversion of accounts payable to stock in October at $0.125 per share	1,257,746	1,258	107,382	-	-	-	108,640
Value of warrants issued with accounts payable conversions	-	-	48,579	-	-	-	48,579
Conversion of demand loan to stock in October at $0.11 per share	93,300	93	10,170	-	-	-	10,263
Forgiveness of notes payable in October 2004	-	-	36,785	-	-	-	36,785
Issuance of stock to officer and director at $0.125 per share in October for conversion of liability	1,440,000	1,440	122,493	-	-	-	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 $0.075 to $0.125 per share	6,703,151	6,703	417,514	-	-	-	424,217
Value of warrants issued with conversion of debt	-	-	191,111	-	-	-	191,111

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(Unaudited)
(continued)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Conversion of note payable in October into common stock at $0.075 per share	67,616	68	4,932	-	-	-	5,000
Issuance of warrants to note holders in October 2004	-	-	112,562	-	-	-	112,562
Value of shares issued to CFO as compensation	100,000	100	34,900	-	-	-	35,000
Value of warrants issued to members of advisory committees in November and December	-	-	16,348	-	-	-	16,348
Beneficial conversion feature associated with notes payable	-	-	124,709	-	-	-	124,709
Shares issued per conversion of Note Payable - correction	(9,002)	(9)	9	-	-	-	-
Amortization of deferred compensation	-	-	-	2,729,454	-	-	2,729,454

through December 31, 2004							
Loss for the twelve months ended December 31, 2004	-	-	-	-	-	(5,305,407)	(5,305,407)
Balance at December 31, 2004	62,423,391	$ 62,423	$ 7,922,943	$ (169,986)	$ -	$ (7,208,027)	$ 607,353

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IR Biosciences Holding, Inc. and Subsidiary
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From date of inception (October 30, 2002) to March 31, 2008
(Unaudited)
(continued)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Sale of shares of common stock for cash at $0.20 per share in March 2005 for warrant exercise, net of costs	6,600,778	6,600	1,184,256	-	-	-	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 50,000 shares of common stock at $0.65 per share.	-	-	-	(32,500)	-	-	(32,500)
Warrants exercised at $0.05 per share in June 2003	80,000	80	3,920	-	-	-	4,000
Value of warrants issued to members of advisory committee in June 2005	-	-	70,781	-	-	-	70,781
Value of warrants issued to investors	-	-	32,991	-	-	-	32,991

and service providers in June 2005							
Issuance of 232,153 shares of common stock in July 2005 for conversion of notes payable	232,153	232	64,771	-	-	-	65,003
Issuance of 100,000 shares of common stock in August 2005 to a consultant for services provided	100,000	100	9,900	-	-	-	10,000

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IR Biosciences Holding, Inc. and Subsidiary
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(continued)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
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 at December 31, 2005	69,436,322	$ 69,435	$ 9,465,501	$ (2,760)	$ -	$ (11,799,134)	$ (2,266,958)
Issuance of 100,000 shares to officer, previously accrued	100,000	100	41,316	-	–	-	41,416
Value of warrants issued to members of advisory	–	-	8,399	-	-	-	8,399

committee in March 2006							
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	34,464	35	16,162	-	-	-	16,197

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(Unaudited)
(continued)

	Common Stock		Additional	Deferred	Common	Accumulated	
	Shares	Amount	Paid-In Capital	Compensation	Stock Subscribed	Deficit	Total
Conversion of accrued interest to common stock at $0.125 per share in May, 2006	19,288	19	2,392	-	-	-	2,411
Conversion of accrued interest to common stock at $0.125 per share in May, 2006	16,324	16	2,025	-	-	-	2,041
Conversion of accrued interest to common stock at $0.10 per share in May, 2006	13,454	14	1,341	-	-	-	1,355
Common stock issued pursuant to the exercise of warrants at $0.09 per share in June 2006	5,000	5	445	-	-	-	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	4,150,798	4,151	867,514	-	-	-	871,665
Issuance of penalty warrants, previously accrued	-	-	182,239	-	-	-	182,239

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(continued)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
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
Issuance of Common Stock for cash	34,266,250	34,267	4,579,282	-	-	-	4,613,549
Common stock to be issued as commission for equity fund raising	-	-	(5,483)	-	5,483	-	-
Value of options issued to officer	-	-	32,120	-	-	-	32,120
Value of options issued to officer	-	-	185,472	-	-	-	185,472
Loss for the year ended December 31, 2006	-	-	-	-	-	(1,486,046)	(1,486,046)
Balance at December 31, 2006	108,041,900	$ 108,042	$ 15,522,690	$ -	$ 5,483	$ (13,285,180)	$ 2,351,035
Common stock issued as commission for equity fund raising	5,482,600	5,483	-	-	(5,483)	-	-

Common stock issued to consultant in January, 2007 at $0.15 per share	298,039	298	44,408	-	-	-	44,706
Common stock issued to consultants in January, 2007 at $0.155 per share	400,000	400	61,600	-	-	-	62,000

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From date of inception (October 30, 2002) to March 31, 2008
(Unaudited)
(continued)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Common stock issued to consultants in January, 2007 at $0.15 per share	100,000	100	14,900	-	-	-	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 a consultant in April 2007	-	-	166,998	-	-	-	166,998
Value of options issued to employees in July 2007	-	-	996,133	-	-	-	996,133
Value of options issued to directors in July 2007	-	-	537,833	-	-	-	537,833
Value of options issued to consultants in July 2007	-	-	80,996	-	-	-	80,996

Common stock to be issued for consulting services	-	-	-	-	33,000	-	33,000
Common stock to be issued for finder's fee	-	-	-	-	120,000	-	120,000
Loss for the year ended December 31, 2007	-	-	-	-	-	(5,463,958)	(5,463,958)
Balance at December 31, 2007	114,322,539	$ 114,323	$ 17,902,441	$ -	$ 153,000	(18,749,138)	$ (579,374)

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(continued)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Common stock issued for consulting services previously accrued	300,000	300	32,700	-	(33,000)	-	-
Common stock issued for finder's fee, previously accrued	1,000,000	1,000	119,000	-	(120,000)	-	-
Common stock to be issued for interest payment at $0.0488 per share	-	-	-	-	19,276	-	19,276
Value of warrants issued to a consultant in April 2007	-	-	38,599	-	-	-	38,599
Value of warrants issued pursuant to convertible debt agreement	-	-	226,754	-	-	-	226,754
Value of options issued to advisory boards	-	-	3,729	-	-	-	3,729
Value of options issued to an employee in January 2007	-	-	1,357	-	-	-	1,357

Value of options issued to consultants in July 2007	-		-	3,497		-		-		-	3,497
Loss for the three months ended March 31, 2008	-		-	-		-		-		(1,223,234)	(1,223,234)
Balance at March 31, 2008	115,622,539	$	115,623	$ 18,328,077	$	-	$	19,276	$	(19,972,372)	$ (1,509,396)

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IR BioSciences Holdings, Inc. and Subsidiary
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Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2008 and 2007,
And For the Period of Inception (October 30, 2002) to March 31, 2008
(Unaudited)

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	For the Period October 30, 2002 to March 31, 2008
Cash flows from operating activities:			
Net loss	$ (1,223,234)	$ (861,359)	$ (19,972,372)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash compensation	55,432	259,920	6,863,791
Cost of penalty for late registration of shares - stock portion	-	-	1,631,726
Cost of penalty for late registration of shares - warrant portion	-	-	560,434
(Gain) loss from marking to market - stock portion of penalty for late registration of shares	-	-	(760,058)
(Gain) loss from marking to market - warrant portion of penalty for late registration of shares	-	-	(378,198)
Legal fees for note payable	-	-	20,125
Placement fees for note payable	-	-	65,000
Impairment of intangible asset	-	-	6,393
Interest expense	-	-	156,407
Amortization of discount on notes payable	18,896	-	1,025,831
Amortization of cash held in escrow	21,875	-	21,875
Depreciation and amortization	3,993	2,850	56,508
Changes in operating assets and liabilities:			
Deposits	-	-	(4,868)
Prepaid services and other assets	12,981	(23,565)	(28,969)
Accounts payable and accrued expenses	(239,972)	-	938,391
Salary advance	975	750	(1,050)
Net cash used in operating activities	(1,349,054)	(621,404)	(9,799,034)
Cash flows from investing activities:			
Acquisition of property and equipment	(1,597)	(6,004)	(67,026)
Net cash used in investing activities	(1,597)	(6,004)	(67,026)
Cash flows from financing activities:			
Proceeds from notes payable	1,825,000	-	3,778,375
Principal payments on notes payable and demand loans	-	-	(1,094,747)
Shares of stock sold for cash	-	-	7,873,451
Proceeds from exercise of warrant	-	-	4,450

Officer repayment of amounts paid on his behalf	-	-	19,880
Cash paid on behalf of officer	-	-	(19,880)
Net cash provided by financing activities	1,825,000	-	10,561,529
Net increase (decrease) in cash and cash equivalents	474,349	(627,408)	695,469
Cash and cash equivalents at beginning of period	221,120	2,752,103	-
Cash and cash equivalents at end of period	$ 695,469	$ 2,124,695	$ 695,469

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(Unaudited)
(continued)

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	For the Period October 30, 2002 to March 31, 2008
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 19,299	$ -	$ 105,352
Taxes	$ -	$ 8,115	$ 8,115
Acquisition and capital restructure:			
Assets acquired	-	-	-
Liabilities assumed	-	-	(120,799)
Common stock retained	-	-	(2,369)
Adjustment to additional paid-in capital	-	-	123,168
Organization costs	-	-	350,000
Total consideration paid	$ -	$ -	$ 350,000
Common stock issued in exchange for proprietary rights	$ -	$ -	$ 9,250
Common stock issued in exchange for services	$ 33,000	$ 77,000	$ 3,210,483
Common stock issued in exchange for previously incurred debt and accrued interest	$ -	$ -	$ 1,066,401
Common stock issued in exchange as interest	$ -	$ -	$ 36,000
Amortization of beneficial conversion feature	$ -	$ -	$ 223,269
Stock options and warrants issued in exchange for services rendered	$ 43,453	$ 182,920	$ 3,421,945
Debt and accrued interest forgiveness from note holders	$ -	$ -	$ 36,785
Common stock issued in satisfaction of amounts due to an Officer and a Director	$ -	$ -	$ 180,000
Common stock issued in satisfaction of accounts payable	$ -	$ -	$ 157,219

Deferred compensation to a consultant accrued in March 2005	$ -	$ -	$ 2,630,761
Amortization of deferred compensation	$ -	$ -	$ 202,486
Fair value of common stock and warrants in payable in connection with late filing of registration statement	$ -	$ -	$ 3,684,664
Gain from marking to market - stock portion of penalty for late registration of shares	$ -	$ -	$ (1,124,255)
Gain from marking to market - warrant portion of penalty for late registration of shares	$ -	$ -	$ (456,603)
Impairment of intangible asset	$ -	$ -	$ 6,393
Issuance of stock to Officer, previously accrued	$ -	$ -	$ 41,416
Value of warrants issued to members of advisory board	$ -	$ -	$ 22,688
Services for note payable	$ -	$ -	$ 9,750
Issuance of shares for accounts payable	$ -	$ 44,706	$ 44,706
Stock issued as commission for equity fund raising	$ 120,000	$ 5,483	$ 125,483
Value of options issued to members of advisory board	$ 3,729	$ -	$ 3,729
Value of warrants issued for financing	$ 226,754	$ -	$ 226,754
Value of shares to be issued for interest payment	$ 19,276	$ -	$ 19,276

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

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(Unaudited)

Note 1 - Summary Of Accounting Policies

General

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-QSB, and therefore, do not include all the information necessary for a fair presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America for a complete set of financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results from operations for the three months ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008. The unaudited condensed consolidated financial statements should be read in conjunction with the December 31, 2007 financial statements and footnotes thereto included in the Company's annual report on SEC Form 10-KSB filed with the Securities and Exchange Commission on March 31, 2008 10-KSB.

Business and basis of presentation

IR BioSciences Holdings, Inc. (the "Company," "we," or "us") formerly GPN Network, Inc. ("GPN") is currently a development stage company under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 7. The Company, which was incorporated under the laws of the State of Delaware on October 30, 2002, is a development-stage biopharmaceutical company. Through our wholly owned subsidiary, ImmuneRegen BioSciences, Inc., the Company is engaged in the research and development of potential drugs. The Company’s goal is to develop therapeutics to be used for the protection of the body from exposure to harmful agents such as toxic chemicals and radiation, as well as, biological agents, including influenza and anthrax. The Company’s research and development efforts are at a very early stage and Radilex and Viprovex, the Company’s potential drug candidates, have only undergone pre-clinical testing in mice. From its inception through the date of these financial statements, the Company has recognized no revenues and has incurred significant operating expenses.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ImmuneRegen BioSciences, Inc. Significant inter-company transactions have been eliminated in consolidation.

Reclassification

Certain reclassifications have been made to conform to prior periods' data to the current presentation. These reclassifications had no effect on reported losses.

Stock based compensation

Effective January 1, 2006, the Company adopted SFAS No. 123 (revised), "Share-Based Payment" (SFAS 123(R)) utilizing the modified prospective approach. Prior to the adoption of SFAS 123(R) we accounted for stock option grant in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees" (the intrinsic value method), and accordingly, recognized compensation expense for stock option grants.

Under the modified prospective approach, SFAS 123(R) applies to new awards and to awards that were outstanding on January 1, 2006 that are subsequently modified, repurchased or cancelled. Under the modified prospective approach, compensation cost recognized in the nine months of fiscal 2006 includes compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant-date fair value estimated in accordance with the original provisions of SFAS 123, and compensation cost for all share-based payments granted subsequent to January 1, 2006 based on the grant-date fair value estimated in accordance with the provisions of SFAS 123(R). Prior periods were not restated to reflect the impact of adopting the new standard.

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A summary of option activity under the Plan as of March 31, 2008, and changes during the period ended are presented below:

	Options		Weighted Average Exercise Price
Outstanding at December 31, 2007	16,014,212	$	0.29
Issued	397,465		0.12
Exercised	-		-
Forfeited or expired	-		-
Outstanding at March 31, 2008	16,411,677	$	0.29
Non-vested at March 31, 2008	342,500	$	0.08
Exercisable at March 31, 2008	16,069,177	$	0.29

Aggregate intrinsic value of options outstanding and exercisable at March 31, 2008 was $0. Aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of the fiscal period, which was $0.09 as of March 31, 2008, and the exercise price multiplied by the number of options outstanding. As of March 31, 2008, total unrecognized stock-based compensation expense related to stock options was $17,779. The total fair value of options vested during the three months ended March 31, 2008 was $8,583.

Interim financial statements

The accompanying balance sheet as of March 31, 2008, the statements of operations for the three months ended March 31, 2008 and 2007, and for the period of inception (October 30, 2002) to March 31, 2008, and the statements of cash flows for three months ended March 31, 2008 and 2007, and from the period of inception (October 30, 2002) to March 31, 2008 are unaudited. These unaudited interim financial statements include all adjustments (consisting of normal recurring accruals), which, in the opinion of management, are necessary for a fair presentation of the results of operations for the periods presented. Interim results are not necessarily indicative of the results to be expected for a full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could materially differ from those estimates.

Long-lived assets

The Company accounts for its long-lived assets under the provision of Statements of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of." The

Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted Inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should an impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset.

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Prepaid services and other current assets

Prepaid services and other current assets consist of the following:

	March 31, 2008	December 31, 2007
Prepaid insurance	$ 20,475	$ 29,502
Prepaid expenses	42,985	55,189
	$ 63,460	$ 84,691

Salary Advance

The Company has made an advance of salary to one employee in the amount of $1,050 and $2,025 as of March 31, 2008 and December 31, 2007, respectively.

Deposits and other assets

Deposits and other assets consist of a deposit on leased office space in the amount of $7,128 as of March 31, 2008 and December 31, 2007.

Restricted Cash

The Company has cash in the amount of $175,000 held in escrow pursuant to the Securities Purchase Agreement that was entered into in January 2008. These funds are amortized on a straight-line basis over a 24 month period, with a monthly amortization expense of $7,292. As of March 31, 2008, a total of $21,875 of amortization expense was recognized, resulting in a balance in the restricted cash escrow account of $153,125.

Note 2 – Furniture and equipment

Furniture and equipment are valued at cost. Depreciation and amortization are provided over the estimated useful lives up to seven years using the straight-line method. The estimated service lives of property and equipment are as follows:

Computer equipment	3 years
Laboratory equipment	3 years
Furniture	7 years

Depreciation expense for the three months ended March 31, 2008 and 2007 was $3,993 and $2,850, respectively. The amount depreciated from the date of inception (October 30, 2002) through March 31, 2008 was $56,508. Company's furniture and equipment consists of the following:

	March 31, 2008	December 31, 2007
Office Equipment	$ 60,879	$ 59,282

Office furniture and fixtures		6,147		6,147
		67,026		65,429
Accumulated depreciation		(31,151)		(27,158)
Total	$	35,875	$	38,271

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Note 3 - Related Party Transactions

Credit Cards

The Company has a line of credit with Bank of America for $25,000. Our Chief Executive Officer co-signs this line of credit. At March 31, 2008 the Company had an outstanding balance on the line of credit of $21,856.

The Company has a line of credit with Bank of America for $25,000. Our Chief Executive Officer co-signs this line of credit. At March 31, 2008 the Company had an outstanding balance on the line of credit of $17,520.

Note 4 - Accounts Payable And Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	March 31, 2008	December 31, 2007
Accounts payable and accrued liabilities	$ 592,646	$ 852, 411
Accounts payable - shell company	34,926	34,926
Credit cards payable	39,376	36,765
Interest payable	3,213	3,215
Accrued payroll	-	2,092
State income tax payable	3,200	3,200
	$ 673,361	$ 932,609

Note 5 - Notes Payable

On January 3, 2008, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with YA Global Investments, L.P. (the “Buyer”), pursuant to which the Buyer greed to purchase from the Company (i) up to $3 million of secured convertible debentures (the “Convertible Debentures”), which shall be convertible into shares of the Company’s common stock and (ii) warrants to acquire up to 7,500,000 additional shares of Common Stock (the “Warrants”) (the “Financing”).

The initial closing of the Financing occurred on January 3, 2008, at which time the Company sold to the Buyer $2 million of the Convertible Debentures and the Warrants (the “First Closing”). The Company, at its sole option, may elect to sell and issue to the Buyer an additional $1 million of Convertible Debentures within the six months following the execution of the Purchase Agreement (the “Second Closing”). Obligations under the Convertible Debentures are guaranteed by ImmuneRegen BioSciences, Inc., the Company’s wholly-owned subsidiary (the “Guarantor”). The Company’s obligations under the Convertible Debentures are secured by (i) all of the assets and property of the Guarantor pursuant to a Security Agreement and (ii) by Patent Collateral of the Company and the Guarantor in accordance with a Patent Security Agreement by and among the Company, the Buyer and the Guarantor.

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The Convertible Debentures mature on December 31, 2010, unless extended by the holder, and accrue interest at the rate of 8% per annum. Interest is payable in cash quarterly on the last day of each calendar quarter beginning on March 31, 2008, or at the Company's option if "Equity Conditions"(as defined in the debenture) are satisfied, it may be paid by the issuance of Common Stock. The Convertible Debentures are convertible at any time at the option of the holder into shares of the Company's Common Stock at a price equal to $0.20 per share. On or after December 31, 2009 or if the Company's fails to achieve certain milestones based on preclinical studies and submission of a Investigational New Drug Application, as set forth in the Convertible Debenture, the conversion price of the Convertible Debentures becomes the lower of (i) $0.20 per share or (ii) 80% of the lowest daily volume weighted average price during the five trading days immediately preceding conversion.

The Company may redeem a portion or all amounts outstanding under the Convertible Debentures prior to the December 31, 2010 provided that certain conditions to redemption have been satisfied. The Company may force a conversion of the Convertible Debentures into Common Stock, provided that specified conditions have been satisfied. Holders of the Convertible Debentures are subject to limitations on their right to convert the Convertible Debentures, or receive shares of Common Stock as payment of interest, if after giving effect to such conversion or receipt of shares, the holder would be deemed to beneficially own more than 9.99% of the Company's then outstanding Common Stock. Upon the occurrence of certain events of default defined in the Convertible Debentures, including the Company's failure to pay the holder any amount of principal, interest, or other amounts when due, the full principal amount of the Convertible Debentures, together with interest and other amounts due, become immediately due and payable in cash, provided however, that holder may request payment of such amounts in Common Stock of the Company.

In the event the Company effects any "fundamental transaction" as defined in the Convertible Debentures, including a merger or consolidation of the Company or sale of more than 50% of its assets, the holder may (i) require the redemption of all amounts owed, including principal, accrued and unpaid interest and any other charges; (ii) require the conversion of the Convertible Debentures into shares of common stock and other securities, cash and property; or (iii) in the case of a merger or consolidation, require the surviving entity to issue to the holder a convertible debenture with a principal amount equal to the Convertible Debentures then held by the holder, plus all accrued and unpaid interest and other amounts, and with the same terms and conditions as the Convertible Debentures.

The Company placed $175,000 into an escrow account upon the First Closing, and if the Company elects to close the Second Closing it will place an additional $75,000 into escrow. The funds in escrow will be used to compensate the Buyer's investment manager for monitoring and managing the Buyer's purchase and investment. The $175,000 in escrow will be amortized on a straight-line basis over a 24 month period, with a monthly amortization expense of $7,292. As of March 31, 2008, the balance remaining in the escrow account was $153,125.

The Company agreed to pay a $20,000 structuring fee to the Buyer's investment manager. In addition, for the period from January 3, 2008 through 30 days after all amounts owed to the Buyer under the Convertible Debentures have been paid, the officers and directors of the Company agreed not to sell, transfer, pledge, or otherwise encumber or dispose of any securities of the Company except in accordance with the volume limitations set forth in Rule 144(e) of the General Rules and Regulations under the Securities Act of 1933, as amended.

The Warrants have an exercise price, subject to adjustments, of $0.25 per share and are exercisable at any time on or prior to December 31, 2012. The Warrants provide a right of cashless exercise if, at the time of exercise, there is no effective registration statement registering the resale of the shares underlying the Warrants. Holders of the Warrants are subject to limitations on their right to exercise the Warrants, if after giving effect to the exercise, a holder and its affiliates would be deemed to beneficially own more than 9.99% of the Company's then outstanding Common Stock.

The Buyer has a right of first refusal on any future funding that involves the issuance of the Company's capital stock for so long as a portion of the Convertible Debentures is outstanding.

During the three months ended March 31, 2008, the Company accrued interest in the amount of $38,575 on this note. The Company paid $19,299 of the accrued interest in cash, and the remaining $19,276 will be paid in shares of common stock. As of March 31, 2008, the shares of common stock have not been issued and the interest in the amount of $19,276 is shown as common stock subscribed on the Company's balance sheet at March 31, 2008.

Pursuant to the Purchase Agreement, the Company issued warrants to acquire 7,500,000 additional shares of common stock. These warrants were valued using the guidance of EITF 00-27, resulting in a value of $226,754. The value of these warrants was taken as a discount to the convertible note, and will be amortized over the three year life of the note. As of March 31, 3008, the remaining discount to the convertible notes payable is $207,858.

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Note 6 - Equity

Common stock

Pursuant to an agreement dated, November 20, 2007, the Company agreed to issue 1,000,000 shares of common stock to a consultant for services provided. These shares were not issued as of December 31, 2007, and the value of these shares in the amount of $120,000 was been recorded as common stock subscribed at December 31, 2007. During the three months ended March 31, 2008, the Company issued the 1,000,000 shares of common stock.

Pursuant to an agreement dated, November 5, 2007, the Company agreed to issue 300,000 shares of common stock to a consultant for services to be performed over the next year. These shares were not issued as of December 31, 2007 and the value of the shares in the amount of $33,000 was been recorded in common stock subscribed at December 31, 2007. During the three months ended March 31, 2008, the Company issued the 300,000 shares of common stock.

In March 2007, the Company agreed to issue 395,000 shares of common stock to a note holder for accrued interest in the amount of $19,276. These shares were not issued as of March 31, 2008 and the fair value of these shares of $19,276 has been recorded as common stock subscribed at March 31, 2008.

Warrants

In April 2007, the Company issued warrants to purchase 5,000,000 shares of common stock to a consultant. The warrants vest 750,000 immediately and 177,083 every month for the next two years. The Company charged to operations the amount of $38,599, representing the value of the warrants that vested during the three months ended March 31, 2008, respectively.

In January 2008, the Company issued warrants to purchase 7,500,000 shares of common stock pursuant to a financing agreement. These warrants were valued using the guidance of EITF 00-27, resulting in a value of $226,754. The value of these warrants was taken as a discount to the convertible note, and will be amortized over the three year life of the note. As of March 31, 3008, the remaining discount to the convertible notes payable is $207,858.

The following table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock issued to non-employees of the Company. These warrants were granted in lieu of cash compensation for services performed or financing expenses and in connection with placement of convertible debentures.

Warrants Outstanding			Warrants Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (years)
$ .05-.10	565,800	1.43	$ .05-.10	565,800	1.43
.125-.22	2,433,480	2.90	.125-.22	1,839,730	2.52
.23-.56	38,658,010	3.33	.23-.56	35,887,181	3.28

1.00	664,120	0.70	1.00	664,120	0.70
2.00	6,550	1.32	2.00	6,550	1.32
	42,327,960	3.24		38,963,381	3.17

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Transactions involving warrants are summarized as follows:

	Number of Shares (post-split)	Weighted Average Price Per Share (post-split)
Outstanding at December 31, 2007	35,160,647	$ 0.36
Granted	7,500,000	0.25
Exercised	-	-
Cancelled or expired	(332,687)	0.43
Outstanding at March 31, 2008	42,327,960	$ 0.34

The estimated value of the compensatory warrants granted to non-employees in exchange for services and financing expenses was determined using the Black-Scholes pricing model and the following assumptions:

	2008	2007
Significant assumptions (weighted-average):		
Risk-free interest rate at grant date	4.25%	4.75%
Expected stock price volatility	82.54 to 93.11%	87.71%
Expected dividend payout	-	-
Expected warrant life-years	3 to 5	3 to 5

Options

In March 2008, the Company issued options to purchase 250,000 shares of common stock a director. Options to purchase 50% or 125,000 shares vest in 30 days and options to purchase the remaining 50% or 125,000 shares vest over twelve months. The Company valued these options at $19,625. This amount will be charged to operations as the options vest.

In March 2008, the Company issued options to purchase 15,000 shares of common stock an employee. Options to purchase 50% or 7,500 shares vest in 30 days and options to purchase the remaining 50% or 7,500 shares vest twelve months. The Company valued these options at $976. The amount will be charged to operations as the options vest.

In March 2008, the Company issued options to purchase 15,000 shares of common stock an employee. Options to purchase 50% or 7,500 shares vest in 30 days and options to purchase the remaining 50% or 7,500 shares vest twelve months. The Company valued these options at $976. The amount will be charged to operations as the options vest.

In March 2008, the Company issued options to purchase 117,465 shares of common stock to member of the Company's advisory board. These options vest upon issuance. The Company charged to operations the amount of $3,729, the value of the vested options during the three months ended March 31, 2008.

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The following table summarizes the changes in options outstanding and the related prices for the shares of the Company's common stock.

	Options Outstanding			Options Exercisable	
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (years)
$ 0.06-0.22	14,080,000	7.51	$ 0.06-0.22	13,737,500	7.70
0.23-0.25	2,014,435	3.27	0.23-0.25	2,014,435	3.27
0.31	1,000	2.70	0.31	1,000	2.70
0.33	103,030	2.39	0.33	103,030	2.39
0.44	150,000	2.25	0.44	150,000	2.25
25.00	63,212	2.00	25.00	63,212	2.00
	16,411,677			16,069,177	

Options not vested are not exercisable.

Transactions involving stock options issued are summarized as follows:

	Number of Shares	Weighted Average Price Per Share
Outstanding at December 31, 2007	16,014,212	$ 0.29
Granted	397,465	0.12
Exercised	-	-
Expired	-	-
Outstanding at March 31, 2008	16,411,677	$ 0.29
Non-vested at March 31, 2008	342,500	$ 0.08
Exercisable March 31, 2008	16,069,177	$ 0.29

Note 7 - Subsequent Events

On April 3, 2008, IR BioSciences Holdings, Inc. (the "Company"), approved a new employment agreement with John Fermanis effective January 1, 2008 continuing his employment as Chief Financial Officer of the Company and its wholly owned subsidiary, ImmuneRegen BioSciences, Inc. for a period of two years. Mr. Fermanis' previous employment agreement with the Company expired on December 31, 2007. On the same day, the Company also approved a change of control agreement with Mr. Fermanis effective January 1, 2008.

Pursuant to terms of the employment agreement, Mr. Fermanis will be compensated at an annual base salary of $130,000 for the first year and $140,000 for the second year. Mr. Fermanis will also be eligible for discretionary bonuses under the Company's stock option plan during his employment. The employment agreement has a term of two years, subject to early termination provisions. The Company may terminate the employment agreement at any time for cause, as defined in the employment agreement, and with 15 days notice without cause. Mr. Fermanis may terminate the employment agreement for any reason with 30 days notice. Upon termination of Mr. Fermanis' employment by the Company without cause or constructive termination, as defined in the agreement, the Company agrees to pay to Mr. Fermanis the remainder of his salary for the year or six months salary, whichever is greater, and any accrued vacation. Pursuant to the terms of the employment agreement, Mr. Fermanis may not compete against the Company and he may not solicit the Company's customers during the term of the agreement and for a period of three years following the termination of his employment agreement. Mr. Fermanis also may not disclose any confidential information during or within three years after his employment.

Pursuant to the terms of the change of control agreement, the Company agrees to pay Mr. Fermanis his salary for a period of 18 months from the date of an involuntary termination, payable in accordance with the Company's compensation practice. Involuntary termination is defined as the termination of Mr. Fermanis's employment by the Company without cause or due to constructive termination at any time within one-year from a change of control event, as defined in the agreement. The change of control agreement commences on the Effective Date and continues until the earlier of (i) the termination of Mr. Fermanis's employment with Company if the termination is prior to a change of control or (ii) subsequent to a Change of Control Date the earlier of (x) the termination of Mr. Fermanis's employment absent involuntary termination or (y) the one-year anniversary of a change of control.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Special Note Regarding Forward-looking Statements

Some of the statements under "Risk Factors," "Business" and elsewhere in this Quarterly Report on Form 10-Q constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, those described under "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q and in the "Risk Factors" section of our annual report on SEC Form 10-KSB filed with the Securities and Exchange Commission on March 31, 2008.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. We are under no duty to update any of the forward-looking statements after the date of this report.

The following information should be read in conjunction with the financial statements and the notes thereto. The analysis set forth below is provided pursuant to applicable Securities and Exchange Commission regulations and is not intended to serve as a basis for projections of future events.

Overview

IR BioSciences Holdings, Inc. is a development-stage biotechnology company. Through our wholly-owned subsidiary ImmuneRegen BioSciences, Inc., we are engaged in the research and development of potential drug candidates, Homspera® and its derivatives, Radilex® and Viprovex®. Although containing the identical active ingredient Homspera, we defined Radilex and Viprovex as derivatives of Homspera due to the potential difference in formulations and indications for use. Our goals include developing these potential drug candidates to be used as possible countermeasures for homeland security threats, including radiological, chemical and biological agents, and to meet the commercial need for similar beneficial effects in conditions such as radiation therapy, influenza, anthrax and potentially other microbial ailments. We have discovered activities of Homspera that may potentially open additional commercialization opportunities in areas such as human adult stem cell stimulation, vaccine adjuvants, which stimulate the immune system above that of a stand-alone vaccine, and wound healing.

Our patents, patent applications and continued research are partially derived from discoveries made during research studies related to the function of Substance P, which is found in the body and has a large number of actions. These studies were funded by the Air Force Office of Scientific Research (AFOSR) in the early 1990s and were conducted by research scientists, including our co-founders Drs. Mark Witten and David Harris. In the course of research on Substance P, scientists created a number of synthetic analogues, structural derivatives with slight chemical differences, for study. One of these, which we have named Homspera, is the basis for our drug development efforts and our intellectual property. All of our research and development efforts are at the pre-clinical stage and Homspera has only undergone exploratory studies to evaluate its biological activity in small animals. There can be no assurance that our interpretation of study results will prove to be accurate after further testing, and our beliefs regarding the potential uses of our drug candidates may never materialize.

Our current focus is to develop Homspera for regenerating or strengthening the human immune system, in part, through stimulating human adult stem cells. It is the belief of our management that the stem cell activity exhibited by Homspera underlies some of the effects previously reported in potential applications like treatment for radiation exposure and infectious disease using Homspera derivatives Radilex and Viprovex, respectively, which are described below. Recent studies have evaluated the effects of Homspera on human adult stem cell activity. Additionally, ongoing studies are being performed to evaluate the efficacy of Homspera as a potential product to increase the healing rate of wounds.

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We are researching Radilex for use as a potential treatment for acute exposure to radiation. We believe that Radilex, if developed, may be an acceptable candidate to be marketed to governmental agencies for procurement. Further, we believe that a commercial market may exist for the use of Radilex as it relates to the treatment of radiation-induced side effects of cancer treatments, either as a stand-alone treatment or as a co-therapeutic agent to be used with other therapies.

Viprovex is being researched by us for use in potential treatments of exposure to biological agents, such as infectious disease, which include influenza and anthrax. We believe that Viprovex, if developed, can be used in potential applications for sale to governments for the treatment of exposure to anthrax and pandemic influenza. In addition, we believe that potential commercial opportunities may exist for the treatment of seasonal influenza and other viral or bacterial infections, either as a stand-alone drug or as an adjuvant to other existing drugs. Ongoing studies are being performed to evaluate the efficacy of Viprovex as a vaccine adjuvant to enhance immune response to a given dose of vaccine. Based on early studies on Homspera and existing literature on Substance P, we are also researching the efficacy of Viprovex as a potential treatment for exposure to chemical agents, such as formalin.

To date we have submitted preliminary study data to the U.S. Food and Drug Administration (FDA) and have been issued two Pre-Investigational New Drug (PIND) numbers, one for the potential use of Radilex in the treatment of acute radiation syndrome and the other for the potential use of Viprovex in the treatment of avian influenza. We have contracted with an FDA regulatory consultant to assist us in our preparation and submission of an Investigational New Drug application (IND), a necessary prerequisite to human clinical studies, which can only follow after the FDA's allowance of our IND.

We have filed patent applications directed to various methods of using and compositions comprising Substance P analogues. We presently own at least five issued patents, including at least two issued U.S. patents and at least three issued foreign patents, one of which has been registered in nine countries in the European Union. We also have at least 61 pending patent applications, including at least 10 pending U.S. utility patent applications, at least 10 pending U.S. provisional applications, at least 4 pending international patent applications, and at least 37 pending foreign patent applications. All inventions embodied in these applications and issued patents have been assigned to the company by the inventors.

Our potential drug candidates, Homspera, Radilex and Viprovex, are at pre-clinical stages of development and may not be shown to be safe or effective and may never receive regulatory approval. Neither Homspera, Radilex nor Viprovex have been tested in large animals or humans. There is no guarantee that regulatory authorities will ever permit human testing of Homspera, Radilex, Viprovex or any other potential products derived from Homspera. Even if such testing is permitted, none of Homspera, Radilex, Viprovex or any other potential drug candidates, if any, derived from Homspera may be successfully developed or shown to be safe or effective in humans.

The results of our pre-clinical studies and clinical trials may not be indicative of future clinical trial results. A commitment of substantial resources to conduct time-consuming research, pre-clinical studies and clinical trials will be required if we are to develop any commercial applications using Homspera or any derivatives thereof. It is possible that partnerships and/or licensing agreements will not develop during the preclinical and/or clinical stages of development, if at all. Delays in planned patient enrollment in our future clinical trials may result in increased costs, program delays or both. None of our potential technologies may prove to be safe or effective in clinical trials. Approval of the FDA, or other regulatory approvals, including export license permissions, may not be obtained and even if successfully developed and approved, our potential applications may not achieve market acceptance. Any potential applications resulting from our programs may not be successfully developed or commercially available for a number of years, if at all.

To date, we have not obtained regulatory approval for, or commercialized any applications, using Homspera or any of its derivatives. We have incurred significant losses since our inception and we expect to incur annual losses for at least the next three years as we continue with our drug research and development efforts.

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Results of Operations for the Three Month Periods Ended March 31, 2008 and March 31, 2007

Revenue

We have not generated any revenues from operations from our inception. We believe we will begin earning revenues from operations during calendar year 2009 as we transition from a development stage company.

Sales, General, and Administrative Expenses

Sales, general, and administrative expenses ("SG&A") were $1,176,907 for the three months ended March 31, 2008, an increase of $302,797 or approximately 35% compared to SG&A of $874,110 during the three months ended March 31, 2007. The increase is primarily due to higher costs for research and development, payroll and related expenses, financing costs and legal and accounting fees. For the three months ended March 31, 2008, this amount consisted primarily of research and development costs of $258,171, payroll and related expenses of $346,838, inclusive of an incentive bonus of $90,750 in cash for Michael K. Wilhelm, C.E.O. per the terms of his employment agreement, financing costs of $91,875, legal and accounting fees of $201,026, consulting and professional fees of $109,270 and non-cash compensation costs of $47,182.

The Company expects SG&A to increase during the coming twelve months as we continue to build out the Company's infrastructure and to develop the Company's potential drugs and therapeutics.

Interest Income (net)

Interest expense (net) was $46,327 for the three months ended March 31, 2008, an increase of $67,193 or approximately 322% compared to interest income of $20,866 for the three months ended March 31, 2007. Interest expense increased during the three months ended March 31, 2008 due to interest costs relating to the securities purchase agreement with YA Global Investments, L.P. in first quarter of 2008.

The Company expects interest expense to increase approximately 50% per quarter beginning in the third quarter as we sell additional securities to YA Global Investments per the terms of the securities purchase agreement.

Net Loss

For the reasons stated above our net loss for the three months ended March 31, 2008 was $1,223,234 or $0.01 per share, an increase of $361,875 or approximately 42% compared to a net loss of $861,359 for the three months ended March 31, 2007.

Our independent certified public accountants have stated in their report included in our annual report on SEC Form 10-KSB filed with the Securities and Exchange Commission on March 31, 2008 that we have incurred a net loss and negative cash flows from operations of $5,463,958 and $2,456,038, respectively, for the year ended December 31, 2007. This loss, in addition to a lack of operational history, raises substantial doubt about our ability to continue as a going concern. In the absence of significant revenue and profits, and since we do not expect to generate significant revenues in the foreseeable future, we, in order to fund operations, will be completely dependent on additional debt and equity financing arrangements. There is no assurance that any financing will be sufficient to fund our capital expenditures, working capital and other cash requirements for the fiscal year ending December 31, 2008. No assurance can be given that any such additional funding will be available or that, if available, can be obtained on terms favorable to us. If we are unable to raise needed funds on acceptable terms, we will not be able to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements. A material shortage of capital will require us to take drastic steps such as reducing our level of operations, disposing of selected assets or seeking an acquisition partner. If cash is insufficient, we will not be able to continue operations.

The Company expects losses to increase during the coming twelve months. The Company does not expect to begin to generate revenue in the coming twelve months, and our costs are likely to increase as continue our research and development efforts on our early, pre-clinical stage products and build out our corporate infrastructure.

Plan of Operations

We expect to continue to incur increasing operating losses for the foreseeable future, primarily due to our continued research and development activities attributable to Homspera, Radilex, Viprovex or any other proposed product, if any, derived from Homspera and general and administrative activities.

The preliminary results of our pre-clinical studies using Homspera, Radilex or Viprovex may not be indicative of results that will be obtained from subsequent studies or from more extensive trials. Further, our pre-clinical or clinical trials may not be successful, and we may not be able to obtain the required regulatory approvals in a timely fashion, or at all.

Product Research and Development

We incurred an expense of $258,171 for the three months ended March 31, 2008 in research and development activities related to the development of Homspera, Radilex and Viprovex versus an expense of $76,834 for the three months ended March 31, 2007. From our inception in October 2002, we have spent $1,826,357 in research and development activities. These costs only include the manufacture and delivery of our drug by third party manufacturers and payments to contract research organizations and consultants for consulting related to our studies and costs of performing such studies. Significant costs relating to research and development, such as compensation for Dr. Siegel have been classified in officer’s salaries for consistency of financial reporting.

We anticipate that during the next 12 months we will increase our research and development spending to a total of approximately $800,000 in an effort to further develop Homspera, Radilex and Viprovex. This research and development cost estimate includes additional animal pharmacology studies, formulation and animal safety/toxicity studies. If we receive additional funds, through investment funding, licensing agreements or grants, we expect we will further increase our research and development spending.

We believe that initial revenues, if any, will likely be generated through partnerships, alliances and/or licensing agreements with pharmaceutical or biotechnology companies. Our focus during the next 12 months will be to identify those companies which we believe may have an interest in our proposed products and attempt to negotiate arrangements for potential partnerships, alliances and/or licensing arrangements. Alliances between pharmaceutical and biotechnology companies can take a variety of organizational forms and involve many different payment structures such as upfront payments, milestone payments, equity injections and royalty payments. To date, we have not entered into discussions with and have no agreements or arrangements with any such companies. Even if we are successful in entering into such a partnership or alliance or licensing our technology, we anticipate that the earliest we may begin to generate revenues from operations would be calendar year 2009. There is no assurance that we will ever be successful in reaching such agreements or ever generate revenues from operations.

We will need to generate significant revenues from product sales and or related royalties and license agreements to achieve and maintain profitability. Through March 31, 2008, we had no revenues from any product sales, royalties or licensing fees, and have not achieved profitability on a quarterly or annual basis. Our ability to achieve profitability depends upon, among other things, our ability to develop products, obtain regulatory approval for products under development and enter into agreements for product development, manufacturing and commercialization. Moreover, we may never achieve significant revenues or profitable operations from the sale of any of our potential products or technologies.

If product development or approval does not occur as scheduled, our time to reach market will be lengthened and our costs will substantially increase. Additionally, we may be requested to expand our findings to gather additional data or we may not achieve the desired results. If so, we may have to design new protocols and conduct additional studies.

This will increase our costs and delay the time to market for our potential products, if any. Any of these occurrences would have a material negative impact on our business and our liquidity as it may cause us to seek additional capital sooner than expected and allow our competitors to successfully enter the market ahead of us.

If we are successful in achieving desirable results for these applications, we intend to design the protocols and begin further studies for this and other applications, when capital is available. As we have only collected preliminary data and additional studies are required, we cannot predict when, if ever, a viable treatments for these indications can be commercialized. If we do not observe significant results or we lack the capital to further the development, we may abandon such research and development efforts; thereby limiting our future potential revenues.

If we are successful in completing our studies and the results are as we anticipate, we intend to prepare and submit the necessary documentation to the FDA and other regulatory agencies for approval. If approval for Homspera, Radilex and/or Viprovex is granted, we expect to begin efforts to commercialize our product, if any, immediately thereafter, however, since we are currently in the pre-clinical stage of development, it will take an indeterminate amount of time in development before we have a marketable drug, if ever.

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Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as of March 31, 2008.

Revenues

We have not generated any revenues from operations from our inception. We believe we will begin earning revenues from operations during calendar year 2009 as we transition from a development stage company.

Costs And Expenses

From our inception through March 31, 2008, we have incurred losses of $19,972,372. These expenses were associated principally with equity-based compensation to employees and consultants, product development costs and professional services, and equity based compensation to shareholders for the penalty incurred for the late registration of shares.

Liquidity And Capital Resources

At March 31, 2008, we had current assets of $913,104 consisting of cash of $695,469 and other current assets of $217,635. At March 31, 2008, we also had current liabilities of $673,361, consisting of accounts payable of $559,988 and accrued liabilities of $113,373. This resulted in net working capital at March 31, 2008 of $239,743. During the three months ended March 31, 2008, the Company used cash in operating activities of $1,349,054. From the date of inception (October 30, 2002) to March 31, 2008, the Company has had a net loss of $19,972,372 and has used cash of $9,799,034 in operating activities.

We currently have no revenue. There is no guarantee that our business model will be successful, or that we will be able to generate sufficient revenue to fund future operations. As a result, we expect our operations to continue to use net cash, and that we will be required to seek additional debt or equity financings during the coming quarters. Since inception, we have financed our operations through debt and equity financing. While we have raised capital to meet our working capital and financing needs in the past, additional financing is required in order to meet our current and projected cash flow deficits from operations and development of our product line. We met our cash requirements from our inception through March 31, 2008 via the private placement of $7,877,901 of our common stock and $2,733,628 from the issuance of notes payable, net of repayments.

On January 3, 2008, we entered into a securities purchase agreement with YA Global Investments, L.P., pursuant to which YA Global Investments, L.P. agreed to purchase from us (i) up to $3 million of secured convertible debentures, which shall be convertible into shares of our common stock and (ii) warrants to acquire up to 7,500,000 additional shares of our common stock. The initial closing occurred on January 3, 2008, at which time we sold to YA Global Investments, L.P. $2 million of the convertible debentures and the warrants. The company, at our sole option, may elect to sell and issue to YA Global Investments, L.P. an additional $1 million of secured convertible debentures within the six months following the execution of the securities purchase agreement.

Pursuant to our employment agreement with Michael Wilhelm, our President and Chief Executive Officer, dated December 16, 2002, we paid a salary of $125,000 and $175,000 to Mr. Wilhelm during the first and second years of his employment, respectively. Thereafter we paid through August 10, 2005, an annual salary of $250,000. On August 10, 2005, we entered into a new employment agreement with Mr. Wilhelm. The new employment agreement calls for a salary at the rate of $275,000 per annum and provides for bonus incentives. Mr. Wilhelm's salary is payable in regular installments in accordance with the customary payroll practices of our company. Further, pursuant to the terms of the change of control agreement between Mr. Wilhelm and us, we agree to pay Mr. Wilhelm his salary for a period of 18 months from the date an involuntary termination, payable in accordance with the Company's compensation practice. Involuntary termination is defined as the termination of Mr. Wilhelm employment by Company without cause or due to constructive termination at any time within one-year from a change of control event, as defined in the agreement.

Pursuant to our employment agreement with John Fermanis, our Chief Financial Officer, dated February 15, 2005, we paid a salary of $60,000 until we completed a financing of $500,000 or more. This occurred on March 4, 2005 when we completed a Tender Offer for warrants totaling $1,190,857 net of fees. From March 4, 2005, until December 31, 2005, we paid an annual salary of $85,000. Thereafter, we paid an annual salary of $98,000 for the second year ending December 31, 2006 and an annual salary of $112,000 for the third year ending December 31, 2007. Mr. Fermanis' salary is payable in regular installments in accordance with our customary payroll practices. Mr. Fermanis also received 100,000 shares of our Common Stock, which were earned at the rate of 1/12 or 8,333 per month beginning January 2005.

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Pursuant to terms of our employment agreement with Mr. Fermanis, our Chief Financial Officer, dated January 1, 2008, we pay an annual base salary of $130,000 for the first year and $140,000 for the second year. Mr. Fermanis will also be eligible for discretionary bonuses under the Company’s stock option plan during his employment. The employment agreement has a term of two years, subject to early termination provisions. The Company may terminate the employment agreement at any time for cause, as defined in the employment agreement, and upon 15 days written notice without cause. Mr. Fermanis may terminate the employment agreement for any reason with 30 days written notice. Upon termination of Mr. Fermanis’ employment by the Company without cause or constructive termination, as defined in the employment agreement, the Company agrees to pay to Mr. Fermanis the remainder of his salary for the year or six months salary, whichever is greater, and any accrued vacation.

Pursuant to our employment agreement with Hal N. Siegel, our Vice President and Chief Scientific Officer, dated October 23, 2006, we will pay an annual base salary of $200,000 for the first year and $210,000 for the second year. Mr. Siegel will also be eligible for discretionary bonuses under our stock option plan during his employment. In addition, Mr. Siegel received options with a term of five years to purchase 200,000 shares of our Common Stock. The options are exercisable at $0.20 per share. The employment agreement has a term of two years, subject to early termination provisions. Upon termination of Mr. Siegel's employment by us without cause or constructive termination, as defined in the agreement, we agree to pay to Mr. Siegel the remainder of his salary for the year or six months salary, whichever is greater, and any accrued vacation. In addition, we entered into a change of control agreement with Hal Siegel. Pursuant to the terms of the change of control agreement, we agree to pay Mr. Siegel his salary for a period of 18 months from the date of an involuntary termination, payable in accordance with our compensation practice. Involuntary termination is defined as the termination of Mr. Siegel's employment by us without cause or due to constructive termination at any time within one-year of a change of control event, as defined in the agreement.

Since our inception, we have been seeking additional third-party funding. During such time, we have retained a number of different investment banking firms to assist us in locating available funding; however, we have not yet been successful in obtaining any of the long-term funding needed to make us into a commercially viable entity. During the period from October 2004 to March 31, 2008, we were able to obtain financing of $10,561,529, including a series of private placements of our securities which resulted in net proceeds to us of $7,877,901 and $2,683,628 from the sale of notes payable, net of repayments. The notes payable include a transaction in January 2008 where we sold $2 million in secured convertible debentures which resulted in net proceeds to us of $1,825,000. We also expect to sell an additional $1 million of the secured convertible debentures after July 3, 2008 as per the terms of the securities purchase agreement with YA Global Investments L.P. Based on our current plan of operations all of our current funding is expected to be depleted by the end of August, 2008. The additional $1 million is expected to fund operations until January 2009. If we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources, it would have a material adverse effect on our business, results of operations, liquidity and financial condition.

Our registered independent certified public accountants have stated in their report, dated March 28, 2008, that the Company's recurring losses and negative cash flow raise substantial doubt about the Company's ability to continue as a going concern.

While we have raised capital to meet our working capital and financing needs in the past through debt and equity financings, additional financing will be required in order to implement our business plan and to meet our current and projected cash flow deficits from operations and development. There can be no assurance that we will be able to consummate future debt or equity financings in a timely manner on a basis favorable to us, or at all. If we are unable to raise needed funds, we will not be able to develop or enhance our potential products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements. A material shortage of capital will require us to take drastic steps such as reducing our level of operations, disposing of selected assets or seeking an acquisition partner.

Until such time, if at all, as we receive adequate funding, we intend to continue to defer payment of all of our obligations which are capable of being deferred, which actions have resulted in some vendors demanding cash payment for their goods and services in advance, and other vendors refusing to continue to do business with us. We do not expect to generate a positive cash flow from our operations for at least several years, if at all, due to anticipated expenditures for research and development activities, administrative and marketing activities, and working capital requirements and expect to continue to attempt to raise further capital through one or more further private placements. Based on our operating expenses and anticipated research and development activities we believe we have sufficient capital to meet our operating needs through August 2008. Thereafter, we believe that we will require an additional $2,500,000 to meet our expenses over the next 12 months.

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Acquisition or Disposition of Plant and Equipment

We did not dispose or acquire any significant property, plant or equipment during the quarters ended March 31, 2008 and 2007. We do not anticipate the sale of any significant property, plant or equipment during the next twelve months.

Number of Employees

From our inception through the period ended March 31, 2008, we have relied primarily on the services of outside consultants for services. As of March 31, 2008 we had eleven total employees: seven full-time employees, two part-time employees and two contract employees. Our full-time employees are Michael K. Wilhelm, our Chief Executive Officer; John N. Fermanis, our Chief Financial Officer; Hal N. Siegel, Ph.D., Vice President and Chief Scientific Officer, a Science Director, two scientific program managers; and, the seventh serves in an administrative role. In order for us to attract and retain quality personnel, we anticipate we will have to offer competitive salaries to future employees. We do not anticipate our employment base will significantly change during the next twelve months.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses and allocated charges during the reporting period. Actual results could differ from those estimates.

We describe our significant accounting policies in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-KSB as of and for the year ended December 31, 2007. We discuss our critical accounting policies and estimates in Management’s Discussion and Analysis of Financial Condition and or Plan of Operation in the Form 10-KSB. Other than as indicated in this quarterly report, there have been no material revisions to the critical accounting policies as filed in our Annual Report on Form 10-KSB as of and for the year ended December 31, 2007 with the SEC on March 31, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and which also are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in internal controls

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the first quarter of 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings.

ITEM 1A. RISK FACTORS

Other than with respect to the following risk factors, which have been updated and restated in their entirety below, there have been no material changes from the risk factors disclosed in the "Risk Factors" section of our the "Risk Factors" section of our annual report on Form 10-KSB filed with the Securities and Exchange Commission on March 31, 2008.

Risks Related to Our Financial Results

We have limited cash resources, an accumulated deficit, are not currently profitable and expect to incur significant expenses in the near future.

As of March 31, 2008, we had a working capital of $239,743. This amount consists of cash of $695,469 and other current assets of $217,635 less accounts payable and accrued liabilities of $673,361. We have incurred a net loss of $19,972,372 for the period from our inception in October 30, 2002 to March 31, 2008, and have always experienced negative cash flow. We expect to continue to experience negative cash flow and operating losses through at least 2010 and possibly thereafter. As a result, we will need to generate significant revenues to achieve profitability.

We may fail to become and remain profitable or we may be unable to fund our continuing losses, in which case our business may fail.

We are focused on product development and have not generated any revenue to date. We do not believe we will begin earning revenues from operations until the calendar year 2009 as we transition from a development stage company. We have incurred operating losses since our inception. Our net loss for the three months ended March 31, 2008 was $1,223,234. As of March 31, 2008, we had an accumulated deficit of $19,972,372.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On January 3, 2008, the Company entered into a securities purchase agreement with YA Global Investments, L.P. (the “Buyer”), pursuant to which the Buyer agreed to purchase from the Company (i) up to $3 million of secured convertible debentures, which shall be convertible into shares of our common stock and (ii) warrants to acquire up to 7,500,000 additional shares of our common stock (the “Financing”). The initial closing of the Financing occurred on January 3, 2008, at which time the Company sold to the Buyer $2 million of the convertible debentures and the warrants. The Company, at its sole option, may elect to sell and issue to the Buyer an additional $1 million of convertible debentures within the six months following the execution of the securities purchase agreement. The debentures are convertible at any time at the option of the holder into shares of the common stock at a price equal to $0.20 per share. On or after December 31, 2009 or if the Company’s fails to achieve certain milestones based on preclinical studies and submission of a Investigational New Drug Application, as set forth in the convertible debenture, the conversion price of the convertible debentures becomes the lower of (i) $0.20 per share or (ii) 80% of the lowest daily volume weighted average price during the five trading days immediately preceding conversion. The warrants have an exercise price, subject to adjustments, of $0.25 per share and are exercisable at any time on or prior to December 31, 2012. The warrants provide a right of cashless exercise if, at the time of exercise, there is no effective registration statement registering the resale of the shares underlying the warrants. Holders of the warrants are subject to limitations on their right to exercise the warrants, if after giving effect to the exercise, a holder and its affiliates would be deemed to beneficially own more than 9.99% of the Company's then-outstanding common stock. The securities were issued in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

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On February 15, 2008, the Board of Directors approved of the issuance of 1,000,000 restricted shares of our common stock to Joseph Stevens & Co., Inc. and its designees, all of whom are accredited investors, per the terms of a consulting agreement dated November 20, 2007, under the terms of which the consultant would provide referral services for a term of one year to identify and introduce potential Directors to the company. The securities were issued in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

Also on February 15, 2008, the Board of Directors approved of the issuance of 300,000 restricted shares of common stock to a consultant, who is an accredited investor, per the terms of a consulting agreement dated November 13, 2007, under the terms of which the consultant would provide investor relations services and consulting services for new product development for a term of four months. The securities were issued in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

On March 31, 2008, the Board of Directors approved of the issuance of 395,000 restricted shares of common stock to YA Global Investments, L.P., who is an accredited investor, for accrued interest through March 31, 2008 of $19,276. The securities were issued in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

None.

ITEM 5: OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1 Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-B, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-B, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 Certifications of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2 Certifications of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

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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, thereunto duly authorized, on May 15, 2008.

IR BioSciences Holdings, Inc.

By:	/s/ Michael K. Wilhelm
	Michael K. Wilhelm
	President, Chief Executive Officer

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