Amarantus Bioscience Holdings, Inc.
Form 10-Q
May 15, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **March 31, 2013**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to __________

Commission File Number: **333-148922**

Amarantus Bioscience Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-0690857**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
675 Almanor Ave., Sunnyvale, CA	**94085**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(408) 737-2734**

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(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days [X] Yes [ ] 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). [X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

[ ] Large accelerated filer Accelerated filer [ ] Non-accelerated filer
[X] Smaller reporting company

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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 385,003,149 common shares as of May 13, 2013.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our financial statements included in this Form 10-Q are as follows:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended March 31, 2013 are not necessarily indicative of the results that can be expected for the full year.

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AMARANTUS BIOSCIENCE HOLDINGS, INC.

(A Development Stage Company)

BALANCE SHEETS (UNAUDITED)

AS OF MARCH 31, 2013 AND DECEMBER 31, 2012

	March 31, 2013	**December 31, 2012**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$240,313	$157,174
Prepaid expenses and other current assets	312,304	519,620
Total current assets	552,617	676,794
PROPERTY AND EQUIPMENT – Net	—	—
OTHER ASSETS	643,143	533,143
TOTAL	$1,198,760	$1,209,937
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$2,741,421	$2,596,848
Accrued liabilities	151,703	150,049
Related Party liabilities	222,083	222,083
Note payable	1,800,000	740,000
Current portion of warrant liability	—	232,988
Current portion of derivative liability	921,954	26,893
Current portion of convertible promissory notes	328,727	768,892
Total liabilities	6,165,888	4,737,753
COMMITMENTS AND CONTINGENCIES		
Stockholders' (deficit)		
Convertible preferred stock, par value $0.001 — 10,000,000 shares, authorized, 250,000 shares designated as Series A, par value $0.001, -0- shares and 250,000 shares issued and outstanding as of March 31, 2013 and December 31, 2012, respectively, 2,500,000 shares designated as Series B par value $0.001, -0- shares issued and outstanding as of March 31, 2013 and December 31, 2012, respectively	—	250
Common stock, par value $0.001 —1,000,000 shares authorized at March 31, 2013 and December 31, 2012; 385,166,912 and 342,516,931 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	385,167	342,517
Additional paid-in capital	9,367,041	7,991,465
Deficit accumulated during the development stage	(14,719,336)	(11,862,048)
Total stockholders' (deficit)	(4,967,128)	(3,527,816)
Total liabilities and stockholders' (deficit)	$1,198,760	$1,209,937

See notes to financial statements

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AMARANTUS BIOSCIENCE HOLDINGS, INC.

(A Development Stage Company)

STATEMENTS OF OPERATIONS (UNAUDITED)

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2013 AND 2012, AND

FOR THE PERIOD FROM JANUARY 14, 2008 (DATE OF INCEPTION) TO MARCH 31, 2013

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012 Restated	Period From January 14, 2008 (Date of Inception) to March 31, 2013
NET REVENUES	$—	$—	$415,996
OPERATING EXPENSES:			
Research and development	663,924	76,430	2,683,039
General and administrative	1,220,673	1,289,335	9,342,133
Total costs and expenses	1,884,597	1,365,765	12,025,172
LOSS FROM OPERATIONS	(1,884,597)	(1,365,765)	(11,609,176)
INTEREST & OTHER INCOME (EXPENSE)			
Interest Expense	(873,118)	(129,200)	(3,602,714)
Other Income (Expense)			82,145
Change in fair value of warrant & derivatives liabilities	(99,573)	177,934	782,601
Total interest & other income (Expense)	(972,691)	48,434	(2,737,968)
NET (LOSS)	$(2,857,288)	$(1,317,331)	$(14,347,144)
NET (LOSS) PER SHARE, BASIC	$(0.01)	$(0.02)	
COMMON SHARES OUTSTANDING - BASIC	368,215,835	84,994,211	

See notes to financial statements

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AMARANTUS BIOSCIENCE HOLDINGS, INC.

(A Development Stage Company)

STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012 AND

FOR THE PERIOD FROM JANUARY 14, 2008 (DATE OF INCEPTION) TO MARCH 31, 2013

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Period From January 14, 2008 (Date of Inception) to March 31, 2013
		(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(2,857,288)	$(1,317,331)	$(14,347,144)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	—	2,904	33,014
Amortization of financing costs	—	—	13,091
Amortization of debt discount	475,835	—	1,131,716
Gain on disposal of equipment	—	—	(2,621)
Loss on stock issuance	—	—	672,414
Stock issued for services	292,748	—	1,930,444
Stock-based compensation	508,229	933,569	1,573,260
Non-cash interest expense related to warrants and derivatives	—	(10,606)	763,316
Non-cash interest expense related to convertible promissory notes	—	2,620	—
Change in fair value of warrant and derivative liabilities	99,573	(73,040)	(777,833)
Gain on settlement of convertible note and warrants	—	—	(137,632)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	202,391	4,132	(299,132)
Accounts payable	257,403	251,187	3,641,739
Accrued liabilities	81,248	33,093	276,275
Related party liabilities	—	—	(143,787)
Net cash used in operating activities	(939,861)	(173,472)	(5,672,880)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	—	—	(40,392)
Acquisition of other assets	(35,000)	—	(90,000)
Security Deposit write off	1,000	—	—
Net cash used in investing activities	(34,000)	—	(130,392)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	1,200,000	172,750	3,730,978
Repayment of borrowings	(143,000)	—	(150,000)

Proceeds from issuance of common stock	—	—	1,797,941
Proceeds from issuance of stock options	—	—	200,818
Proceeds from issuance of convertible preferred stock	—	—	540,000
Costs of financings	—	—	(76,187)
Proceeds from sale of warrant	—	—	35
Net cash provided by financing activities	1,057,000	172,750	6,043,585
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,139	(722)	240,313
CASH AND CASH EQUIVALENTS - Beginning of period	157,174	870	—
CASH AND CASH EQUIVALENTS - End of period	$240,313	$148	$240,313
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Exchange of convertible promissory notes for preferred stock	$—	$—	$195,342
Issuance of warrants to investors	$—	$—	$371,180
Preferred stock issued in lieu of payment of payable	$(250,000)	$—	$—
Issuance of convertible notes in lieu of payment interest	$15,000	$—	$15,702
Stock issued for prepaid expenses	$—	$—	$31,188
Payables forgiven for property and equipment	$—	$—	$10,000
Stock issued to acquire other assets	$79,000	$—	$556,143
Stock issued to satisfy accounts payable and accrued expenses	$527,748	$—	$1,088,556
Stock issued for convertible debt	$538,000	$—	$1,502,982
Intrinsic value of beneficial conversion feature	$—	$—	$224,985
Reclassification of warrants to APIC	$—	$—	$2,032
Other assets used to satisfy accounts payable	4,925		4,925
Bifurcation of derivatives embedded in convertible notes	$—	$—	$548,083
Stock warrants reclassified from liabilities to equity	$—	$2,032	$39,142
Issuance of convertible notes in lieu of payment of payable	$—	$259,988	$413,765
Convertible notes issued for payables	$—	$—	$69,226
Dividend to founder for assumption of debts	$—	$—	$365,870

See notes to financial statements

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Amarantus Bioscience Holdings, Inc.

NOTES TO FINANCIAL STATEMENTS

1. General

Amarantus Bioscience Holdings, Inc. ("Amarantus" and the "Company") was incorporated on January 14, 2008 in the state of Delaware. The Company is a development stage biopharmaceutical drug development company dedicated to sourcing high-potential therapeutic platform technologies and aligning their development with complementary clinical-stage compounds to reduce overall enterprise risk. Through March 31, 2013, the Company has been primarily engaged in biotechnology research and development and raising capital.

2. Development Stage and Going Concern

The Company's activities since inception have consisted principally of acquiring product and technology rights, raising capital, and performing research and development. Accordingly, the Company is considered to be in the development stage as of March 31, 2013, as defined by the Financial Accounting Standard Board, or FASB, Accounting Standard Codification, or ASC 915. Successful completion of the Company's development programs and, ultimately, the attainment of profitable operations are dependent on future events, including, among other things, its ability to access potential markets; secure financing, develop a customer base; attract, retain and motivate qualified personnel; and develop strategic alliances. As of March 31, 2013, the Company has been funded by equity and debt financings. Although management believes that the Company will be able to successfully fund its operations, there can be no assurance that the Company will be able to do so or that the Company will ever operate profitably.

The Company expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need to complete certain research and development activities and clinical studies. Further, the Company's product candidates will require regulatory approval prior to commercialization. These activities may span many years and require substantial expenditures to complete and may ultimately be unsuccessful. Any delays in completing these activities could adversely impact the Company. The Company plans to meet its capital requirements primarily through issuances of debt and equity securities and, in the longer term, revenue from product sales.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which contemplate continuation of the Company as a going concern. As of March 31, 2013, the Company had cash and cash equivalents of $240,313. During the three months ended March 31, 2013, the Company incurred a net loss of $2,857,288 and had negative cash flows from operating activities of $939,861. In addition, the Company had an accumulated deficit of $14,719,336 at March 31, 2013. The Company believes its current capital resources are not sufficient to support its operations. Management intends to continue its research efforts and to finance operations of the Company through debt or equity financings. Management plans to seek additional debt and/or equity financing for the Company through private or public offerings or through a business combination or strategic partnership. There can be no assurance that the Company will be successful in obtaining additional financing on favorable terms, or at all. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates - The preparation of financial statements in conformity with GAAP 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 reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

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Certain Significant Risks and Uncertainties - The Company participates in a global dynamic highly competitive industry and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows: ability to obtain future financing; advances and trends in new technologies and industry standards; regulatory approval and market acceptance of the Company's products; development of the necessary manufacturing capabilities and to obtain adequate resources of necessary materials; development of sales channels; certain strategic relationships; litigation or claims against the Company based on intellectual property, patent, product, regulatory, or other factors; and the Company's ability to attract and retain employees necessary to support its growth.

Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents. The Company places its cash and cash equivalents with domestic financial institutions that are federally insured within statutory limits.

Cash and Cash Equivalents - The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment - Property and equipment are stated at cost and are depreciated on a straight-line basis over their estimated useful lives as follows:

Equipment	3 years
Computer equipment	2 years
Furniture and fixtures	3 years

The Company reviews the carrying value of long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. There have been no such impairments.

Property and equipment at March 31, 2013 and December 31, 2012, consisted of the following:

	March 31, 2013	**December 31, 2012**
Equipment	$—	$—
Computer equipment	—	—
Furniture and fixtures	—	—
	—	—
Less accumulated depreciation	—	—

Property and equipment - net	$—	$—

	March 31, 2013	March 31, 2012
Depreciation Expense:		
Three months ended	$—	$2,904
Inception to Date	33,014	

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Revenue Recognition - The Company recognizes revenue when the earnings process is complete, which under SEC Staff Accounting Bulletin No. 104, Topic No. 13, "Revenue Recognition" ("SAB 104"), is when revenue is realized or realizable and earned, there is persuasive evidence a revenue arrangement exists, delivery of goods or services has occurred, the sales price is fixed or determinable, and collectability is reasonably assured.

The Company accounts for milestones related to research and development activities in accordance with the milestone method of revenue recognition of Accounting Standards Codification Topic 605-28, under which consideration contingent on the achievement of a substantive milestone is recognized in its entirety in the period when the milestone is achieved. A milestone is considered to be substantive when it meets all of the following criteria: the milestone is commensurate with either the performance required to achieve the milestone or the enhancement of the value of the delivered items resulting from the performance required to achieve the milestone; the milestone relates solely to past performance; and, the milestone is reasonable relative to all of the deliverables and payment terms within the agreement.

To date, the Company has only received research grant revenue and contract revenue. Research grant revenue and contract revenue is recognized as the Company provides the services stipulated in the underlying agreement based on the time and expenditures incurred, and all milestones required in the agreement have been met. Amounts received in advance of services provided are recorded as deferred revenue and amortized as revenue when the services are provided and the milestones are met. The Company did not receive any research grant revenue during the three months ended March 31, 2013 and 2012, respectively See Note 5 to the financial statements for further information on the research grant revenue received and recognized to date.

Research and Development Expenditures - Research and development expenses consist of personnel costs, including salaries, benefits and stock-based compensation, materials and supplies, licenses and fees, and overhead allocations consisting of various administrative and facilities related costs. Research and development activities are also separated into three main categories: research, clinical development, and biotechnology development. Research costs typically consist of preclinical and toxicology costs. Clinical development costs include costs for Phase 1 and 2 clinical studies. Biotechnology development costs consist of expenses incurred in connection with product formulation and analysis. The Company charges research and development costs, including clinical study costs, to expense when incurred, consistent with the guidance of FASB ASC 730, Research and Development.

Stock-Based Compensation - Stock-based compensation is measured at the grant date based on the fair value of the award. The fair value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. The expense recognized for the portion of the award that is expected to vest has been reduced by an estimated forfeiture rate. The forfeiture rate is determined at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Expected Term — The expected term of options represents the period that the Company’s stock-based awards are expected to be outstanding based on the simplified method provided in Staff Accounting Bulletin No. 110, *Certain Assumptions Used in Valuation Methods*.

Expected Volatility — As the Company has limited stock price history, expected volatility has been estimated based on the volatilities of similar companies that are publicly traded.

Risk-Free Interest Rate — The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend — The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and, therefore, used an expected dividend yield of zero in the valuation model.

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The Company recognizes fair value of stock options granted to nonemployees as stock-based compensation expense over the period in which the related services are received.

Stock Warrants - Certain warrants to purchase the Company’s stock are classified as liabilities in the balance sheets. These warrants are subject to remeasurement at each balance sheet date, and any change in fair value is recognized as a component of other income (expense). Other warrants to purchase the Company’s convertible preferred stock are classified as equity in the balance sheet and are not subject to remeasurement.

Derivative Liability - Certain derivatives embedded within convertible promissory notes have been bifurcated and recorded as derivatives in the balance sheets because they are not clearly and closely related. These derivatives are subject to remeasurement at each balance sheet date, and any change in fair value is recognized as a component of other income (expense).

Income Taxes - The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

In evaluating the ability to recover its deferred income tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In the event the Company determines that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, it would make an adjustment to the valuation allowance that would reduce the provision for income taxes. Conversely, in the event that all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made.

The Company recognizes the tax benefit from uncertain tax positions in accordance with GAAP, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a company’s tax return.

Fair Value of Financial Instruments -The carrying amount reported in the balance sheets for cash and cash equivalents, accounts payable, and accrued liabilities approximates their value due to the short-term maturities of such instruments.

Net income (loss) per share attributable to Amarantus common stockholders

Basic net income (loss) per share attributable to Amarantus common stockholders is calculated by dividing net income (loss) attributable to common stockholders by the weighted average number of shares outstanding for the period. In accordance with FASB ASC 260, because there was a net loss for the period, zero incremental shares were included for diluted earnings per share because the effect would be anti-dilutive .

Recently Adopted Accounting Guidance

Variable Interest Entities. In June 2009, the FASB issued new accounting guidance relating to consolidation of variable interest entities (*"VIEs"*), which amends the current accounting guidance for determining whether an entity is a VIE and defining the primary beneficiary. This guidance also requires additional disclosures relating to involvement with a VIE. We adopted this guidance during the first quarter of our fiscal 2010. The adoption of this guidance did not have a material effect on our Financial Statements and disclosures.

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Fair Value Measurements. In January 2010, the FASB issued new accounting guidance requiring additional disclosures about the different classes of assets and liabilities measured at fair value, valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1 and 2. It also clarified guidance around disaggregation and disclosures of inputs and valuation techniques for Level 2 and Level 3 fair value measurements. The current guidance is effective beginning with the first quarter of our fiscal 2010, except for the new disclosures relating to the Level 3 reconciliation, which was effective for the first quarter of our fiscal 2011. Refer to Note 6 – Fair Value Measurements for our Company's fair value measurements and disclosures.

Recently Issued Accounting Pronouncements

Effective January 1, 2012, the Company adopted ASU No. 2011-04, *"Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS"),"* issued in May 2011. This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011. The new guidance will require prospective application. The adoption of this accounting standard update required expanded disclosure only and did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2011, FASB issued ASU No. 2011-11, *"Balance Sheet (Topic 210)*." This update provides enhanced disclosure requirements regarding the nature of an entity's right of offset related to arrangements associated with its financial instruments and derivative instruments. The new guidance requires the disclosure of the gross amounts subject to rights of set-off, the amounts offset in accordance with the accounting standards followed, and the related net exposure. This pronouncement is effective for financial reporting periods beginning on or after January 1, 2013, and full retrospective application is required. The Company does not expect that the adoption of this ASU will have a material impact on its consolidated financial statements.

4. AGREEMENT AND PLAN OF MERGER

On May 25, 2011, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Amarantus Therapeutics, Inc., a privately held Delaware corporation (Amarantus"), and JKIK Acquisition Corp. ("Acquisition Sub"), our newly formed wholly-owned Delaware subsidiary. In connection with the closing of this merger transaction, Amarantus merged with and into Acquisition Sub (the Merger") on May 25, 2011, with the filing of articles of merger with the Delaware Secretary of State.

In addition, pursuant to the terms and conditions of the Merger Agreement:

· Each share of Amarantus common stock and each share of Amarantus preferred stock issued and outstanding immediately prior to the closing of the Merger was converted into the right to receive a pro-rata portion of a total of 1,820,000 shares of our common stock. As a result, the shareholders of Amarantus received 1,820,000 newly issued shares of our common stock.

· Our board of directors was reconstituted to consist of Martin D. Cleary, Chairman, together with Dr. John W. Commissiong, Gerald E. Commissiong, Arnold T. Grisham, Robert L. Harris, and Eugene Mancino, who prior to the Merger were the directors of Amarantus.

· Our sole officer and director immediately prior to the Merger, Richard Douglas, resigned from the board and from all offices.

· Our board appointed Martin D. Cleary as our Chief Executive Officer, Dr. John Commissiong as our Chief Scientific Officer, Gerald E. Commissiong as our Chief Operating Officer, and Marc E. Faerber as our Chief Financial Officer, Treasurer, and Secretary.

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· In connection with the Merger, our former sole officer and director immediately prior to the Merger, Richard Douglas, received a transfer of all assets and agreed to assume all liabilities related to our pre-merger business.

· Following the closing of the merger, Mr. Douglas canceled and returned all 10,000,000 shares of his common stock.

· Following the closing of the merger, in a separate transaction, we authorized a forward split of 25 shares for each share of our common stock issued and outstanding at the time of the split.

· Following the closing of the merger, our board of directors and shareholders approved a change in the name of the company to Amarantus BioSciences, Inc."

· As a result, following these events, there were 67,000,000 shares of our common stock issued and outstanding.

· In connection with the Merger, we adopted Amarantus' 2008 Stock Plan and confirmed all options issued thereunder. In addition, we adopted and assumed certain convertible notes and warrants issued by Amarantus prior to the Merger.

· Amarantus provided customary representations and warranties and complied with standard closing conditions, including approval of the Merger by its voting stockholders.

Expenses incurred with the merger were $26,186 and have been recorded as part of Stockholders' Equity.

The Merger is being accounted for as a reverse recapitalization. Reverse recapitalization accounting applies when a non-operating public shell company (Jumpkicks) acquires a private operating company (Amarantus) and the owners and management of the private operating company have actual or effective voting and operating control of the combined company. A reverse recapitalization is equivalent to the issuance of stock by the private operating company for the net monetary assets of the public shell corporation accompanied by a recapitalization with accounting similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded. In the Merger transaction, Jumpkicks qualifies as a non-operating public shell company because all pre-merger business assets and liabilities were transferred to and assumed by the sole officer and director of Jumpkicks, prior to the completion of the Merger. The reverse recapitalization accounting is attributable to a long-held position of the staff of the Securities and Exchange Commission as the acquisition of a non-operating public shell company does not qualify as a business for business combination purposes, as described in Accounting Standards Codification Topic 805, Business Combinations.

Complete information regarding the merger was included in our Form 8K/A filed on June 3, 2011.

5. MICHAEL J. FOX FOUNDATION GRANT

In April 2010, the Company was awarded a grant from the Michael J. Fox Foundation for Parkinson's Research ("MJFF"). Pursuant to the MJFF grant, the Company performed research related to comparison and analysis of certain genes in rodent models of Parkinson's disease. The grant provided for the reimbursement of expenses as incurred up to a maximum of $370,716, payable in two installments with targeted payments in April 2010 and October 2010, and it established two milestones

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6. Fair Value Measurements

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 — Inputs that are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The Company's financial assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2013 and December 31, 2012, by level within the fair value hierarchy, are as follows:

Fair Value Measurements at March 31, 2013

	Level 1	**Level 2**	**Level 3**	**Total**
Warrant Liability			$—	$—
Derivative Liability			921,954	921,954
Total	$—	$—	$921,954	$921,954

Fair Value Measurements at December 31, 2012

	Level 1	**Level 2**	**Level 3**	**Total**
Warrant Liability			$232,988	$232,988
Derivative Liability			26,893	26,893
Total	$—	$—	$259,881	$259,881

The following table provides a summary of changes in the fair value of the Company's Level 3 financial liability mentioned above for the year ended December 31, 2012, for the three months ended March 31, 2013 and for the period from January 14, 2008 (date of inception) to March 31, 2013:

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	Warrant Liability	Derivative Liability	Total
January 14, 2008 (date of inception)	$—	$—	$—
Issuance of warrants	52,665	—	52,665
Issuance of convertible notes	—	9,377	9,377
Changes in fair value	(15,960)	(4,402)	(20,362)
December 31, 2008	36,705	4,975	41,680
Changes in fair value	(1,692)	(4,975)	(6,667)
December 31, 2009	35,013	0	35,013
Issuance of warrants	3,680	—	3,680
Issuance of convertibles notes	—	281,466	281,466
Reclassification of warrants to equity	(37,110)	—	(37,110)
Cancellation of warrants	(65,082)	—	(65,082)
Changes in fair value	67,915	6,081	73,996
December 31, 2010	$4,416	$287,547	$291,963
Issuance of warrants	314,835	—	314,835
Issuance of convertible notes	—	257,210	257,210
Changes in fair value	(35,320)	(404,051)	(439,371)
December 31, 2011	$283,931	$140,706	$424,637
Conversion of warrants to common stock	(2,031)	—	(2,031)
Issuance of convertible notes	—	4,044,349	4,044,349
Changes in fair value	(48,912)	(4,158,162)	(4,207,074)
December 31, 2012	$232,988	$26,893	$259,881
Issuance of convertible notes	—	2,893,435	2,893,435
Changes in fair value	(232,988)	(1,998,374)	(2,231,362)
March 31, 2013	$—	$921,954	$921,954

The valuation of the convertible stock warrant liability is discussed in Note 8.

7. Accrued Liabilities

Accrued liabilities at March 31, 2013 and December 31, 2012, consisted of the following:

	March 31, 2013	December 31, 2012
Accrued compensation and related benefits	$18,746	$ 18,746
Accrued interest	132,957	131,303
Total	$151,703	$ 150,049

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8. Convertible Promissory Notes and derivative liability

The Company owes the principal amount of $230,000 to a total of six (6) investors who were issued Convertible Promissory Notes under the terms of a Convertible Promissory Note Agreement dated December 13, 2010 and amended on March 23, 2011 as follows:

Principal Amount	Issue Date	Maturity Date	Converted to Equity	Conversion Date
$ 100,000	12-13-10	12-13-12	100,000	1-16-13
$ 25,000	4-11-11	4-08-13		
$ 35,000	4-15-11	4-15-13	35,000	6-11-12
$ 10,000	4-22-11	4-22-13	10,000	5-31-12
$ 50,000	4-27-11	4-27-13	50,000	1-16-13
$ 10,000	4-08-11	4-08-13		

These notes bear interest at a rate of 5% per annum, with all principal and accrued interest payable on the maturity date. Principal and unpaid accrued interest due under these notes shall be automatically converted into our equity securities at the closing of our next equity financing in which the gross proceeds exceed $1,000,000 (the "Next Equity Financing"), based on a conversion price equal to one-third of the price per share of the stock sold to outside investors in the Next Equity Financing. If the Next Equity Financing does not occur on or before the maturity date, the principal and unpaid accrued interest can be converted at our option into shares of our most recently closed equity financing, based on a conversion price equal to one-third of the price per share of the most recently closed equity financing. On May 30th, 2012, at the request of a majority of the note holders, the Company modified the conversion terms to allow these notes to convert at a fixed price of $0.04 at any time, with all other provisions remaining exactly the same.

In addition, we previously owed the principal sum of $41,537 to Molecular Medicine Research Institute ("MMRI"), who was issued a series of Convertible Promissory Notes under the terms of a Note and Warrant Purchase Agreement as follows:

Principal Amount	Issue Date	Maturity Date	
$16,037	11-1-10	11-1-12	Note principal and accrued interest assigned June, 2012
$4,250	12-1-10	12-1-12	Note principal and accrued interest assigned June, 2012
$4,250	1-1-11	1-1-12	Note principal and accrued interest assigned June, 2012
$4,250	2-1-11	2-1-12	Note principal and accrued interest assigned October, 2012
$4,250	3-1-11	3-1-12	Note principal and accrued interest assigned October, 2012
$4,250	4-1-11	4-1-12	
$ 4,250	5-1-11	5-1-12	

These notes bear interest at a rate of 5% per annum, with all principal and accrued interest payable on demand by the holder on or after the maturity date. Principal and unpaid accrued interest due under these notes shall be converted, at the option of the holder, into our equity securities at the closing of our next equity financing in which the gross proceeds exceed $1,000,000 (the "Next Equity Financing"), based on a conversion price equal to the price per share of the stock sold to outside investors in the Next Equity Financing. If the Next Equity Financing does not occur on or before the maturity date, the principal and unpaid accrued interest can be converted at our option into a new class of Preferred Stock, with the conversion price per share to be based upon a pre-money valuation of the company at that time of $2,000,000. These notes also include 20% warrant coverage which expires seven years from the date of the note. In June and October 2012, $33,037 of the note principal plus accrued interest was assigned to a new investor. Along with this assignment the warrants associated with these specific notes have been cancelled.

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In August, 2012, we entered into a convertible note agreement with an investor for a principal amount of $30,880. This note bears an interest rate of 12% per annum, compounded monthly, and has a maturity date of June 5, 2013. The note holder has the option to convert the note into common stock at any time, conversion at 55% of the lowest trading price over the prior three trading days from the date of conversion. We have the option to prepay the note at any time in the amount of 150% of the principal and unpaid accrued interest. This note is an assignment of a previous note. Also in September, 2012, the note holder converted $10,805, and in October, 2012, the note holder converted $19,145, into common shares of the Company.

We also owe the principal sum of $500,000 to a total of ten (10) investors who were issued Secured Convertible Promissory Notes under the terms of a Senior Secured Convertible Promissory Note Agreement dated December 28, 2010, as amended May 20, 2011 as follows:

Principal Amount	Issue Date	Maturity Date	Assigned	
$125,000	12-28-10	12-6-11	$ 83,000 42,000	Assigned October and September 2012
$62,500	12-28-10	12-6-11	62,500	Assigned January 2013
$100,000	4-13-11	12-6-11	100,000	Assigned January 2013
$25,000	4-13-11	12-6-11	25,000	Assigned January 2013
$ 25,000	5-13-11	12-6-11	25,000	Assigned January 2013
$50,000	5-16-11	12-6-11	50,000	Assigned January 2013
$25,000	5-10-11	12-6-11	25,000	Assigned January 2013
$25,000	5-24-11	12-6-11	25,000	Assigned January 2013
$31,250	6-7-11	12-6-11	31,250	Assigned January 2013
$31,250	6-3-11	12-6-11	31,250	Assigned January 2013

Principal and interest, accrued at the rate of 5% per annum, are due and payable on December 6, 2011, unless earlier converted into equity securities of the company. Principal and unpaid accrued interest shall be converted, at the option of the holder, into equity securities of the company at the closing of our next equity financing in which gross aggregate proceeds to the Company exceed $1,750,000 and the Company registers its stock for sale pursuant to the Securities and Exchange Act of 1934. The conversion price shall be equal to one-third of the price per share of this financing. If this financing does not occur on or before the maturity date, the principal and unpaid accrued interest can be converted, at the option of the holders of a majority of the aggregate principal amount of the senior secured convertible promissory notes, into common stock of the Company. These notes were formerly secured by collateral consisting of substantially all assets of the company. Under the May 20, 2011 amendment to the Senior Secured Convertible Promissory Note Agreement, this security interest was terminated. Under the terms of the agreement as amended, we may not incur any indebtedness for borrowed money except pursuant to an agreement that provides that repayment of such indebtedness will be subordinated to repayment of the Notes. In addition, we may not encumber any of our property during such time as the Notes remain due and owing. As provided in the amendment the note holders have warrant coverage equal to 100% of the note principal at an exercise price equal to 100% of that to outside investors in the closing of the next equity financing of $1,175,000, but not to be less than $0.60 per share. The warrants expire five years from the date of the next equity financing closing. We are currently in default on these notes. See footnote 9 Commitments and Contingencies for further information.

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During the twelve months ended December 31, 2011, the Company issued convertible promissory notes to various investors for aggregate proceeds of $100,000. Principal and interest on these convertible notes, accrued at the rate of 6% per annum, are due and payable 180 days from the issuance date, unless earlier converted into equity securities of the Company, at the option of the Holder of the promissory note. Conversion of the principal and interest will be at either $0.10 or $0.20 per share. In addition, the Company issued warrants to the note holders to purchase a number of shares of capital stock issued to investors at the equivalent of 100% of the principal amount of the notes divided by the respective price per share of the stock which the principal of the note converts into. The warrants expire one year from the date of the note. During the year ended December 31, 2012, $57,000 of these convertible notes converted to Company Common shares and another $40,000 was assigned to another note holder in September 2012. During the 3 months ended March 31, 2013 the final note in the amount of $3,000, issued September 26, 2011 was paid in full.

Principal Amount	Issue Date	Maturity Date	Converted to Equity	Assigned	Paid	Assigned or Conversion Date
$21,000	7-28-11	1-24-12	$21,000			February 2012
$21,000	7-28-11	1-24-12	$21,000			February 2012
$10,000	8-16-11	2-12-12		$10,000		October 2012
$20,000	8-18-11	2-14-12		$20,000		September 2012
$5,000	9-6-11	3-4-12	$5,000			February 2012
$5,000	9-9-11	3-7-12	$5,000			February 2012
$3,000	9-26-11	3-24-12			$3,000	March 2013
$5,000	11-2-11	4-30-12	$5,000			February 2012
$10,000	11-23-11	5-21-12		$10,000		September 2012

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During the period January, 2012 through December, 2012, the Company issued convertible promissory notes to various investors for aggregate proceeds of $485,875. Principal and interest on these convertible notes accrue at the rate of 6% per annum, are due and payable 180 days from the issuance date, unless earlier converted into equity securities of the Company, at the option of the Holder of the promissory note. Conversion of the principal and interest will be at either $0.01 or $0.165 per share.

Principal Amount	Issue Date	Maturity Date	Converted to Equity	Conversion Date
$5,000	12-30-11	6-27-12	$5,000	February 2012
$3,638	1-5-12	1-4-13	$3,638	November 2012
$100,000	1-17-12	7-15-12	$100,000	December 2012
$7,800	2-8-12	2-7-13	$7,800	November 2012
$3,750	2-21-12	8-19-12	$3,750	February 2012
$25,000	4-2-12	9-29-12	$25,000	April 2012
$5,000	5-18-12	11-14-12	$5,000	December 2012
$ 13,000	6-6-12	12-3-12		
$5,000	7-10-12	1-6-13	$5,000	December 2012
$ 50,000	8-23-12	2-19-13		
$5,500	9-4-12	3-3-13	$5,500	December 2012
$ 5,000	9-21-12	3-20-13		
$ 10,000	9-24-12	3-23-13		
$ 21,000	10-2-12	3-31-13		
$5,000	10-9-12	NA	$5,000	October 2012
$4,000	10-12-12	NA	$4,000	October 2012
$ 19,900	10-26-12	4-24-13		
$10,000	10-29-12	4-27-13	$10,000	October 2012
$10,000	11-2-12	5-1-13	$10,000	December 2012
$11,437	10-30-12	10-30-13	$11,437	November 2012
$7,500	11-2-12	5-1-13	$7,500	November 2012
$24,000	11-2-12	5-1-13	$24,000	November 2012
$ 10,000	11-5-12	5-4-13		
$50,000	11-7-12	5-6-13	$50,000	November 2012
$10,000	11-8-12	NA	$10,000	November 2012
$ 20,000	11-8-12	5-7-13		
$5,000	11-8-12	NA	$5,000	December 2012
$ 6,000	11-13-12	5-12-13		
$ 350	11-13-12	NA		
$ 20,000	11-14-12	NA		
$ 13,000	11-19-12	5-18-13		

In August, 2012, $6,066 of convertible note principle was issued as part of a unit debt instrument which consisted of a return on investment (“ROI”) agreement and a convertible promissory note in return for $6,066. The ROI has a redemption value of $6,672 due on demand and the convertible promissory note is for $6,066, non-interest bearing, due February 21, 2013, and is convertible to common shares after six months from the date of the note at a conversion price that is 50% of the lowest trading price over the 20 prior trading dates from the date of conversion notice.

On November 14, 2012 the Company entered into a Securities Purchase agreement with Dominion Capital LLC and signed a 10% Convertible promissory Note in the principal amount of $600,000. This amount is repayable in 4 equal weekly installments of $165,000 ($150,000 principal and $15,000 interest) commencing May 14, 2013.

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The following notes were assigned between parties:

Principal Amount	Issue Date	Maturity Date	Converted to Equity	Conversion Date
$9,202	10-2-12	NA	$9,202	December 2012
$10,000	10-18-12	NA	$10,000	October 2012
$40,000	10-24-12	NA	$30,000	Oct & Nov 2012
$ 10,172	11-4-12	5-3-13	$	
$ 43,000	12-12-12	Demand		

During the three months ended March 31, 2013, nine notes, totaling $375,000 on January 28, 2013, were assigned to Dominion. Dominion, subsequently converted $260,000 of the notes on February 1, 2013 and an additional $115,000 of the notes on February 19, 2013.

During the three months ended March 31, 2013, the accrued interest on eight notes, totaling $187,500 on January 28, 2013, were assigned to Dominion. This new note has a 25% guaranteed interest rate and matures July 30, 2013.

During the three months ended March 31, 2013, the accrued interest on two notes, totaling $15,000 on January 28, 2013, were converted

A number of Company's convertible notes contain embedded derivatives wherein their automatic conversion, which is contingent upon a future equity raise, can accelerate the realization of the expected payout for each note. This feature creates the possibility of a greater than expected return for the note holder and thus a higher than expected liability for the Company. The value of this feature was estimated for each note using the probability expected return method, in which the payout of distinct potential early conversion scenarios was discounted to the present using the expected IRR of the note and compared with the present value of the note if held to maturity. Probabilities were applied to the value of early conversion in each scenario to arrive at a probability weighted value of the early conversion feature.

As of March 31, 2013 and December 31, 2012, the fair value of the derivative liability was $921,954 and $26,893, respectively. The changes in fair value for the three month periods ended March 31, 2013 and March 31, 2012 and the period from January 14, 2008 (date of inception) to March 31, 2013 of $(99,573), $177,634, and $782,601, respectively, has been recorded in the accompanying statements of operations as a component of other income (expense).

At March 31, 2013, total future minimum payments under the Convertible Notes are as follows:

2013	$465,859
Less Debt discounts resulting from warrant and derivative liabilities	(137,132)
Net minimum payments	$328,727

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9. commitments and contingencies

Commitments — The Company leases its main office facility and a second facility for research in Sunnyvale, CA under sublease agreements that provide for month-to-month extensions by the Company.

Rent expense for the three months ended March 31, 2013 and 2012, and for the period from January 14, 2008 (date of inception) to March 31, 2013, were $7,912, $9,336, and $289,622, respectively.

Effective November 1, 2011 the Company entered into a consulting agreement where the consultant is to receive a stock option for common stock of 500,000 shares, fully vested, to be priced upon the Board of Directors approving such grant.

Contingencies — From time to time, the Company may become involved in litigation. On January 6, 2012 the Company was served a summons regarding the filing of a lawsuit (Complaint for Breach of Contract, Specific Performance and Common Counts) against the Company by a former consultant to the Company, Peter Freeman v. Amarantus Bioscience Holdings, Inc. This matter was settled in August 2012 and all settlement commitments have been met as of November 2012.

In addition the Company is in default on payment of certain Convertible Notes that were due prior to March 31, 2013, and is also late with regard to making payments to various trade account vendors for goods and services received, of which some accounts are currently with collection agencies and could possibly result in lawsuits with the Company.

The Company agreed to compensate certain vendors for services rendered contingent upon the occurrence of future financings as follows:

Future financing with proceeds of at least	
$1,000,000	$50,000
1,250,000	20,000
1,500,000	26,000
2,000,000	50,000
5,000,000	50,000
Total	$216,000

The Company incurred various obligations related to the original acquisition of its intellectual property around the time the Company was founded. These transactions are described more fully below in Note 16, including a reference to contingent obligations reflected in the financial statements.

10. segment reporting

The Company operates in one reportable segment. The Company's Chief Executive Officer, who is considered to be the chief operating decision maker, manages the Company's operations as a whole and reviews financial information presented on a this basis, for purposes of evaluating financial performance and allocating resources.

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11. Related-Party Transactions

The Company was co-founded in 2008 by Mr. Gerald Commissiong and Dr. John Commissiong under the original name of CNS Protein Therapeutics, Inc. ("CNS"), and changed its name to Amarantus BioSciences, Inc. in 2010. Dr. Commisiong is currently the Chief Scientific Officer, a member of the Board of Directors (appointed in March 2011) and majority shareholder of the Company. Mr. Gerald Commissiong is currently the Chief Operating Officer, a member of the Board of Directors, and a significant shareholder of the Company. Dr. Commissiong also founded Neurotrophics, Inc., a Canadian company, in 2003. In 2007, Neurotrophics established an agreement with EMS Development Group to acquire the intellectual property rights to a protein compound, mesencephalic astrocyte-derived neurotrophic factor ("MANF"), from Prescient Neuropharma Co. MANF was discovered by Dr. Commissiong while working for Prescient in 2002, as a drug candidate with promising therapeutic properties for treatment of syndromes such Parkinson's Disease.

EMS received $59,000 in 2007 in funding from Neurotrophics to purchase the MANF intellectual property rights. Prior to this payment, Neurotrophics received a total of $100,000 in investments from certain outside parties. The same investors provided $100,000 in funding to CNS in 2008, and CNS renegotiated and assumed the $100,000 convertible note investment made into Neurotrophics. The investors directed Neurotrophics and EMS to assign the MANF intellectual property rights to CNS and CNS agreed to assume certain other liabilities related to the technology transfer. CNS will compensate these creditors on a future date mutually agreeable between the parties., In addition, CNS agreed to compensate EMS for its assistance in acquiring the rights to MANF by making installment payments in an aggregate amount of $95,000.

The technology transfer transaction created a contingent liability for the Company. Legal counsel to the Company has advised that transfers of assets out of the usual course of business, referred to under applicable Canadian law as "bulk sales", must comply with certain rules in order to avoid a potential voiding of the sale or transfer, making the purchaser liable to unpaid trade creditors, or creating an encumbrance on the assets transferred or sold. The transfer of the MANF rights by Neurotrophics to CNS may impose such obligations on CNS, as a purchaser. Counsel further advised that upon payment in full of all of the Neurotrophics debts outstanding as of March 5, 2008, no action can be successfully maintained to void or set aside the transfer of the MANF rights to CNS, and thus to the Company.

To remedy this contingent liability, CNS agreed to compensate Neurotrophics to repay its creditors on a future date mutually agreeable between the parties, and agreed to assume debts owed to John Commissiong and Gerald Commissiong by Neurotrophics.

The Company has recorded a total of $-0- and $-0- as of March 31, 2013 and December 31, 2012, respectively in obligations reflecting this liability in its financial statements. The Company recorded the assumption of the Neurotrophics debts as a distribution in 2008.

In October 2010, the Company entered into an agreement with the founders, Gerald Commissiong and John Commissiong, where they will receive a 2.5% (1.25% each for Gerald Commissiong and John Commissiong) Royalty from the gross commercial revenue of patents derived from the Company's proprietary PhenoGuard platform technology, including patents associated with the MANF Protein and related Gene."

The Company obtained the services of its former Chairman Martin D. Cleary through a consulting agreement. During the three months ended March 31, 2013 and the years ended December 31, 2012, 2011, and the period from January 14, 2008 (date of inception) to December 31, 2012, consulting services of $-0-, $-0-, $200,000, and $479,166, respectively are included in the statement of operations. This agreement also includes a change of control clause whereby the Company shall pay Mr. Cleary a bonus of 5% of the gross proceeds to the Company resulting from the change of control. Upon his election and in his sole discretion, and in lieu of the change of control bonus, the Company shall issue to him shares of the Company's common stock equal to 2.5% of the Company's fully diluted capitalization as of the date of termination of the agreement. Mr. Cleary resigned from the Company in July, 2012.

In March 2012, a former and an existing Board of Director member converted a Convertible Promissory Note in the amount of $21,000, each plus accrued interest. This resulted in the issuance of 217,280 shares of Common Stock to each party. In addition, in March 2012 an existing Board of Director member converted a Convertible Promissory Note in the amount of $30,000. This resulted in the issuance of 608,300 shares of Common Stock. The same Board member also held $160,172 of Convertible Promissory Notes with the company as of December 31, 2012. $100,000 of this Convertible Promissory Note was converted in January, 2013, resulting in the issuance of 2,765,625 shares of Common Stock and a remaining balance of $60,172 as of March 31, 2013.

As of March 31, 2013 advances of $59,273 and $43,200 are due from John and Gerald Commissiong, respectively.

In January 2013 a current independent Board of Director member and his spouse both converted a Convertible Promissory Note in the amounts of $100,000 and $50,000, respectively.

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12. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company discovered that there was an error in the financial statements contained in the Company's March 31, 2012 financial statements on Form 10-Q. The error resulted from clerical mistakes in the computation of derivatives. The error affected the Company's Balance Sheet at March 31, 2012 and Statement of Operations and Statement of Cash Flows for 3 months ended March 31, 2012.

The Company has made adjustments to its previously issued financial statements to correct for this error. The effect of the restatement relating to this error on the Company's financial accounts is as follows:

BALANCE SHEET

March 31, 2012	Previously Reported	Adjustments	As Restated	Percent Change
(in thousands)				
Accounts Payable	$1,994,522	$ (5,001)	$1,989,521	-0.3 %
Current portion of derivative liability	$4,901	$ 7,480	$12,381	152.6%
Current portion of convertible promissory notes	$1,049,859	$ (47,608)	$1,001,451	-4.6 %
Total current liabilities	$3,798,927	$ (45,129)	$3,753,798	-1.2 %
Total liabilities	$3,935,988	$ (45,129)	$3,890,859	-1.2 %
Deficit accumulated during the development stage	$(8,088,889)	$ 45,129	$(8,043,760)	-0.6 %
Total stockholders' deficit	$(3,169,346)	$ 45,129	$(3,124,217)	--1.4 %

STATEMENTS OF OPERATIONS

March 31, 2012	Previously Reported	Adjustments	As Restated	Percent Change
(in thousands)				
Research and development	$80,916	$ (4,486)	$76,430	-5.5 %
General and administrative	$1,289,849	$ (514)	$1,289,335	0.0 %
Total costs and expenses	$1,370,765	$ (5,000)	$1,365,765	-0.4 %
LOSS FROM OPERATIONS	$1,370,765	$ (5,000)	$1,365,765	-0.4 %
Interest Expense	$(72,215)	$ (56,985)	$(129,200)	78.9 %
Change in fair value of warrant & derivatives liabilities	$80,580	$ 97,054	$177,634	120.0%
Total interest & other income (Expense)	$8,305	$ 40,129	$48,434	483.2%
NET (LOSS)	$(1,362,460)	$ 45,129	$(1,317,331)	-3.3 %

STATEMENTS OF CASH FLOWS

March 31, 2012	Previously Reported	Adjustments	As Restated	Percent Change
(in thousands)				

NET (LOSS)	$(1,362,460)	$ 45,129	$(1,317,331)	-3.3 %
Non-cash interest expense related to warrants and derivatives	$37,002	$ (47,608)	$(10,606)	-128.7%
Change in fair value of warrant and derivative liabilities	$(80,520)	$ 7,480	$(73,040)	-9.3 %
Accounts payable	$256,188	$ (5,001)	$251,187	-2.0 %

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13. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date its financial statements were available for issuance. The Company determined that the financial statements were available for issuance on May 8, 2013.

On April 1, 2013 Amarantus BioScience, Inc. (the “Company”) filed a Certificate of Designation with the State of Nevada creating a series of Series C Convertible Preferred Stock consisting of 750,000 shares. On April 2, 2013 the Company filed the Certificate of Designation with the State of Nevada formally creating the previously disclosed series of Series B Convertible Preferred Stock consisting of 2,500,000 shares.

The Series B Convertible Preferred Stock has no anti-dilution provisions, can only be issued to officers, directors and advisors of the Company, and cannot be converted into common stock, transferred, sold or disposed of in any manner for 24 months.

The Series C Convertible Preferred Stock has no anti-dilution provisions, can only be issued to officers and directors of the Company, is convertible into a cumulative total of 750,000 common shares and is automatically convertible into common stock upon listing of the Company’s common stock to a national stock exchange.

On April 3, 2013, the Company entered into a Settlement Agreement and Release with On Assignment Staffing Services, Inc. (“On Assignment”) pursuant to which the Company will pay On Assignment an aggregate of $45,000 over a period of time and On Assignment will dismiss its lawsuit against the Company currently pending in Santa Clara County, California. The Company is no longer subject to any legal proceedings.

On April 4, 2013, the Company received the Final Report from the Swiss-based, neuroscience-focused consulting firm the company previously disclosed it had retained to conduct a full review of the data generated as a result of the Company’s research grant with the Michael J. Fox Foundation entitled “Comparisons and Actions of MANF and GDNF in a Rodent Model of Parkinson’s Disease”.

On April 4, 2013, the Company announced that it was adopting a holding company structure with separate business units in order to more effectively develop its various assets and would be changing its name to Amarantus Bioscience Holdings, Inc.

On April 5, 2013, Amarantus Bioscience Holdings, Inc. (formerly known as Amarantus Bioscience, Inc.) (the “Company”) filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada, pursuant to which the Company’s name was changed from Amarantus Bioscience, Inc. to Amarantus Bioscience Holdings, Inc.

On April 15, 2013, Amarantus Bioscience Holdings, Inc. appointed Russell Miller as Director of Investor Relations. Mr. Miller previously served as Director of Investor Relations for US Data Works and for Force Protection, Inc.

As previously disclosed, on January 30, 2013, Amarantus Bioscience Holdings, Inc. (the “Company”) executed an amendment to a Convertible Promissory Note payable to Dominion Capital, LLC (“Dominion”) or its registered assigns (the “Dominion Note”), dated November 14, 2012, providing for an increase in the purchase price for such note from $600,000 to $2,000,000, to be disbursed in tranches through April 26, 2013. The Dominion Note is convertible into shares of the Company’s common stock, subject to certain restrictions, at a price of $0.10 per share. On April 12, 2013, the Company received the final $200,000 tranche from Dominion, such that the Company has received an aggregate of $2,000,000 in gross proceeds in accordance with the terms of the Dominion Note.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements." These forward-looking statements generally are identified by the words believes," project," expects," anticipates," estimates," intends," strategy," plan," may," will," would," will be," will continue," likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Overview

Amarantus Bioscience Holdings, Inc. is a California-based development-stage biotechnology company founded in January 2008. We focus on developing our intellectual property and proprietary technology to develop drug candidates to treat human disease. We own the intellectual property rights to a therapeutic protein known as Mesencephalic-Astrocyte-derived Neurotrophic Factor (MANF").

MANF is a protein that corrects protein misfolding. Protein misfolding is one of the major causes of apoptosis (cell death). This property provides a compelling rationale for the research and development of MANF-based products as therapeutics for human disease. Our lead MANF product development effort is centered on a therapy for Parkinson's disease.

Amarantus licensed the intellectual property rights to a diagnostic blood test to diagnose Alzheimer's disease from Memory Dx, LLC in December 2012. LymPro is a diagnostic blood test that evaluates the quantities and concentrations of certain biomarkers in the blood with a scientific relationship to Alzheimer's based on cell cycling.

We also own an inventory of 88 cell lines that we refer to as PhenoGuard Cell Lines. MANF was the first therapeutic protein discovered from a PhenoGuard Cell Line. We believe that we may identify additional therapeutic proteins from its inventory of PhenoGuard Cell Lines.

Principal Products in Development

The Company's philosophy is to acquire in-license, discover and develop drug candidates and diagnostics with the potential to address critically important biological pathways involved in human disease. Since inception, the Company's research team has been focused on developing MANF as a therapeutic for Parkinson's disease, and other apoptosis-related disorders. The Company's business plans are focused in these specific areas:

- Development of MANF to treat Parkinson's disease, and secondarily other apoptosis-related disorders including ischemic heart disease, traumatic brain injury and organ transplantation;
- Development of LymPro as a blood test to diagnose Alzheimer's disease in its earliest stages, and secondarily further research of NuroPro and BC-SeraPro to diagnose neurodegenerative diseases and breast cancer;
- Exploration of the Company's PhenoGuard platform for drug candidate screening and discovery; and
- Evaluation of external drug candidates for potential in-licensure or acquisition.

For the next 12 months, the Company intends to focus on the development of MANF and the development of LymPro. The Company intends to use minimal resources and look for appropriate research partnership opportunity to further develop its BC-SeraPro, NuroPro and PhenoGuard assets.

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Results of Operations

The Three Months Ended March 31, 2013 compared to Three Months Ended March 31, 2012

During the three months ended March 31, 2013, Amarantus generated no revenue and incurred $1,884,597 in operating expenses, resulting in loss from operations of $1,884,597. Operating expenses consisted of research and development costs of $663,924 and general and administrative expenses of $1,220,673. Stock compensation expense of $508,229 was included in the operating loss for the three months ended March 31, 2013. During the three months ended March 31, 2013, Amarantus also incurred interest expense of $873,118, and other expense of $99,573 related to a change in fair value of warrant and derivative liabilities. Amarantus' net loss for the three months ended March 31, 2013 was $2,857,288.

During the three months ended March 31, 2012, Amarantus generated no revenue and incurred $1,365,765 in operating expenses, resulting in loss from operations of $1,365,765. Operating expenses consisted of research and development costs of $76,430 and general and administrative expenses of $1,289,335. Stock compensation expense of $12,782 was included in the operating loss for the three months ended March 31, 2012. During the three months ended March 31, 2012, Amarantus also incurred interest expense of $129,200, and other income of $177,634 related to a change in fair value of warrant and derivative liabilities. Amarantus' net loss for the three months ended March 31, 2012 was $1,317,331.

Inflation adjustments have had no material impact on the Company.

Liquidity and Capital Resources

As of March 31, 2013, we had current assets in the amount of $552,617 consisting of $240,313 in cash and cash equivalents and $312,304 in prepaid expenses and other current assets. As of March 31, 2013, we had current liabilities in the amount of $6,515,888, consisting of $2,741,421 in accounts payable, $151,703 in accrued liabilities, $222,083 in related party liabilities, $1,800,000 in notes payable, $921,954 representing the current portion of derivative liabilities, and $328,727 representing the current portion of convertible promissory notes. As of March 31, 2013, we had a working capital deficit in the amount of $5,963,271.

We will need to raise significant financing in order to continue to operate and execute our business plan. It will cost roughly $1,000,000 to complete our next major milestone. Additionally, we will need ongoing operating capital to retain employees, pay creditors and ongoing expenses, as well as execute non-core aspects of our business plan, which management believes will yield significant value to its shareholders.

The success of our business plan during the next 12 months and beyond is contingent upon us generating sufficient revenue to cover our costs of operations, or upon us obtaining additional financing. Should our revenues be less than anticipated, or should our expenses be greater than anticipated, then we may seek to obtain business capital through the use of private equity fundraising or shareholders loans. We do not have any formal commitments or arrangements for the sales of stock or the advancement or loan of funds at this time. There can be no assurance that such additional financing will be available to us on acceptable terms, or at all. Similarly, there can be no assurance that we will be able to generate sufficient revenue to cover the costs of our business operations. We will use all commercially-reasonable efforts at its disposal to raise sufficient capital to run its operations on a go forward basis.

We were founded in 2008 to advance novel therapies for human disease. We were seeking to raise capital from new investors when the financial-collapse of 2008 resulted in a prolonged depression. This financial collapse dramatically altered the financing environment for biotechnology companies seeking to access the capital markets to obtain financing to advance their research and development activities. The trend of difficult access to the capital markets has continued through to the current fundraising environment and has been evidenced by reduced pricing and lower capital raises in many biotechnology-related initial public offerings.

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We have been successful in raising convertible note financing from various individual investors over the last several months and more recently have raised a significant amount of funds from a specific financial institution. This is an encouraging trend that we expect to continue as we continue operations. We will continue to use commercially-reasonable efforts going forward to raise equity financing and other financing instruments to raise sufficient capital to continue operations and meet our major milestones.

Off Balance Sheet Arrangements

Pursuant to the terms of certain contractual agreements, we have agreed to compensate certain vendors for services rendered contingent upon the occurrence of future financings. These transactions are described more fully under Liquidity and Capital Resources, below, and in Note 9 to our financial statements. These obligations are not reflected in our accounts and represent an off balance sheet liability contingent upon achieving the respective funding levels specified in the relevant agreements.

Going Concern

We are a development stage company engaged in biotechnology research and development. We have suffered recurring losses from operations since inception, have a working capital deficit, and have generated negative cash flow from operations. For these reasons, our auditors have raised a substantial doubt about our ability to continue as a going concern.

Critical Accounting Policies

Use of Estimates - The preparation of financial statements in conformity with GAAP 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 reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Certain Significant Risks and Uncertainties - The Company participates in a global dynamic highly competitive industry and believes that changes in any of the following areas could have a material adverse effect on the Company’s future financial position, results of operations, or cash flows: ability to obtain future financing; advances and trends in new technologies and industry standards; regulatory approval and market acceptance of the Company’s products; development of the necessary manufacturing capabilities and to obtain adequate resources of necessary materials; development of sales channels; certain strategic relationships; litigation or claims against the Company based on intellectual property, patent, product, regulatory, or other factors; and the Company’s ability to attract and retain employees necessary to support its growth.

Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents. The Company places its cash and cash equivalents with domestic financial institutions that are federally insured within statutory limits.

Cash and Cash Equivalents - The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment - Property and equipment are stated at cost and are depreciated on a straight-line basis over their estimated useful lives as follows:

Equipment	3 years
Computer equipment	2 years
Furniture and fixtures	3 years

The Company reviews the carrying value of long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. There have been no such impairments.

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Revenue Recognition - The Company recognizes revenue when the earnings process is complete, which under SEC Staff Accounting Bulletin No. 104, Topic No. 13, "Revenue Recognition" ("SAB 104"), is when revenue is realized or realizable and earned, there is persuasive evidence a revenue arrangement exists, delivery of goods or services has occurred, the sales price is fixed or determinable, and collectability is reasonably assured.

The Company accounts for milestones related to research and development activities in accordance with the milestone method of revenue recognition of Accounting Standards Codification Topic 605-28, under which consideration contingent on the achievement of a substantive milestone is recognized in its entirety in the period when the milestone is achieved. A milestone is considered to be substantive when it meets all of the following criteria: the milestone is commensurate with either the performance required to achieve the milestone or the enhancement of the value of the delivered items resulting from the performance required to achieve the milestone; the milestone relates solely to past performance; and, the milestone is reasonable relative to all of the deliverables and payment terms within the agreement.

Research and Development Expenditures - Research and development expenses consist of personnel costs, including salaries, benefits and stock-based compensation, materials and supplies, licenses and fees, and overhead allocations consisting of various administrative and facilities related costs. Research and development activities are also separated into three main categories: research, clinical development, and biotechnology development. Research costs typically consist of preclinical and toxicology costs. Clinical development costs include costs for Phase 1 and 2 clinical studies. Biotechnology development costs consist of expenses incurred in connection with product formulation and analysis. The Company charges research and development costs, including clinical study costs, to expense when incurred, consistent with the guidance of FASB ASC 730, Research and Development.

Stock-Based Compensation - Stock-based compensation is measured at the grant date based on the fair value of the award. The fair value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. The expense recognized for the portion of the award that is expected to vest has been reduced by an estimated forfeiture rate. The forfeiture rate is determined at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Expected Term — The expected term of options represents the period that the Company’s stock-based awards are expected to be outstanding based on the simplified method provided in Staff Accounting Bulletin No. 110, *Certain Assumptions Used in Valuation Methods*.

Expected Volatility — As the Company has limited stock price history, expected volatility has been estimated based on the volatilities of similar companies that are publicly traded.

Risk-Free Interest Rate — The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend — The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and, therefore, used an expected dividend yield of zero in the valuation model.

The Company recognizes fair value of stock options granted to nonemployees as stock-based compensation expense over the period in which the related services are received.

Stock Warrants - Certain warrants to purchase the Company’s stock are classified as liabilities in the balance sheets. These warrants are subject to remeasurement at each balance sheet date, and any change in fair value is recognized as a component of other income (expense). Other warrants to purchase the Company’s convertible preferred stock are classified as equity in the balance sheet and are not subject to remeasurement.

Derivative Liability - Certain derivatives embedded within convertible promissory notes have been bifurcated and recorded as derivatives in the balance sheets because they are not clearly and closely related. These derivatives are subject to remeasurement at each balance sheet date, and any change in fair value is recognized as a component of other income (expense).

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Income Taxes - The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

In evaluating the ability to recover its deferred income tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In the event the Company determines that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, it would make an adjustment to the valuation allowance that would reduce the provision for income taxes. Conversely, in the event that all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made.

The Company recognizes the tax benefit from uncertain tax positions in accordance with GAAP, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a company’s tax return.

Fair Value of Financial Instruments -The carrying amount reported in the balance sheets for cash and cash equivalents, accounts payable, and accrued liabilities approximates their value due to the short-term maturities of such instruments.

Net income (loss) per share attributable to Amarantus common stockholders

Basic net income (loss) per share attributable to Amarantus common stockholders is calculated by dividing net income (loss) attributable to common stockholders by the weighted average number of shares outstanding for the period. In accordance with FASB ASC 260, because there was a net loss for the period, zero incremental shares were included for diluted earnings per share because the effect would be antidilutive.

Recently Issued Accounting Pronouncements

Our management has considered all recent accounting pronouncements issued since the last audit of our financial statements. Our management believes that these recent pronouncements will not have a material effect on our financial statements.

Item 4. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2013. This evaluation was carried out under the supervision and with the participation of Gerald Commissiong, our Chief Executive Officer, and Marc E. Faerber, our Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2013, our disclosure controls and procedures were ineffective as of the end of the period covered, due to the following material weaknesses which are indicative of many small companies with small staff: (i) inadequate segregation of duties and effective risk assessment; and (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both United States generally accepted accounting principles and Securities and Exchange Commission guidelines. Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated. We will be unable to remediate the material weakness in our disclosure controls and procedures until we can hire additional employees. As of March 31, 2013, we did not have sufficient funds to hire another employee.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. 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 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 internal 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, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. There have been no changes in our internal controls over financial reporting during the quarter ended March 31, 2013.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Power3 Medical Products, Inc. (“Power3”) entered into a License Agreement with Amarantus BioSciences, Inc. (“our”, “us”, or “we”) on January 16, 2012 to, among other things, license the NuroPro diagnostic test for Parkinson's disease to us (the "Agreement"). As part of the Agreement, we were granted an option to acquire certain intellectual property, and a right of first refusal to acquire certain intellectual property (collectively the "IP"). We recently found out the Agreement was entered into at a time when Power3 may not have had the authority to enter into the Agreement.

On March 26, 2012, we became aware of a previously undisclosed legal dispute between Power3 and NeoGenomics, Inc. ("NeoGenomics") where certain intellectual property assets of Power3 were placed into receivership in September 2011 in the State of Texas as a result of an unpaid note to NeoGenomics. On March 15, 2012 Power3 filed for Chapter 7 bankruptcy. However, on March 7th, 2012, the receiver sold, among other things, Power3's IP to NeoGenomics. Although this sale may be considered a preference in the Power3 Bankruptcy, at this time NeoGenomics may have title to certain intellectual property of Power3.

On April 12, 2012 our representatives appeared at bankruptcy related meeting of creditors of Power3. Ira Goldknopf, the President of Power3, testified for Power3. In the meeting it was discussed, among other things, that (i) Power3 had not transferred any of our stock, other than providing $25,000 worth of our stock to its attorney; (ii) that another entity may own a portion of the IP; (iii) NeoGenomics was not a secured creditor when they credit bid their claim in the receivership; and (iv) the status of the license and ownership of the IP is still in question.

We are continuing to review our legal options with respect to the material misrepresentations made by the officers of Power3 and our rights in the IP.

Item 3. Defaults upon Senior Securities

The Company is in default on payment of $105,066 of Convertible Notes that were due prior to March 31, 2013 ($36,000 to Ascendent Partners, LLC, $6,066 to Richard Galterio, $50,000 to Pensco FBO Robert L. Harris, and $13,000 to Samuel Herschkowitz), and is also late with regard to making payments to various trade account vendors for goods and services received, of which some accounts are currently with collection agencies and could possibly result in lawsuits with the Company.

Item 6. Exhibits

Exhibit Number	**Description of Exhibit**
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer pursuant to Section 1350
32.2	Certification of Chief Financial Officer pursuant to Section 1350

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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.

	Amarantus Bioscience Holdings, Inc.
Date:	May 15, 2013
	By: /s/ Gerald E. Commissiong
	Gerald E. Commissiong
	Title: **Chief Executive Officer and Director**
	By: /s/ Marc E. Faerber
	Marc E. Faerber
	Title: **Chief Financial Officer**

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