

Neuralstem, Inc.
Form 424B3
January 22, 2009
SUPPLEMENT No. 2
DATED January 22, 2009
(To Prospectus dated January 2, 2008)

Rule 424(b)(3)
Registration No. 333-142451

NEURALSTEM, INC.

20,310,813
Common Shares

This prospectus supplement supplements information contained in, and should be read in conjunction with, that certain Prospectus, dated January 2, 2008, of Neuralstem, Inc. ("Company") as well as all prior supplements thereto. This supplement is not complete without, and may not be delivered or used except in connection with, the original Prospectus and all supplements thereto. The Prospectus relates to the resale of up to 20,310,813 shares of our common stock by the selling shareholders identified in the Prospectus.

The information contained herein supplements, modifies and supersedes, in part, the information in the Prospectus, as supplemented. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus, except as modified or superseded by this supplement.

We may amend or supplement the Prospectus from time to time by filing amendments or supplements as required. You should read the entire Prospectus and any amendments or supplements carefully before you make an investment decision.

See "Risk Factors" beginning on page 3 of the prospectus dated January 2, 2008, for risk factors and information you should consider before you purchase shares.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Described below are acts or events that constitute a substantive change from or addition to the information set forth in the above-referenced prospectus:

- On December 18, 2008, the Company completed the offering of \$2,000,000 of its common stock at a price per share of \$1.25 ("Offering"). As a result of the Offering, certain anti-dilution provisions in the outstanding warrants held by the selling shareholders resulted in:

the exercise price of Series A warrants outstanding on December 18, 2008 being reduced to \$1.25; and

the exercise price of Series B warrants outstanding on December 18, 2008 being reduced to \$1.25.

The information in the Prospectus and any supplements thereto regarding the exercise price of the Series A and B warrants is amended with the information set forth above. The adjustment does not affect any Series A or B warrants

previously exercised and no longer outstanding as of the Offering date.

FORWARD-LOOKING STATEMENTS

You should carefully consider the risk factors set forth in the Prospectus, as well as the other information contained in this supplement and any other supplements previously filed. This supplement and the Prospectus contain forward-looking statements regarding events, conditions, and financial trends that may affect our plan of operation, business strategy, operating results, and financial position. You are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results may differ materially from those included within the forward-looking statements as a result of various factors. Cautionary statements in the “Risk Factors” section of the Prospectus identify important risks and uncertainties affecting our future, which could cause actual results to differ materially from the forward-looking statements made in this supplement and the Prospectus.
