

Global Resource CORP
Form 10-Q
November 23, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

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

For the transition period from _____ to _____

Commission file number 000-50944

GLOBAL RESOURCE CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation)

84-1565820
(IRS employer identification no.)

1000 Atrium Way, Suite 100
Mount Laurel, New Jersey 08054
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (856) 767-5665

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. 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Edgar Filing: Global Resource CORP - Form 10-Q

company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares outstanding of the registrant's Common Stock, par value \$.001 per share (the "Common Stock"), as of November 18, 2009 was 64,850,664.

GLOBAL RESOURCE CORPORATION

Form 10-Q

For the Quarter Ended September 30, 2009

TABLE OF CONTENTS

| | Page |
|---|-----------|
| PART I - FINANCIAL INFORMATION | 3 |
| Item 1. Financial Statements (Unaudited) | 3 |
| Condensed Consolidated Balance Sheets | 3 |
| Condensed Consolidated Statements of Operations and Comprehensive Loss | 4 |
| Consolidated Statements of Stockholders' Equity (Deficit) | 5 |
| Condensed Consolidated Statements of Cash Flows | 6-16 |
| Notes to Condensed Consolidated Financial Statements | 17 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 48 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 62 |
| Item 4. Controls and Procedures | 62 |
| Item 4T. Controls and Procedures | 62 |
| PART II - OTHER INFORMATION | 63 |
| Item 1. Legal Proceedings | 63 |
| Item 1A. Risk Factors | 63 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 63 |
| Item 3. Defaults Upon Senior Securities | 63 |
| Item 4. Submission of Matters to a Vote of Security Holders | 63 |
| Item 5. Other Information | 63 |
| Item 6. Exhibits | 64 |

PART I – FINANCIAL INFORMATION

ITEM FINANCIAL STATEMENTS

1.

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)Global Resource Corporation
(A Development Stage Company)
Condensed Consolidated Balance Sheets

| | (Unaudited) | |
|--|---------------------|---------------------|
| | Period Ended | Year Ended |
| | September 30, 2009 | December 31, 2008 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 134,410 | \$ 2,013,730 |
| Short-term investments | - | 2,557,274 |
| Prepaid services | 450,250 | 1,508,875 |
| Total current assets | 584,660 | 6,079,879 |
| Property and equipment, net of depreciation | 1,572,168 | 1,358,299 |
| OTHER ASSETS | | |
| Deposits | 124,027 | 123,726 |
| Prepaid patent costs | 558,620 | 383,685 |
| Total other assets | 682,647 | 507,411 |
| TOTAL ASSETS | \$ 2,839,475 | \$ 7,945,589 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 668,308 | \$ 889,489 |
| Deferred revenue | 210,000 | - |
| Loans payable - equipment | 19,032 | 34,850 |
| Capital lease obligation - equipment | 11,509 | 9,543 |
| Severance payable | 200,000 | 200,000 |
| Total current liabilities | 1,108,849 | 1,133,882 |
| LONG-TERM LIABILITIES | | |
| Loans payable - equipment, net of current portion | 2,829 | 16,821 |
| Capital lease obligation - equipment, net of current portion | 7,664 | 15,742 |
| Severance payable, net of current portion | 4,504,714 | 1,000,000 |

Edgar Filing: Global Resource CORP - Form 10-Q

| | | |
|--|---------------------|---------------------|
| Derivative financial instruments | 131,150 | 1,591,834 |
| Total long-term liabilities | 4,646,357 | 2,624,397 |
| Total liabilities | 5,755,206 | 3,758,279 |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock A - \$.001 par value 100,000,000 shares authorized, none issued and outstanding at June 30, 2009, 5,000 issued and outstanding at December 31, 2008 | | 5 |
| Common stock, \$.001 par value; 200,000,000 shares authorized, 70,400,664 shares issued and 63,705,703 outstanding at September 30, 2009, 69,549,164 shares issued and 62,854,203 outstanding at December 31, 2008 | 70,400 | 69,549 |
| Additional paid-in capital | 38,370,594 | 35,842,053 |
| Accumulated other comprehensive loss | - | (237,550) |
| Deficit accumulated in the development stage | (39,640,252) | (29,770,274) |
| | (1,199,258) | 5,903,783 |
| Treasury stock | (1,716,473) | (1,716,473) |
| Total stockholders' equity | (2,915,731) | 4,187,310 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 2,839,475 | \$ 7,945,589 |

See accompanying notes to the condensed consolidated financial statements.

Global Resource Corporation
(A Development Stage Company)
Condensed Consolidated Statements of Operations and Comprehensive Loss
(With Cumulative Totals Since Inception)
(Unaudited)

| | Three Months Ended September 30 2009 | Restated September 30 2008 | Nine Months Ended September 30 2009 | Restated September 30 2008 | July 19, 2002 (Inception) to September 30, 2009 |
|--|--|----------------------------------|---|----------------------------------|--|
| REVENUES | \$ 90,000 | \$ - | \$ 90,000 | \$ - | \$ 90,000 |
| COST OF SALES | | | | | |
| GROSS PROFIT | 90,000 | - | 90,000 | - | 90,000 |
| OPERATING EXPENSES | | | | | |
| General and administrative expenses | 5,151,889 | 2,460,448 | 10,388,171 | 18,719,972 | 50,410,542 |
| Research and development expenses | 438,710 | 177,172 | 1,119,069 | 612,165 | 2,400,108 |
| Total operating expenses | 5,590,599 | 2,637,620 | 11,507,240 | 19,332,137 | 52,810,650 |
| OPERATING LOSS | (5,500,599) | (2,637,620) | (11,417,240) | (19,332,137) | (52,720,650) |
| OTHER INCOME (EXPENSE) | | | | | |
| Loss on deposit and other | | | | | (179,893) |
| Change in fair value of derivative financial instruments | 1,713,449 | 2,303,664 | 1,460,684 | 9,853,013 | 13,820,529 |
| Net realized loss on investments | (2,589) | (42,038) | (20,027) | (43,232) | (901,795) |
| Interest expense | (1,515) | (5,031) | (9,124) | (14,424) | (65,596) |
| Interest income | 1,742 | 70,302 | 115,729 | 114,378 | 407,153 |
| Total other income | 1,711,087 | 2,326,897 | 1,547,262 | 9,909,735 | 13,080,398 |
| NET LOSS | \$ (3,789,512) | \$ (310,723) | \$ (9,869,978) | \$ (9,422,402) | \$ (39,640,252) |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | | |
| Unrealized loss on short-term investments | \$ - | \$ (819,015) | \$ - | \$ (961,327) | \$ (1,075,400) |
| Realized loss on short-term investments, net of taxes, reclassified from accumulated | | | 237,550 | | 1,075,400 |

other comprehensive loss

| | | | | | |
|--------------------|----------------|----------------|----------------|-----------------|-----------------|
| COMPREHENSIVE LOSS | \$ (3,789,512) | \$ (1,129,738) | \$ (9,632,428) | \$ (10,383,729) | \$ (39,640,252) |
|--------------------|----------------|----------------|----------------|-----------------|-----------------|

EARNINGS (LOSS) PER
COMMON SHARE

| | | | | |
|-------|-----------|-----------|-----------|-----------|
| BASIC | \$ (0.06) | \$ (0.01) | \$ (0.16) | \$ (0.22) |
|-------|-----------|-----------|-----------|-----------|

| | | | | |
|---------|-----------|-----------|-----------|-----------|
| DILUTED | \$ (0.06) | \$ (0.01) | \$ (0.16) | \$ (0.22) |
|---------|-----------|-----------|-----------|-----------|

WEIGHTED AVERAGE
NUMBER OF COMMON
SHARES

| | | | | |
|-------|------------|------------|------------|------------|
| BASIC | 63,609,236 | 53,273,853 | 63,301,437 | 42,221,919 |
|-------|------------|------------|------------|------------|

| | | | | |
|---------|------------|------------|------------|------------|
| DILUTED | 63,609,236 | 53,273,853 | 63,301,437 | 42,221,919 |
|---------|------------|------------|------------|------------|

See accompanying notes to the condensed consolidated financial statements.

Global Resource Corporation
(A Development Stage Company)
Condensed Consolidated Statements of Cash Flows
(With Cumulative Totals Since Inception)
(Unaudited)

| | Nine Months Ended | | July 19, 2002 |
|---|-------------------|----------------|-----------------|
| | September 30, | September 30, | (Inception) |
| | 2009 | 2008 | to |
| | | Restated | June 30, 2009 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net loss | \$ (9,869,978) | \$ (9,422,402) | \$ (39,640,252) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation | 251,269 | 70,104 | 533,122 |
| Preferred stock issued for services | | | 400,000 |
| Common stock issued for services | 155,750 | 13,967,803 | 21,028,571 |
| Amortization of prepaid common stock issued for services | 1,973,925 | 1,845,042 | 5,364,050 |
| Common stock warrants and options issued for services | 1,403,215 | 164,695 | 2,734,794 |
| Amortization of deferred compensation | | 81,750 | 545,000 |
| Loss on sale of property and equipment | | | 18,955 |
| Loss on sale of real estate and forfeiture of deposit | | | 212,936 |
| Loss on sale of short-term investments | 17,438 | | 17,438 |
| Change in severance payable non-cash | 3,654,714 | | 3,654,714 |
| Change in fair value of derivative financial instruments | (1,460,684) | (9,853,013) | (13,820,529) |
| Other than temporary losses on short-term investments | | | 837,850 |
| Common stock issued as charitable contribution | | | 50,000 |
| Changes in operating assets and liabilities | | | |
| Prepaid services | 85,000 | | |
| Deposits | (301) | 1,221 | (179,027) |
| Prepaid patent costs | (174,935) | (172,036) | (558,620) |
| Accounts payable and accrued liabilities | (221,178) | (53,434) | 870,740 |
| Deferred revenue | 210,000 | | 210,000 |
| Severance payable | (150,000) | | 1,050,000 |
| Total adjustments | 5,744,213 | 6,052,132 | 22,969,994 |
| Net cash used in operating activities | (4,125,765) | (3,370,270) | (16,670,258) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property and equipment - equipment & machinery | (74,718) | (38,504) | (666,697) |
| Purchase of property and equipment - construction-in-progress | (422,908) | (745,818) | (1,352,987) |
| Proceeds from sale of property and equipment | | | 44,200 |
| Proceeds from sale of real estate | | | 617,864 |
| Purchase of short-term investments | | (4,586,333) | (4,586,334) |
| Proceeds from sale of short-term investments | 2,779,993 | 664,973 | 3,733,653 |

Edgar Filing: Global Resource CORP - Form 10-Q

| | | | |
|---|-------------|--------------|-------------|
| Net cash provided by (used in) investing activities | 2,282,367 | (4,705,682) | (2,210,301) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Issuance of common stock for cash | | 12,137,256 | 21,002,175 |
| Proceeds for stock to be issued | | 747,976 | |
| Proceeds from stock subscription receivable | | 55,175 | (130,518) |
| Purchase of treasury stock | | (1,650,000) | (1,716,473) |
| Repayment of loans payable and capital lease obligation | (35,922) | (185,389) | (140,215) |
| Net cash provided by (used in) financing activities | (35,922) | 11,105,018 | 19,014,969 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | (1,879,320) | 3,029,066 | 134,410 |
| CASH AND CASH EQUIVALENTS | | | |
| - BEGINNING OF PERIOD | 2,013,730 | 780,425 | |
| CASH AND CASH EQUIVALENTS | | | |
| - END OF PERIOD | \$ 134,410 | \$ 3,809,491 | \$ 134,410 |
| SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES: | | | |
| Interest Paid | \$ 9,124 | \$ 14,424 | \$ 65,596 |

See accompanying notes to the condensed consolidated financial statements.

Global Resource Corporation
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

| | Preferred Stock Par Value Shares | Preferred Stock Paid-In Shares | Additional Paid-In Capital | Common Stock Par Value Shares | Additional Paid-In Capital | Deficit | Accumulated Deficit | Stock Subscriptions Receivable | Accumulated Other Comprehensive Income | Total |
|--|--|--------------------------------------|-------------------------------|-------------------------------------|-------------------------------|---------|------------------------|--------------------------------------|---|---------|
| Balance at July 19, 2002 (Inception) | \$ - | \$ - | - \$ - | \$ - | \$ - | - \$ | - \$ | - \$ | - \$ | - \$ |
| Issuance of initial founders' shares, September 9, 2002 net of subsequent cancellations | | | 2,555,000 | | | | | | | - |
| Common stock shares issued for cash : | | | | | | | | | | |
| Common stock issued for cash on November 5, 2002, at \$.50 per share plus 8,000 warrants | | | 8,000 | | 4,000 | | | | | 4,000 |
| Common stock issued for cash on November 21, 2002, at \$.50 per share plus 21,000 warrants | | | 21,000 | | 10,500 | | | | | 10,500 |
| Common stock shares issued for services rendered: | | | | | | | | | | |
| Common stock issued for services rendered, on September 10, | | | 1,000,000 | | 472,000 | | | | | 472,000 |

Edgar Filing: Global Resource CORP - Form 10-Q

| | | | | | | | | | | | | | | |
|--|---|---|---|-----------|-----------|-------|---------|-----------|---|---|---|---|-----------|-----------|
| 2002, at \$0.472 per share | | | | | | | | | | | | | | |
| Common stock issued for services rendered, in November 5, 2002, at \$0.50 per share, plus 8,500 warrants | | | | 8,500 | | 4,250 | | | | | | | | 4,250 |
| Common stock issued for services rendered, on December 5, 2002, at \$0.50 per share, plus 5,100 warrants | | | | 5,100 | | 2,550 | | | | | | | | 2,550 |
| Net loss for the period July 19, 2002 (Inception) through December 31, 2002 (Restated, see Note 19) | | | | | | | | | | | | | (508,508) | (508,508) |
| Balance at December 31, 2002 (Restated) | - | - | - | - | 3,597,600 | - | 493,300 | (508,508) | - | - | - | - | - | (15,208) |
| Re-issuance of initial founders' shares, July 2003 | | | | 1,455,000 | | | | | | | | | | - |
| Common stock shares issued for cash : | | | | | | | | | | | | | | |
| Common stock issued for cash on January 3, 2003, at \$.50 per share plus 7,500 warrants | | | | 7,500 | | 3,750 | | | | | | | | 3,750 |
| Common stock issued for cash on January 27, | | | | 6,500 | | 3,250 | | | | | | | | 3,250 |

| | | | |
|---|--------|--------|--------|
| 2003, at \$.50 per share plus 6,500 warrants | | | |
| Common stock issued for cash on February 12, 2003, at \$.50 per share plus 3,100 warrants | 3,100 | 1,550 | 1,550 |
| Common stock issued for cash on February 27, 2003, at \$.50 per share plus 6,400 warrants | 6,400 | 3,200 | 3,200 |
| Common stock issued for cash on March 7, 2003, at \$.50 per share plus 3,100 warrants | 3,100 | 1,550 | 1,550 |
| Common stock issued for cash on March 21, 2003, at \$.50 per share plus 23,500 warrants | 23,500 | 11,750 | 11,750 |
| Common stock issued for cash on April 9, 2003, at \$.50 per share plus 4,600 warrants | 4,600 | 2,300 | 2,300 |
| Common stock issued for cash on April 30, 2003, at \$.50 per share plus 8,800 warrants | 8,800 | 4,400 | 4,400 |
| Common stock issued for cash on May 7, 2003, at \$.50 per share plus 27,400 | 27,400 | 13,700 | 13,700 |

warrants

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on June 2, 2003, at \$.50 per share plus 29,000 warrants | 29,000 | 14,500 | 14,500 |
|---|--------|--------|--------|

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on June 5, 2003, at \$.50 per share plus 8,500 warrants | 8,500 | 4,250 | 4,250 |
|--|-------|-------|-------|

| | | | |
|---|-------|-------|-------|
| Common stock issued for cash on June 12, 2003, at \$.50 per share plus 4,200 warrants | 4,200 | 2,100 | 2,100 |
|---|-------|-------|-------|

| | | | |
|--|--------|-------|-------|
| Common stock issued for cash on July 11, 2003, at \$.50 per share plus 12,800 warrants | 12,800 | 6,400 | 6,400 |
|--|--------|-------|-------|

| | | | |
|---|-------|-------|-------|
| Common stock issued for cash on July 25, 2003, at \$.50 per share plus 8,200 warrants | 8,200 | 4,100 | 4,100 |
|---|-------|-------|-------|

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on August 4, 2003, at \$.50 per share plus 6,000 warrants | 6,000 | 3,000 | 3,000 |
|--|-------|-------|-------|

| | | | |
|--|--------|--------|--------|
| Common stock issued for cash on August 18, 2003, at \$.50 per share plus 25,500 warrants | 25,500 | 12,750 | 12,750 |
|--|--------|--------|--------|

Edgar Filing: Global Resource CORP - Form 10-Q

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on August 19, 2003, at \$.50 per share plus 10,000 warrants | 10,000 | 5,000 | 5,000 |
| Common stock issued for cash on August 28, 2003, at \$.50 per share plus 14,000 warrants | 14,000 | 7,000 | 7,000 |
| Common stock issued for cash on September 16, 2003, at \$.50 per share plus 31,000 warrants | 31,000 | 15,500 | 15,500 |
| Common stock issued for cash on September 26, 2003, at \$.50 per share plus 39,500 warrants | 39,500 | 19,750 | 19,750 |
| Common stock issued for cash on October 10, 2003, at \$.50 per share plus 38,900 warrants | 38,900 | 19,450 | 19,450 |
| Common stock issued for cash on October 14, 2003, at \$.50 per share plus 70,000 warrants | 70,000 | 35,000 | 35,000 |
| Common stock issued for cash on October 23, 2003, at \$.50 per share plus 4,500 warrants | 4,500 | 2,250 | 2,250 |
| Common stock issued for cash | 48,000 | 24,000 | 24,000 |

| | | | | | | | | | | | | | |
|---|---|---|--------|---|-----------|---|---------|-----------|---|-----------|-----------|---|--------|
| on November 3, 2003, at \$.50 per share plus 48,000 warrants | | | | | | | | | | | | | |
| Common stock issued for cash on November 18, 2003, at \$.50 per share plus 32,800 warrants | | | 32,800 | | 16,400 | | | | | | 16,400 | | |
| Common stock issued for cash on December 1, 2003, at \$.50 per share plus 23,000 warrants | | | 23,000 | | 11,500 | | | | | | 11,500 | | |
| Common stock issued for cash on December 10, 2003, at \$.50 per share plus 12,500 warrants | | | 12,500 | | 6,250 | | | | | | 6,250 | | |
| Common stock issued for cash on December 17, 2003, at \$.50 per share plus 10,500 warrants | | | 10,500 | | 5,250 | | | | | | 5,250 | | |
| Stock subscriptions receivable, net | | | | | | | | (14,340) | | | (14,340) | | |
| Net loss for the year ended December 31, 2003, (Restated, see Note 19) | | | | | | | | | | (203,659) | (203,659) | | |
| Balance at December 31, 2003 (Restated) | - | - | - | - | 5,572,400 | - | 753,200 | (712,167) | - | (14,340) | - | - | 26,693 |

See accompanying notes to the condensed financial statements.

Global Resource Corporation
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

| | Preferred Stock Shares | Preferred Stock Amount | Common Stock Shares | Common Stock Amount | (Restated) Additional Paid-In Capital | Deficit Accumulated during the Development Stage | (Restated) Deferred Compensation | Stock Subscriptions Receivable | Accumulated Other Comprehensive Income | (Restated) Total |
|---|---------------------------|---------------------------|------------------------|------------------------|---|---|-------------------------------------|--------------------------------------|---|---------------------|
| Common stock shares issued for cash : | | | | | | | | | | |
| Common stock issued for cash on January 4, 2004, at \$.50 per share plus 32,890 warrants | | | 32,890 | | 16,445 | | | | | 16,445 |
| Common stock issued for cash on January 16, 2004, at \$.50 per share plus 7,020 warrants | | | 7,020 | | 3,510 | | | | | 3,510 |
| Common stock issued for cash on January 28, 2004, at \$.50 per share plus 33,000 warrants | | | 33,000 | | 16,500 | | | | | 16,500 |
| Common stock issued for cash on February 5, 2004, at \$.50 per share plus 60,500 warrants | | | 60,500 | | 30,250 | | | | | 30,250 |

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on February 17, 2004, at \$.50 per share plus 30,000 warrants | 30,000 | 15,000 | 15,000 |
|---|--------|--------|--------|

| | | | |
|---|--------|-------|-------|
| Common stock issued for cash on March 3, 2004, at \$.50 per share plus 14,610 warrants | 14,610 | 7,305 | 7,305 |
|---|--------|-------|-------|

| | | | |
|---|-------|-------|-------|
| Common stock issued for cash on March 16, 2004, at \$.50 per share plus 8,000 warrants | 8,000 | 4,000 | 4,000 |
|---|-------|-------|-------|

| | | | |
|--|--------|-------|-------|
| Common stock issued for cash on March 19, 2004, at \$.50 per share plus 18,000 warrants | 18,000 | 9,000 | 9,000 |
|--|--------|-------|-------|

| | | | |
|--|--------|--------|--------|
| Common stock issued for cash on March 25, 2004, at \$.50 per share plus 49,500 warrants | 49,500 | 24,750 | 24,750 |
|--|--------|--------|--------|

| | | | |
|--|--------|-------|-------|
| Common stock issued for cash on April 13, 2004, at \$.50 per share plus | 19,500 | 9,750 | 9,750 |
|--|--------|-------|-------|

| | | | |
|---|---------|---------|---------|
| 19,500 warrants | | | |
| Common stock issued for cash on April 23, 2004, at \$.50 per share plus 11,000 warrants | 11,000 | 5,500 | 5,500 |
| Common stock issued for cash on July 6, 2004, at \$.50 per share plus 538,000 warrants | 538,000 | 317,720 | 317,720 |
| Common stock issued for cash on July 9, 2004, at \$.50 per share plus 36,500 warrants | 36,500 | 18,250 | 18,250 |
| Common stock issued for cash on August 13, 2004, at \$.50 per share plus 11,000 warrants | 11,000 | 5,500 | 5,500 |
| Common stock issued for cash on October 12, 2004, at \$1.50 per share plus 43,000 warrants | 43,000 | 64,500 | 64,500 |
| Common stock issued for cash on | 2,000 | 2,000 | 2,000 |

October 14,
2004, at \$1.00
per share plus
2,000
warrants

Common
stock issued
for cash on
October 21,
2004, at \$1.00
per share plus
3,125
warrants

3,125

3,125

3,125

Common
Stock Shares
issued for
services
rendered:

Common
stock issued
for services
rendered on
October 12,
2004, at \$1.00
per share

545,000

545,000

(545,000)

-

Other:

Common
stock issued
in exchange
for real estate
on August 25,
2004 at \$1.00
per share plus
500,000
warrants

500,000

500,000

500,000

Common
stock issued
in exchange
for real estate
on September
7, 2004 at
\$1.00 per
share plus
150,000
warrants

150,000

150,000

150,000

| | | | | | | | | | | | | | |
|---|---|---|-----------|--------|-----------|---|-----------|-------------|-----------|----------|-----------|---|---------|
| Common stock issued as charitable contribution on October 12, 2004, at \$1.00 per share | | | 50,000 | 50,000 | | | | | | | 50,000 | | |
| Initial founders' shares cancelled on October 28, 2004 | | | (250,000) | | | | | | | | - | | |
| Stock subscriptions receivable, net | | | | | | | | (74,240) | | | (74,240) | | |
| Net loss for the year ended December 31, 2004 | | | | | | | | (672,219) | | | (672,219) | | |
| Balance at December 31, 2004 | - | - | - | - | 7,485,045 | - | 2,551,305 | (1,384,386) | (545,000) | (88,580) | - | - | 533,339 |

See accompanying notes to the condensed financial statements.

Global Resource Corporation
 (A Development Stage Company)
 Consolidated Statements of Stockholders' Equity (Deficit)

| | (Restated) | Deficit | (Restated) | Accumulated | (Restated) |
|--|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|
| Preferred Stock Par Value \$1.00 Shares | Additional Paid-In Capital | during the Development Stage | Deferred Compensation Receivable | Comprehensive Income | Total |
| Common Stock Par Value \$1.00 Shares | Common Par Value \$1.00 Shares | Common Par Value \$1.00 Shares | Common Par Value \$1.00 Shares | Common Par Value \$1.00 Shares | Common Par Value \$1.00 Shares |
| Common stock shares issued for cash : | | | | | |
| Common stock issued for cash on January 14, 2005, at \$1.00 per share plus 5,000 warrants | 5,000 | 5,000 | | | 5,000 |
| Common stock issued for cash on January 18, 2005, at \$1.00 per share plus 10,000 warrants | 10,000 | 10,000 | | | 10,000 |
| Common stock issued for cash on March 2, 2005, at \$1.00 per share plus 25,980 warrants | 25,980 | 25,980 | | | 25,980 |
| Common stock issued for cash on March 29, 2005, at \$1.00 per share | 2,000 | 2,000 | | | 2,000 |
| Common stock issued for cash on | 11,500 | 23,000 | | | 23,000 |

| | | | |
|---|--------|--------|--------|
| September 16, 2005, at \$2.00 per share plus 11,500 warrants | | | |
| Common stock issued for cash on October 5, 2005, at \$2.00 per share plus 5,000 warrants | 5,000 | 10,000 | 10,000 |
| Common stock issued for cash on October 5, 2005, at \$2.00 per share plus 11,500 warrants | 11,500 | 23,000 | 23,000 |
| Common stock issued for cash on November 2, 2005, at \$2.00 per share plus 500 warrants | 500 | 1,000 | 1,000 |
| Common stock issued for cash on November 2, 2005, at \$1.00 per share plus 5,000 warrants | 5,000 | 5,000 | 5,000 |
| Common stock issued for cash on November 8, 2005, at \$1.00 per share plus 22,000 warrants | 22,000 | 22,000 | 22,000 |
| Common stock issued for cash on | 5,000 | 5,000 | 5,000 |

| | | | |
|--|--------|--------|--------|
| November 9, 2005, at \$1.00 per share plus 5,000 warrants | | | |
| Common stock issued for cash on November 18, 2005, at \$2.00 per share plus 97,000 warrants | 97,000 | 96,990 | 96,990 |
| Common stock issued for cash on November 18, 2005, at \$1.00 per share plus 16,000 warrants | 16,000 | 32,000 | 32,000 |
| Common stock issued for cash on November 22, 2005, at \$1.00 per share plus 7,000 warrants | 7,000 | 7,000 | 7,000 |
| Common stock issued for cash on November 22, 2005, at \$2.00 per share plus 24,835 warrants | 24,835 | 49,670 | 49,670 |
| Common stock issued for cash on November 23, 2005, at \$2.00 per share plus 2,000 warrants | 2,000 | 4,000 | 4,000 |
| Common stock issued for cash on | 5,000 | 10,000 | 10,000 |

| | | | |
|---|--------|--------|--------|
| November 30, 2005, at \$2.00 per share plus 5,000 warrants | | | |
| Common stock issued for cash on November 30, 2005, at \$1.00 per share plus 25,000 warrants | 25,000 | 25,000 | 25,000 |
| Common stock issued for cash on December 2, 2005, at \$2.00 per share plus 2,500 warrants | 2,500 | 5,000 | 5,000 |
| Common stock issued for cash on December 2, 2005, at \$1.00 per share plus 5,000 warrants | 5,000 | 5,000 | 5,000 |
| Common stock issued for cash on December 6, 2005, at \$2.00 per share plus 2,500 warrants | 2,500 | 5,000 | 5,000 |
| Common stock issued for cash on December 7, 2005, at \$2.00 per share plus 2,500 warrants | 2,500 | 5,000 | 5,000 |
| Common stock issued for cash on December 7, 2005, at \$1.00 | 25,000 | 25,000 | 25,000 |

| | | | |
|--|--------|--------|--------|
| per share plus 25,000 warrants | | | |
| Common stock issued for cash on December 8, 2005, at \$2.00 per share plus 16,285 warrants | 16,285 | 32,570 | 32,570 |
| Common stock issued for cash on December 14, 2005, at \$2.00 per share plus 26,850 warrants | 26,850 | 53,700 | 53,700 |
| Common stock issued for cash on December 16, 2005, at \$1.00 per share plus 13,000 warrants | 13,000 | 13,000 | 13,000 |
| Common stock issued for cash on December 19, 2005, at \$2.00 per share plus 46,000 warrants | 46,000 | 92,000 | 92,000 |
| Common stock issued for cash on December 28, 2005, at \$2.00 per share plus 10,000 warrants | 10,000 | 20,000 | 20,000 |
| Common stock issued | 84,500 | 59,423 | 59,423 |

for cash on
December 30,
2005, at \$.70
per share plus
338,000
warrants

Common
stock issued
for cash on
December 30,
2005, at \$2.00
per share plus
6,500 warrants

| | | | |
|--|-------|--------|--------|
| | 6,500 | 13,000 | 13,000 |
|--|-------|--------|--------|

Common
stock issued
for cash on
December 30,
2005, at \$1.02
per share plus
100,000
warrants

| | | | |
|--|---------|---------|---------|
| | 100,000 | 102,000 | 102,000 |
|--|---------|---------|---------|

Common
stock issued
for cash on
December 30,
2005, at \$.65
per share plus
85,200
warrants

| | | | |
|--|--------|--------|--------|
| | 21,300 | 13,815 | 13,815 |
|--|--------|--------|--------|

Common
stock issued
for cash on
December 30,
2005, at \$.65
per share plus
20,000
warrants

| | | | |
|--|-------|-------|-------|
| | 5,000 | 3,235 | 3,235 |
|--|-------|-------|-------|

Common
stock issued
for cash on
December 30,
2005, at \$.73
per share plus
66,000
warrants

| | | | |
|--|--------|--------|--------|
| | 16,500 | 12,033 | 12,033 |
|--|--------|--------|--------|

Edgar Filing: Global Resource CORP - Form 10-Q

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on December 30, 2005, at \$.36 per share plus 18,000 warrants | 4,500 | 1,610 | 1,610 |
|--|-------|-------|-------|

| | | | |
|--|--------|-------|-------|
| Common stock issued for cash on December 30, 2005, at \$.64 per share plus 60,800 warrants | 15,200 | 9,750 | 9,750 |
|--|--------|-------|-------|

| | | | |
|---|-------|-------|-------|
| Common stock issued for cash on December 30, 2005, at \$.99 per share plus 8,000 warrants | 2,000 | 1,985 | 1,985 |
|---|-------|-------|-------|

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on December 30, 2005, at \$.70 per share plus 134,000 warrants | 33,500 | 23,385 | 23,385 |
|---|--------|--------|--------|

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on December 31, 2005, at \$1.02 per share plus 26,705 warrants | 26,705 | 61,362 | 61,362 |
|---|--------|--------|--------|

| | | | |
|---|-------|-------|-------|
| Common Stock Shares issued for services rendered: | 8,000 | 8,000 | 8,000 |
|---|-------|-------|-------|

| | | | |
|--|-----------|--------|--------|
| Common stock issued for services rendered on March 11, 2005, at \$1.00 per share, plus 8,000 warrants | | | |
| Common stock issued for services rendered on March 21, 2005, at \$1.00 per share, plus 42,000 warrants | 42,000 | 42,000 | 42,000 |
| Common stock issued for services rendered on March 29, 2005, at \$1.00 per share, plus 2,000 warrants | 2,500 | 2,500 | 2,500 |
| Common stock issued for services rendered on December 8, 2005, at \$1.00 per share, plus 1,000 warrants | 1,000 | 1,000 | 1,000 |
| Other: | | | |
| Common stock issued in exchange for real estate on January 18, 2005 at \$1.00 per share plus 80,800 warrants | 80,800 | 80,800 | 80,800 |
| | 7,500,000 | | - |

| | | | | | | | | | | | | | |
|--|---|---|------------|---|------------|---|-----------|-------------|-----------|-------------|-------------|---|---------|
| Common stock issued to Careful Sell Holdings, LLC to acquire technology with zero value on February 23, 2005 | | | | | | | | | | | | | |
| Common stock issued to Careful Sell Holdings, LLC to acquire technology with zero value on March 29, 2005 | | | 30,000,000 | | | | | | | | - | | |
| Common stock issued for payment of debts on March 11, 2005, at \$1.00 per share plus 1,087 warrants | | | 1,087 | | 1,087 | | | | | | 1,087 | | |
| Stock subscriptions receivable, net | | | | | | | | | | 10,398 | 10,398 | | |
| Amortization of deferred compensation | | | | | | | | | 109,000 | | 109,000 | | |
| Net loss for the year ended December 31, 2005 | | | | | | | | | | (1,291,169) | (1,291,169) | | |
| Balance at December 31, 2005 | - | - | - | - | 45,866,087 | - | 3,601,200 | (2,675,555) | (436,000) | (78,182) | - | - | 411,463 |

See accompanying notes to the condensed financial statements.

8

Global Resource Corporation
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

| | Preferred Stock Par Value Shares | Preferred Stock Par Value Shares | Common Stock Par Value Shares | (Restated) Additional Paid-In Capital | (Restated) Deficit during the Development Cycle | (Restated) Accumulated Deficit | Accumulated Treasury Stock | (Restated) Other Comprehensive Income | (Restated) Total |
|--|--|--|-------------------------------------|--|--|-----------------------------------|----------------------------------|---|------------------|
| Common stock shares issued for cash : | | | | | | | | | |
| Common stock issued for cash on January 9, 2006, at \$1.18 per share plus 61,000 warrants | | | 61,000 | 72,000 | | | | | 72,000 |
| Common stock issued for cash on January 19, 2006, at \$2.00 per share plus 3,000 warrants | | | 3,000 | 6,000 | | | | | 6,000 |
| Common stock issued for cash on January 23, 2006, at \$2.00 per share plus 2,500 warrants | | | 2,500 | 5,000 | | | | | 5,000 |
| Common stock issued for cash on January 26, 2006, at \$2.00 per share plus 29,500 warrants | | | 29,500 | 59,000 | | | | | 59,000 |

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on January 27, 2006, at \$2.00 per share plus 11,100 warrants | 11,100 | 22,200 | 22,200 |
|---|--------|--------|--------|

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on January 31, 2006, at \$2.00 per share plus 15,000 warrants | 15,000 | 30,000 | 30,000 |
|---|--------|--------|--------|

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on February 1, 2006, at \$1.00 per share plus 2,000 warrants | 2,000 | 2,000 | 2,000 |
|--|-------|-------|-------|

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on February 2, 2006, at \$2.00 per share plus 1,000 warrants | 1,000 | 2,000 | 2,000 |
|--|-------|-------|-------|

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on February 2, 2006, at \$2.00 per share plus 6,000 warrants | 1,500 | 3,000 | 3,000 |
|--|-------|-------|-------|

| | | | |
|---|--------|--------|--------|
| Common stock issued for cash on February 6, 2006, at \$2.00 per share plus | 10,000 | 20,000 | 20,000 |
|---|--------|--------|--------|

Edgar Filing: Global Resource CORP - Form 10-Q

| | | | |
|---|---------|---------|---------|
| 10,000 warrants | | | |
| Common stock issued for cash on February 8, 2006, at \$1.00 per share plus 100,000 warrants | 100,000 | 100,000 | 100,000 |
| Common stock issued for cash on February 9, 2006, at \$.31 per share plus 52,000 warrants | 26,000 | 8,125 | 8,125 |
| Common stock issued for cash on February 10, 2006, at \$1.00 per share plus 10,000 warrants | 10,000 | 10,000 | 10,000 |
| Common stock issued for cash on February 15, 2006, at \$2.00 per share plus 15,000 warrants | 15,000 | 30,000 | 30,000 |
| Common stock issued for cash on February 16, 2006, at \$1.00 per share plus 200,000 warrants | 200,000 | 200,000 | 200,000 |
| Common stock issued for cash on | 10,000 | 20,000 | 20,000 |

February 16,
2006, at \$2.00
per share plus
10,000
warrants

Common
stock issued
for cash on
February 17,
2006, at \$1.02
per share plus
50,000
warrants

50,000

50,614

50,614

Common
stock issued
for cash on
February 22,
2006, at \$2.00
per share plus
2,000
warrants

2,000

4,000

4,000

Common
stock issued
for cash on
February 28,
2006, at \$1.00
per share plus
15,500
warrants

15,500

15,500

15,500

Common
stock issued
for cash on
March 2,
2006, at \$2.00
per share plus
15,000
warrants

15,000

30,000

30,000

Common
stock issued
for cash on
March 13,
2006, at \$1.00
per share plus
25,000
warrants

25,000

25,000

25,000

| | | | |
|--|-------|-------|-------|
| Common stock issued for cash on March 16, 2006, at \$1.00 per share plus 2,500 warrants | 2,500 | 2,500 | 2,500 |
|--|-------|-------|-------|