

Edgar Filing: Global Resource CORP - Form 10-Q

Global Resource CORP
Form 10-Q
May 09, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2008

☐ 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	84-1565820
-----	-----
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Bloomfield Business Park,
408 Bloomfield Drive, Unit 1,
West Berlin, New Jersey 08091

(Address of principal executive offices)

(856) 767-5661

(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer _____ Accelerated Filer _____
Non-accelerated filer _____ (do not check if a smaller reporting company
Smaller reporting company _____

Edgar Filing: Global Resource CORP - Form 10-Q

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 43,797,141 shares of common stock, par value \$0.001 were outstanding at April 23, 2008.

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Balance Sheet March 31, 2008 (Unaudited)

ASSETS	Period Ended March 31, 2008
CURRENT ASSETS	
Cash	\$ 1,595,782
Cash - Restricted	5,069,872
Inventory	361,511

TOTAL CURRENT ASSETS	7,027,165

Fixed Assets, Net of depreciation	362,044

OTHER ASSETS	
Investments & Deposits on Investments	74,860

TOTAL OTHER ASSETS	74,860

TOTAL ASSETS	\$ 7,464,069
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Edgar Filing: Global Resource CORP - Form 10-Q

Accounts payable and accrued liabilities	\$ 122,461
Current portion - loan payable - equipment	42,043
Loan Payable - to officer of company	150,000
Stock to be issued	5,069,872

TOTAL CURRENT LIABILITIES	5,384,376

LONG-TERM LIABILITIES	
Loan payable - equipment, net of current portion	40,704

Total liabilities	5,425,080

STOCKHOLDERS' EQUITY	
Preferred Stock A - \$.001 par value 100,000,000 shares authorized, 35,236,188 issued and outstanding at March 31, 2008	35,236
Preferred Stock B - \$.001 par value 1,000 shares authorized and issued as March 31, 2008	1
Common stock, \$.001 par value; 200,000,000 shares authorized, 33,197,056 issued and outstanding at March 31, 2008	33,292
Subscription receivable	(130,518)
Additional paid-in capital	24,553,559
Deficit accumulated in the development stage	(21,032,691)

	3,458,879
Treasury Stock	(66,473)
Prepaid Services	(1,162,667)
Deferred compensation	(190,750)

Total stockholders' equity	2,038,989

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,464,069
	=====

The accompanying notes are an integral part of these financial statements.

1

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Operations (With Cumulative Totals Since Inception) (Unaudited)

	Three Months Ended		
	March 31	MARCH 31	
	2008	2007	
	-----	-----	-----
REVENUES	\$ --	\$ --	\$

Edgar Filing: Global Resource CORP - Form 10-Q

COST OF SALES	--	--	
	-----	-----	---
GROSS PROFIT	--	--	
	-----	-----	---
OPERATING EXPENSES			
Consulting fees	--	8,239	
Professional fees for Legal and Accounting	204,129	174,975	
Investment Banking Fees and investor relations	2,599,802	60,000	
Other general and administrative expenses	786,785	486,388	
Depreciation expense	20,692	23,282	
	-----	-----	---
TOTAL OPERATING EXPENSES	3,611,408	752,884	2
	-----	-----	---
LOSS BEFORE OTHER INCOME (EXPENSE)	(3,611,408)	(752,884)	(2)
	-----	-----	---
OTHER INCOME (EXPENSE)			
Loss on deposit / real estate - net	--	--	
Interest expense	(6,073)	(3,479)	
Interest income	3,787	14,499	
	-----	-----	---
TOTAL OTHER INCOME (EXPENSE)	(2,286)	11,020	
	-----	-----	---
NET LOSS BEFORE PROVISION FOR INCOME TAXES	(3,613,694)	(741,864)	(2)
PROVISION FOR INCOME TAXES	--	--	
	-----	-----	---
NET LOSS APPLICABLE TO COMMON SHARES	\$ (3,613,694)	\$ (741,864)	\$ (2)
	=====	=====	=====
BASIC AND DILUTED LOSS			
PER SHARE	\$ (0.12)	\$ (0.03)	\$
	=====	=====	=====
WEIGHTED AVERAGE NUMBER			
OF COMMON SHARES	30,743,131	25,180,668	3
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

2

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Stockholders' Equity At March 31, 2008

PREFERRED STOCK		COMMON STOCK	
PREFERRED SHARES	PAR VALUE \$.001 \$ AMOUNT	COMMON SHARES	PAR VALUE \$.001 \$ AMOUNT
-----	-----	-----	-----
BALANCE - JULY 19, 2002 (INCEPTION)		-	\$

Edgar Filing: Global Resource CORP - Form 10-Q

Issuance of initial founders' shares, September 2002, net of subsequent cancellations			2,555,000	
Shares issued for services, September 2002			1,000,000	
Shares issued for cash, November 2002			29,000	
Shares issued for services, November and December 2002			13,600	
Net loss for the period July 19, 2002 (Inception) through December 31, 2002, as originally stated			-	
Prior period adjustment, Note 11	-	-	-	-
BALANCE AT DECEMBER 31, 2002	-	-	3,597,600	-
Re-issuance of founders' shares - July 2003			1,455,000	
Shares issued for cash			519,800	
Issuance of subscription receivable from shareholders			-	
Net loss for the year ended December 31, 2003, as originally stated			-	
Prior period adjustment, Note 11	-	-	-	-
BALANCE AT DECEMBER 31, 2003	-	-	5,572,400	-
Shares issued for cash			917,645	
Shares issued in exchange for real estate			650,000	
Shares issued for compensation			545,000	
Shares issued as charitable contribution			50,000	
Initial founders' shares cancelled			(250,000)	
Issuance of subscription receivable from shareholders			-	
Net loss for the year				

Edgar Filing: Global Resource CORP - Form 10-Q

ended December 31, 2004	-	-	-	-
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2004	-	-	7,485,045	-
	-----	-----	-----	-----

3

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Stockholders' Equity At March 31, 2008

(CONTINUED FROM PREVIOUS PAGE)

	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	DEFERRED COMPENSATION	CONTRA PREPAID FOR SERVICES	SUBSCRIPTION RECEIVABLE
	-----	-----	-----	-----
BALANCE - JULY 19, 2002 (INCEPTION)	\$ -	\$ -		\$ -
Issuance of initial founders' shares, September 2002, net of subsequent cancellations	-	-		
Shares issued for services, September 2002	-	-		
Shares issued for cash, November 2002	-	-		
Shares issued for services, November and December 2002	-	-		
Net loss for the period July 19, 2002 (Inception) through December 31, 2002, as originally stated	(2,008,508)	-		
Prior period adjustment, Note 11	1,500,000	-		
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2002	(508,508)	-	-	
	-----	-----	-----	-----
Re-issuance of founders' shares - July 2003	-	-		
Shares issued for cash	-	-		
Issuance of subscription receivable from shareholders	-	-		(14,300)
Net loss for the year ended December 31, 2003, as				

Edgar Filing: Global Resource CORP - Form 10-Q

originally stated	(931,159)	-		
Prior period adjustment, Note 11	727,500	-		
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2003	(712,167)	-	-	(14,3
	-----	-----	-----	-----
Shares issued for cash	-	-		
Shares issued in exchange for real estate	-	-		
Shares issued for compensation	-	(545,000)		
Shares issued as charitable contribution	-	-		
Initial founders' shares cancelled	-	-		
Issuance of subscription receivable from shareholders	-	-		(74,2
Net loss for the year ended December 31, 2004	(672,219)	-		
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2004	(1,384,386)	(545,000)	-	(88,5
	-----	-----	-----	-----

4

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Stockholders' Equity At March 31, 2008

	PREFERRED STOCK		COMMON STOCK	
	PREFERRED SHARES	PAR VALUE \$.001 \$ AMOUNT	COMMON SHARES	PAR VALUE \$.0 \$ AMOUNT
	-----	-----	-----	-----
Shares issued for cash			745,655	
Shares issued to acquire technology			37,500,000	
Remaining shares issued in exchange for real estate			80,800	
Shares issued for services			53,500	
Accounts payable converted to equity			1,087	
Stock subscriptions received,				

Edgar Filing: Global Resource CORP - Form 10-Q

net			-	
Amortization of deferred compensation			-	
Net loss for the year ended December 31, 2005	-	-	-	
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2005	-	-	45,866,087	
	-----	-----	-----	-----
Shares issued for cash			2,786,286	
Stock subscriptions received, net			-	
Amortization of deferred compensation			-	
Shares issued for services			14,123	
Shares issued for investment in land			22,500	
Effect of reverse merger			72,241	48,76
Shares issued for conversion of debt			2,681,837	2,68
Shares issued for consulting			25,000	2
Shares issued for merger with Mobilestream Inc			11,145,255	11,14
Cancellation of shares for merger with Mobilestream Inc			(37,500,000)	(37,50
Preferred convertible stock issued for merger with Mobilestream 2 for 1 conversion into common	35,236,188	\$ 35,236		
Net loss for the year ended December 31, 2006	-	-	-	
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2006	35,236,188	\$ 35,236	25,113,329	\$ 25,11
	=====	=====	=====	=====
Shares issued for cash			1,519,564	1,52
Shares issued for Stock to be issued (liability)			186,822	18
Stock subscriptions received, net			-	
Amortization of deferred compensation				
Shares issued for services			2,613,576	2,61

Edgar Filing: Global Resource CORP - Form 10-Q

Shares issued for services & Prepaid in Equity			925,000	92
Treasury Stock			(94,961)	
Preferred Shares issued for settlement of services	1,000	1		
Net loss for the period ended December 31, 2007	-	-	-	
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2007	35,237,188	\$ 35,237	30,263,330	\$ 30,35
	=====	=====	=====	=====

5

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Stockholders' Equity At March 31, 2008

(CONTINUED FROM PREVIOUS PAGE)

	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	DEFERRED COMPENSATION	CONTRA PREPAID FOR SERVICES	SUBSCRIPTI RECEIVABL
	-----	-----	-----	-----
Shares issued for cash	-	-		
Shares issued to acquire technology	-	-		
Remaining shares issued in exchange for real estate	-	-		
Shares issued for services	-	-		
Accounts payable converted to equity	-	-		
Stock subscriptions received, net	-	-		10,3
Amortization of deferred compensation	-	109,000		
Net loss for the year ended December 31, 2005	(1,291,169)	-		
	-----	-----	-----	-----
BALANCE AT DECEMBER 31, 2005	(2,675,555)	(436,000)	-	(78,1
	-----	-----	-----	-----
Shares issued for cash	-	-		

Edgar Filing: Global Resource CORP - Form 10-Q

Stock subscriptions received, net	-	-		(582,5
Amortization of deferred compensation	-	109,000		
Shares issued for services	-	-		
Shares issued for investment in land	-	-		
Effect of reverse merger	-	-		
Shares issued for conversion of debt	-	-		
Shares issued for consulting	-	-		
Shares issued for merger with Mobilestream Inc	(10,498)			
Cancellation of shares for merger with Mobilestream Inc				
Preferred convertible stock issued for merger with Mobilestream 2 for 1 conversion into common				
Net loss for the year ended December 31, 2006	(4,246,058)	-		
BALANCE AT DECEMBER 31, 2006	\$ (6,932,111)	\$ (327,000)	\$ -	\$ (660,6
Shares issued for cash				
Shares issued for Stock to be issued (liability)				
Stock subscriptions received, net	-	-		475,0
Amortization of deferred compensation		109,000		
Shares issued for services				
Shares issued for services & Prepaid in Equity			(1,808,042)	
Treasury Stock				
Perferred Shares issued for settlement of services				
Net loss for the period ended December 31, 2007	(10,486,886)	-	-	
BALANCE AT DECEMBER 31, 2007	\$ (17,418,997)	\$ (218,000)	\$ (1,808,042)	\$ (185,6

Edgar Filing: Global Resource CORP - Form 10-Q

6

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)
Condensed Statement of Stockholders' Equity
At March 31, 2008

(CONTINUED FROM PREVIOUS PAGE)

	PREFERRED STOCK		COMMON STOCK	
	PREFERRED SHARES	PAR VALUE \$.001 \$ AMOUNT	COMMON SHARES	PAR VALUE \$.001 \$ AMOUNT
Shares issued for cash			2,046,226	2,046,226
Stock subscriptions received, net				
Amortization of deferred compensation				
Shares issued for services			887,500	887,500
Shares issued for services & Prepaid in Equity				
Treasury Stock				
Warrants issued for services				
Net loss for the period ended March 31, 2008	-	-	-	-
BALANCE AT MARCH 31, 2008	35,237,188	\$ 35,237	33,197,056	\$ 33,197,056

	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	DEFERRED COMPENSATION	CONTRA PREPAID FOR SERVICES	SUBSCRIPTIONS RECEIVABLE
Shares issued for cash				
Stock subscriptions received, net				55,170
Amortization of deferred compensation		27,250		
Shares issued for services				
Shares issued for services & Prepaid in Equity			645,375	
Treasury Stock				

Edgar Filing: Global Resource CORP - Form 10-Q

Warrants issued for services				
Net loss for the period ended				
March 31, 2008	(3,613,694)	-	-	
	-----	-----	-----	-----
BALANCE AT MARCH 31, 2008	\$ (21,032,691)	\$ (190,750)	\$ (1,162,667)	\$ (130,511)
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements

7

GLOBAL RESOURCE CORPORATION (A Development Stage Company) Condensed Statement of Cash Flows (With Cumulative Totals Since Inception) (Unaudited)

	THREE MONTHS ENDED	
	MARCH 31, 2008	MARCH 31, 2007
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (3,613,694)	\$ (741,864)
	-----	-----
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH (USED IN)		
OPERATING ACTIVITIES:		
Depreciation	20,692	23,282
Preferred stock issued for services	--	--
Common stock issued for services	1,960,275	26,000
Common stock Warrants issued for services	14,580	--
Amortization of deferred compensation	27,250	27,250
Allowance reserve for note payable	--	--
Loss on sale of fixed asset	--	--
Loss on real estate	--	--
Common stock issued as charitable contribution	--	--
CHANGES IN ASSETS AND LIABILITIES	--	--
(Increase) in Inventory	(361,511)	--
(Increase) decrease in deposits	--	--
(Increase) in notes receivable	--	--
(Decrease) in accounts receivable	--	--
(Decrease) in accounts payable	2,872	(24,536)
	-----	-----
TOTAL ADJUSTMENTS	1,664,158	51,996
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(1,949,536)	(689,868)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,601)	--
Proceeds from sale of Fixed assets	--	--
Proceeds from sale of real estate	--	--

Edgar Filing: Global Resource CORP - Form 10-Q

Investment	--	--
Investment in real estate, net	--	--
	-----	-----
NET CASH PROVIDED BY (USED IN)		
INVESTING ACTIVITIES	(9,601)	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock for cash	2,083,789	5,250
Issuance of equity securities and paid-in capital for merger and other	645,375	201,342
Liability for stock to be issued	5,069,872	(201,342)
(Increase) decrease in stock subscription receivable	55,175	--
Proceeds from officer's loan	--	--
Repayment of officer's loan	--	--
Purchase of Treasury Stock	--	--
Proceeds from loan payable - equipment	--	--
Repayment of loan payable - vehicle	(9,845)	(8,878)
Proceeds from loan payable - equipment	--	--
Repayment of loan payable - equipment	--	--
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	7,844,366	(3,628)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,885,229	(693,496)
CASH AND CASH EQUIVALENTS		
- BEGINNING OF PERIOD	780,425	1,770,002
	-----	-----
CASH AND CASH EQUIVALENTS		
- END OF PERIOD	\$ 6,665,654	\$ 1,076,506
	=====	=====
SUPPLEMENTAL DISCLOSURES OF		
NON-CASH ACTIVITIES:		
Common stock issued for services	\$ 1,960,275	\$ 26,000
	=====	=====
Common stock issued for services net of prepaid contra equity account	\$ 645,375	--
	=====	=====
Common stock issued for land investment	--	--
	=====	=====
Common stock issued as charitable contribution	--	--
	=====	=====
Common stock Warrants issued for services	\$ 14,580	--
	=====	=====

The accompanying notes are an integral part of these financial statements.

Edgar Filing: Global Resource CORP - Form 10-Q

(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - BASIS OF PRESENTATION AND NATURE OF BUSINESS AND ORGANIZATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and should be read in conjunction with the consolidated financial statements of Global Resources Corporation included in form 10-K for the year ending December 31, 2007. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2008 are not necessarily indicative of the results that maybe expected for the year ended December 31, 2008.

Global Resource Corporation (the Company") was formed on July 19, 2002 in the State of New Jersey under the name Carbon Recovery Corporation as a development stage company. The Company's business plan is to research and develop and market the business of decomposing petroleum-based materials by subjecting them to variable frequency microwave radiation at specifically selected frequencies for a time sufficient to at least partially decompose the materials, converting the materials into industrial products and chemicals for the petroleum chemical industry.

The Company's business goals are as follows:

- 1) The construction of plants to exploit certain technology for decomposing petroleum-based materials by subjecting them to variable frequency microwave radiation at specifically selected frequencies for a time sufficient to at least partially decompose the materials;
- 2) The design, manufacture and sale of machinery and equipment units, embodying the technology;
- 3) The sub-licensing of third parties to exploit that technology.

At the present time, the process is in a laboratory mode. There will have to be a transition from the "one batch at a time" operation, used in the laboratory to a "continuous feed" line in order to commercialize the process. A prototype one ton "continuous feed" line machine is scheduled for delivery in the second quarter 2008.

The Company believes that the design of the machinery and equipment for the decomposition of waste tires fully protects the environment from the release of components during the decomposition process.

In a similar decomposition process, the Company has designed machinery and equipment which will decompose "fluff", which is the non-metallic portions of scrap motor vehicles, primarily, the interiors. It appears that although scrap vehicles are specifically taken without the tires due to environmental rules, they are often removed but then placed ("hidden") in the trunk of the vehicle and crushed into it, thus "disposing" of the tires. The Company's machinery will, of course, permit any tires to be decomposed together with the other materials.

Edgar Filing: Global Resource CORP - Form 10-Q

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - BASIS OF PRESENTATION AND NATURE OF BUSINESS AND ORGANIZATION

(CONTINUED)

The Company is currently offering three models: one which disposes of five tons per hour, one which disposes of ten tons per hour and one which disposes of fifteen tons per hour. The Company is soliciting orders and has issued various proposals.

There are other potential applications for the microwave technology covered by the license, in addition to the application for decomposing waste tires and fluff. These include:

1. Stimulation of production of mature oil and gas wells ("stripper" wells);
2. Reduction of hydrocarbons in drilling cuttings to permit on-site disposal;
3. Volatilization of heavy or slurry oil;
4. Recovery of oil from oil shale and oil sands; and
5. Medicinal applications.

To date, the Company has allocated a substantial portion of their time and investment in bring their product to the market and the raising of capital. The Company has not commenced any commercial operations as of March 31, 2008.

On December 31, 2006, Global Resource Corporation acquired all the assets and assumed all of the liabilities of Mobilestream Oil, Inc. in exchange for; a) 11,145,255 shares of the Company's Common Stock; b) the issuance by the Company for the benefit of the holders of the 2006 series of convertible preferred stock of Mobilestream of 35,236,188 shares of the Company's own "2006 Series" in the process of designation (see "Subsequent Events" note 14 below "liquidation trust"); c) the issuance of 27,205,867 common stock purchase warrants on the basis of 1 warrant for each 3 shares of either common stock or preferred stock (the 2006 Series), exercisable at \$4.75 per share for a period ending on December 31, 2008. A stockholder of Mobilestream owned 37,500,000 shares of the Company's stock which were cancelled. The total cost of the acquisition of Mobilestream has been allocated to the assets acquired and the liabilities assumed based on their fair values in accordance with SFAS 141, BUSINESS COMBINATIONS. The net asset and liabilities of Mobilestream equal approximately \$2.4 million. The assets consisted of cash approximately \$1,678,000, and fixed assets of \$149,000 offset by liabilities of approximately \$91,000.

On September 22, 2006, the Carbon Recovery Corporation entered into a Plan and Agreement of Reorganization ("Agreement") with Global Resource Corporation. Pursuant to the Agreement, Global Resource Corporation acquired all of the assets and assumed all of the liabilities and related development stage business of Carbon Recovery Corporation in exchange for 48,688,996 common shares and the assumption of a convertible debenture and accrued interest in the amount of \$120,682 by Carbon Recovery Corporation. Subsequent to the acquisition the convertible debenture was eliminated by issuing 2,681,837 of the Company's common stock. The holders of Global Resource Corporation's capital stock before the Agreement retained 72,241

Edgar Filing: Global Resource CORP - Form 10-Q

shares of common stock. Prior to the Agreement, Carbon Recovery Corporation had warrants

10

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - BASIS OF PRESENTATION AND NATURE OF BUSINESS AND ORGANIZATION

(CONTINUED)

outstanding. Pursuant to the Agreement, those outstanding warrants were exchanged for outstanding warrants of Global Resource Corporation. Specifically, Global Resource Corporation issued 3,908,340 Class B warrants, 1,397,600 Class D warrants and 1,397,600 Class E warrants. The Class B and Class D warrants have an exercise price of \$2.75 and the Class E warrants have an exercise price of \$4.00. All of the warrants were originally scheduled to expire on September 21, 2007, but the Board of Directors of the Company has extended the expiration date to December 31, 2008 for Class B warrants, Class D warrants and for Class E warrants.

The above transaction has been accounted for as a reverse merger (recapitalization) with Carbon Recovery Corporation being deemed the accounting acquirer and Global Resource Corporation being deemed the legal acquirer. Accordingly, the historical financial information presented in the financial statements is that of Carbon Recovery Corporation as adjusted to give effect to any difference in the par value of the issuer's and the accounting acquirer's stock with an offset to additional paid in capital. The basis of the assets and liabilities of Carbon Recovery Corporation, the accounting acquirer, have been carried over in the recapitalization. Concurrent with the merger, Carbon Recovery Corporation changed its name to Global Resource Corporation.

On December 11, 2007 the company adapted the following Amendments to the Articles of Incorporation: 1) Reduce the authorized number of shares of common stock which the Company may issue from 2,000,000,000 to 200,000,000 shares. 2) Increase the authorized number of preferred shares which the Company may issue from 50,000,000 to 100,000,000. 3) Reduce the number of 2006 Series of Convertible Preferred Stock which may be converted into common stock, from 2 shares of common stock to 1/2 of 1 share of common stock for each share of 2006 Convertible Preferred Stock. 4) Indemnify the Company's directors and officers to the maximum extent permitted under the laws of the State of Nevada. 5) Limiting the liability of the Company's directors and officers to the Company, Company stockholders and creditors to the maximum extent provided under the Private Corporations Law of the State of Nevada (the "Nevada PCL"). 6) Permit the board of directors to declare reverse stock splits of our issued and outstanding shares without approval of the stockholders under section 78-2055 of the Nevada PCL.

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, "ACCOUNTING AND REPORTING BY DEVELOPMENT STAGE ENTERPRISES". The Company has devoted substantially all of its efforts to business planning and development, as well as allocating a substantial portion of their time and investment in bringing their product to the market, and the raising of capital.

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash or cash equivalents.

At March 31, 2008, the Company maintained cash and cash equivalent balances at two financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$100,000. At March 31, 2008 the Company's uninsured cash balances total \$6,424,200.

START-UP COSTS

In accordance with the American Institute of Certified Public Accountants Statement of Position 98-5, "REPORTING ON THE COSTS OF START-UP ACTIVITIES", the Company expenses all costs incurred in connection with the start-up and organization of the Company.

INCOME TAXES

Deferred income taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

BUSINESS COMBINATIONS

Effective December 31, 2006 the Company acquired all the assets and assumed all of the liabilities of Mobilestream Oil Inc. and due to the transfer of assets between entities under common control, the total cost of the

Edgar Filing: Global Resource CORP - Form 10-Q

acquisition of Mobilestream has been allocated to the assets acquired and the liabilities assumed based on their fair values in accordance with SFAS 141, BUSINESS COMBINATIONS. All account amounts and shares amounts have been updated and presented to reflect the change.

Effective July 31, 2006 the Company completed a reverse split of its common stock. All share amounts have been updated and presented to reflect the change.

12

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STOCK-BASED COMPENSATION

Effective January 1, 2006, the Company adopted the provisions of Financial Accounting Standards Board ("FASB") published Statement of Financial Accounting Standards No. 123 (Revised 2004), "SHARE-BASED PAYMENT" ("SFAS 123R"). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The Company has not issued any options during the reporting periods and as such, the effect of SFAS 123R has no impact on the results of operations for the three months ended March 31, 2008 and 2007.

EARNINGS (LOSS) PER SHARE OF COMMON STOCK

Historical net loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss because to do so would be antidilutive.

EARNINGS (LOSS) PER SHARE OF COMMON STOCK

The following is a reconciliation of the computation for basic and diluted earnings per share:

	Three Months Ended March 31,	
	2008	2007
Net loss	(\$3,613,694)	(\$741,864)
Weighted-average common shares Outstanding (Basic)	30,743,131	25,180,668

Edgar Filing: Global Resource CORP - Form 10-Q

Weighted-average common shares		
Outstanding (Diluted)	30,743,131	25,180,668
	=====	=====

Weighted-average common stock equivalents for preferred stock convertible to 1/2 for 1 of common are 17,618,094 and warrants common stock equivalents are 13,026,076. There are also common stock purchase options equivalents totaling 200,000, these warrants and options are not part of the weighted-average outstanding common stock calculation because inclusion would have been anti-dilutive as of March 31, 2008 and 2007.

13

GLOBAL RESOURCE CORPORATION (A DEVELOPMENT STAGE COMPANY) NOTES TO THE CONDENSED FINANCIAL STATEMENTS MARCH 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVENTORIES

Inventory is stated at the lower of cost or market. Cost is determined using actual job costs per machine. Currently inventories consist of only work in process.

ADVERTISING COSTS

The Company will expense the costs associated with advertising as they are incurred. The Company did not incur any advertising costs for the years ended March 31, 2008 and 2007.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 (revised 2007), BUSINESS COMBINATIONS, which replaces SFAS No 141. The statement retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. SFAS No. 141R is effective for us beginning January 1, 2008 and will apply prospectively to business combinations completed on or after that date.

In December 2007, the FASB issued SFAS No. 160, NONCONTROLLING INTERESTS IN CONSOLIDATED FINANCIAL STATEMENTS, AN AMENDMENT OF ARB 51, which changes the accounting and reporting for minority interests. Minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or

Edgar Filing: Global Resource CORP - Form 10-Q

sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and, upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for us beginning January 1, 2008 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively. We are currently assessing the potential impact that adoption of SFAS No. 160 would have on our financial statements.

In February 2007, the FASB issued SFAS No. 159, THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES. SFAS No. 159 gives us the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. SFAS No. 159 is effective for us beginning January 1, 2008, although early adoption is permitted. We are currently assessing the potential impact that electing fair value measurement would have on our financial statements and have not determined what election we will make.

14

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On January 1, 2007, the Company adopted the provisions of FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140." SFAS No. 156 requires an entity to recognize a servicing asset or liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract under a transfer of the servicer's financial assets that meets the requirements for sale accounting, a transfer of the servicer's financial assets to a qualified special-purpose entity in a guaranteed mortgage securitization in which the transferor retains all of the resulting securities and classifies them as either available-for-sale or trading securities in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and an acquisition or assumption of an obligation to service a financial asset that does not relate to financial assets of the servicer or its consolidated affiliates. Additionally, SFAS No. 156 requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, permits an entity to choose either the use of an amortization or fair value method for subsequent measurements, permits at initial adoption a one-time reclassification of available-for-sale securities to trading securities by entities with recognized servicing rights and requires separate presentation of servicing assets and liabilities subsequently measured at fair value and additional disclosures for all separately recognized servicing assets and liabilities. The adoption of SFAS No. 156 did not have a material impact on the Company's financial position, results of operations, or cash flows.

NOTE 3 - FIXED ASSETS

Fixed assets as of March 31, 2008 were as follows:

Estimated Useful

Edgar Filing: Global Resource CORP - Form 10-Q

	Lives (Years)	Amount
Testing Equipment	5 - 7	\$ 454,013
Vehicles	5	34,425
Office & Computer Equip.	5	18,719
Leasehold improvements	3	12,195
	Total	\$ 519,352
		=====
Less accumulated Depreciation & amortization		157,308

NET FIXED ASSETS		\$ 362,044
		=====

There was \$20,692 and \$23,282 charged to operations for depreciation expense for the three months ended March 31, 2008 and 2007, respectively.

15

GLOBAL RESOURCE CORPORATION (A DEVELOPMENT STAGE COMPANY) NOTES TO THE CONDENSED FINANCIAL STATEMENTS MARCH 31, 2008

NOTE 4 - LOAN PAYABLE - OFFICE OF COMPANY

On November 28, 2007 the Chief Financial Officer, Jeff Andrews, lent the Company \$150,000. This loan has no stated principal payment due date, interest agreement is prime plus 2%. An expense was recorded for three months based on terms stated above, interest expense will be accrued and expense monthly in the amount of \$1,187 until the Company pays off the loan (see "Subsequent Events" note 14 on payment below).

NOTE 5 - LOAN PAYABLE - EQUIPMENT

In January 2006 the Company entered into a five year loan related to the purchase of new equipment. The principal amount of the loan is \$75,000 at an interest rate of 13.43% annually. Monthly payments on the loan are approximately \$1,723. In October 2006 the Company entered into a three year loan related to lab equipment. The principal amount of the loan is \$73,817 at an interest rate of 8.71% annually. Monthly payments on the loan are approximately \$2,396.

	2008
Total Loans Payable	\$ 82,747
Less current maturities	(42,043)

Long-Term payable	\$ 40,704
	=====

The amount of principal maturities of the loans payable by years is as follows:

2008	31,118
2009	35,416
2010	16,213

	\$ 82,747

=====

NOTE 6 - INVENTORY

Inventory consists of a one ton machine currently in the work in process stage.

	March 31, 2008	March 31, 2007
	-----	-----
Work in Process	\$ 361,511	\$ 0

16

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 7 - PROVISION FOR INCOME TAXES

Deferred income taxes will be determined using the liability method for the temporary differences between the financial reporting basis and income tax basis of the Company's assets and liabilities. Deferred income taxes will be measured based on the tax rates expected to be in effect when the temporary differences are included in the Company's tax return. Deferred tax assets and liabilities are recognized based on anticipated future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases.

At March 31, 2008 the deferred tax assets consist of the following:

	2008

Deferred taxes due to net operating carryforwards	\$ 6,310,000
Less: Valuation Allowance	(6,310,000)

Net Deferred Tax asset	\$ --

At March 31, 2008, the Company had deficits accumulated during the development stage in the approximate amount of \$21,033,691 available to offset future taxable income through 2027. The Company established valuation allowances equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

NOTE 8 - OPERATING LEASES

The Company leases office space under a lease agreement that commenced June 1, 2006, the monthly lease payments are \$5,000 per month and the leases expires on May 31, 2009. The Company is required to pay property taxes, utilities, insurance and other costs relating to the leased

Edgar Filing: Global Resource CORP - Form 10-Q

facilities.

Minimum lease payments under the operating lease are as follows:

For the periods Ending March 31	Amount
2008	\$ 45,000
2009	21,700

	\$ 67,700
	=====

17

GLOBAL RESOURCE CORPORATION (A DEVELOPMENT STAGE COMPANY) NOTES TO THE CONDENSED FINANCIAL STATEMENTS MARCH 31, 2008

NOTE 9 - ALLEVIATION OF GOING CONCERN

At December 31, 2007, the Company reported that it had incurred substantial net losses for the years ended December 31, 2007 and 2006 and the Company had not commenced operations to have a revenue stream to support itself. These factors raised substantial doubt about the Company's ability to continue as a going concern at that time.

During the three months ended March 31, 2008, the Company raised over \$7.1 million dollars in cash through a private placement of common stock. (The Company also raised another \$2 million in a private placement of common stock subsequent to the balance sheet date as described in Note 13). With this additional capital and projected cash flow expenditures over the next twelve months, Company's management considers the facts and circumstances which raised substantial doubt about the Company's ability to continue as going concern to be alleviated.

The Company also expects to successfully demonstrate its one ton per hour microwave reactor system by end of this second quarter 2008 and deliver the machine in the third quarter of 2008. The Company projects to have significant sales revenue and positive cash flow in the 2008 fourth quarter. In 2009, the Company also expects to continue generating positive cash flow from projected sales.

NOTE 10 - RELATED PARTY TRANSACTION

On May 17, 2007, the Company authorized the purchase of the Company stock from Lois Pringle, officer and wife of the Company's Chief Executive officer. The Company purchased 94,961 shares for \$66,471 in cash.

NOTE 11 - STOCKHOLDERS' EQUITY

COMMON STOCK

The following details the stock transactions for the three months ended March 31, 2008:

Edgar Filing: Global Resource CORP - Form 10-Q

The Company issued 2,046,226 shares of stock for \$2,083,789 cash.

The Company issued 887,500 shares of common stock in exchange for services rendered, valued at \$1,960,275.

18

GLOBAL RESOURCE CORPORATION (A DEVELOPMENT STAGE COMPANY) NOTES TO THE CONDENSED FINANCIAL STATEMENTS MARCH 31, 2008

NOTE 11 - STOCKHOLDERS' EQUITY (CONTINUED)

PREFERRED STOCK

There was no activity for the three months ended March 31, 2008 (see subsequent note 14 on conversion).

WARRANTS

The Company issued an additional 1,989,169 warrants, which have an exercise price of \$2.00 and expire September 2009, in a private placement sale in the first quarter 2008. In addition the Company issued 6,000 warrants with a warrant price of \$2.63 for services performed in first quarter, these warrant will expire in 5 years.

A summary of the status of the Company's outstanding stock warrants as of March 31, 2008 is as follows:

	Shares	Weighted Average Exercise Price
	-----	-----
Outstanding at December 31, 2007	11,036,907	\$ 3.51
Granted	1,995,169	\$ 2.00
Exercised	-	-
Forfeited / expired		\$ -
	-----	-----
Outstanding at March 31, 2008	13,032,076	\$ 3.28
Exercisable at March 31, 2008	13,032,076	\$ 3.28
	-----	-----

In March 2005 the Company issued 200,000 of common stock purchase options (under Carbon Recovery Corporation) to the CFO, they have an exercise price of \$1.00 per share and will be 100% vested on 12/31/2008. As of 03/31/2008 none were exercised.

19

Edgar Filing: Global Resource CORP - Form 10-Q

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Effective January 1, 2005 the Company entered into an employment agreement with its President. Under the agreement the President shall be entitled to an annual base salary of \$250,000 in 2005 escalating to \$366,025 in 2009. In 2005, \$156,000 of the salary shall be paid ratably during the course of the year and the remaining \$94,000 will be paid in accordance with the terms of the agreement. The initial term of the agreement is for a period of five years. The President has the option to renew this agreement for a second five-year term. In addition to the base salary the Company has granted the President 545,000 shares of restricted common stock as deferred compensation. The common stock vests to the President over a five-year period commencing January 1, 2005.

In June 2007 the Company entered into purchase agreement with Ingersoll Production Systems of Rockford Illinois to build one 1 ton microwave reactor system. The total purchase commitment is approximately \$400,000 and the microwave reactor system is expected to be delivered by end of second quarter 2008. The Company has currently paid \$350,000 as of March 31, 2008, this amount is reflected in the balance sheet as part of the Inventory - WIP.

In October, 2007 the Company revived an Agreement which had previously expired for the sale of shares of its Common Stock to Mercatus & Partners, Limited ("Mercatus"), a private limited company organized and existing under the laws of the United Kingdom, having an address of Via S. Roberto Bellarmino #4, 00142 Roma, Italy. The proposed transaction was for the placement of shares of its Common Stock to a value of \$2,000,000. The original agreement had expired on March 31, 2007. Following protracted discussions, on October 16, 2007 the Company agreed to revive the Agreement, with certain modifications, and the parties executed an Addendum to the original Agreement. Under the revived Agreement and Addendum, Mercatus was to have purchased shares to the total of \$2,000,000 on or before November 30, 2007. The Company had deposited 2,665,666 shares of its Common Stock in escrow, with any unpurchased balance of such shares as of November 30th to be returned for cancellation. Mercatus failed to make any of the installment payments as promised and did not complete any of the purchase by November 30, 2007. The Company no longer has any confidence in Mercatus, has advised Mercatus that the Agreement has expired and will not be extended or further revived, and has demanded a return of the 2,665,666 shares which were escrowed. These shares have not been included in the outstanding shares and weighted average number of common stock share calculation.

On March 25, 2008 the parties amended the Letter of Intent which had been entered into on December 17, 2007 between the Company and Warwick Communications, Inc. ("Warwick"), previously reported. The Letter of Intent remains non-binding and subject to final mutually agreeable documents including the License Agreement. The major change is that Warwick is to order a 5 ton per hour machine by May 30, 2008, subject still to the waivable condition precedent of a successful demonstration of the pilot plant, anticipated to be held on April 23, 2008. The total net purchase price will be \$3,572,100. Payment is divided into 4

Edgar Filing: Global Resource CORP - Form 10-Q

payments: (1) an initial deposit of \$1,178,793 divided into a \$10,000 refundable deposit to accompany the order and the balance of \$1,168,793 due within 30 business days; (2) a second payment of \$1,178,793 due within 3

20

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

months of the first payment; (3) \$857,304 due upon delivery and successful testing; and (4) a final payment of \$357,210 due upon successful installation. Subject to Warwick's meeting of the first year's order requirement, Warwick will earn the right of first refusal for the territories of Mexico, Cuba, Venezuela, Brazil, Morocco, Panama and Trinidad & Tobago. Payment for the license continues to be by issuance of 2,000,000 shares of Warwick's Common Stock, together with 2 warrants; one to purchase 1,000,000 additional shares of Warwick's Common Stock at a price of US\$.50 per share and the other to purchase 750,000 shares of Warwick's Common Stock at a price of US\$1.00 per share; however, now the issuance by Warwick of its 2,000,000 shares of Common Stock in payment for the license will be subject to a one year hold and a mutual sign off by the Company, Warwick and Warwick's lessee to the effect that the machine has operated successfully for at least 90 days and that the lessee will continue its lease of such machine. Under the license, when and if issued, Warwick will be obligated to purchase one operational plant per year for the first five years with orders aggregating US\$25,000,000 at the end of the 5 years.

On December 21, 2007 the Company entered into a certain Securities Purchase agreement with Professional Offshore Opportunity Fund, Ltd. ("PROOF") pursuant to which PROOF agreed to purchase 1,250,000 shares of the Company's common stock together with warrants for additional 625,000 shares at an exercise price of \$1.50 per share. The Company received \$1,000,000 of the purchase price from PROOF with the balance of \$250,000 being held in escrow, together with the 250,000 common stock shares being purchased pending certain future events. In addition, the Company has issued to the Escrow agent an additional 625,000 shares to be delivered to PROOF or returned to the Company, depending upon those certain future events (the "Trigger Event"). The Trigger Event will occur if (i) the Company does not file and have an effective registration statement for the Shares, Warrants and Warrant Shares by June 30, 2008 or (ii) in the event that during the period of six months from the date of Closing, the market price of the Company's Common Stock has a closing price of less than \$1.00. In case of either Trigger Event, the Escrow is authorized to transfer to PROOF the 625,000 escrowed shares. In addition, PROOF may, at its option, instruct the Escrow to (i) pay over (to PROOF) the escrowed \$250,000 of proceeds and (ii) return to the Company the 250,000 escrowed shares. As of March 31, 2008 shares have not been register.

Effectively February 11, 2008, the Company entered into employment agreement with Mr. Jeff T. Kimberly as the Company's Chief Operating officer. Mr. Kimberly received a \$100,000 signing bonus, his base salary will be \$200,000 per year which will increase to \$225,000 on

Edgar Filing: Global Resource CORP - Form 10-Q

August 11, 2008, his sixth month anniversary with the company. In addition to his base salary, Mr. Kimberly is eligible to receive a yearly performance bonus to be paid in the Company's common stock issued under the GRC 2008 Employee compensation plan, as well as a relocation compensation package and Company medical benefits.

21

GLOBAL RESOURCE CORPORATION
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 13 - INVESTMENTS AND DEPOSITS ON INVESTMENTS

The March 31, 2008 balance of investments and deposits, totaling \$74,860, consists of a \$45,000 investment in land which occurred in 2006 and a \$29,860 deposit made in August of 2007 on a future lease for additional equipment. The lease deposit for equipment is expected to be returned to the Company in 2008.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent to the balance sheet date of March 31, the following transactions occurred:

The company issued 5,538,573 shares of common stock for \$5,538,573 in cash in the month of April, \$5,069,872 of this cash was included as restricted cash and stock to be issued in the 3/31/2008 balance sheet. Also one warrant was issued for each share of common stock shares. The warrants have a \$2.00 exercise price and expire 18 months from date of issuance. The Company has also received an additional \$1.8 million in cash for shares of common stock and warrants stock to be issued in April.

In April the Company paid \$120,000 to the CFO, as partial payment for the loan payable from officer of Company, with the remaining balance of \$30,000 is expected to be paid by year end 2008.

In April 2008 all of the Class B Preferred Stock 1,000 shares was converted into 206,559 shares of common stock.

22

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS..

General - Plan of Operations

On September 22, 2006 the Company acquired the assets and development stage business of Carbon Recovery Corporation. Since then the Company has continued the plan of operations developed by Carbon Recovery Corporation and in effect at the time of that acquisition. Essentially, this involves finding commercial

Edgar Filing: Global Resource CORP - Form 10-Q

applications for the various uses and applications of the variable microwave technology to recover hydrocarbons either from waste products (E.G., waste tires and non-metallic components of junked and wrecked vehicles) or from sources such as oil shale, oil drilling cuttings, capped wells with appropriate geological characteristics, etc. As of the date of this Form 10-Q, the Company remains a development stage company and has not yet had revenues from the application of its technology or the sale of units embodying that technology.

The Company recognizes that it faces substantial competition from companies with alternative technologies in the various areas where it seeks to exploit its own microwave technology and that the transfer of the microwave technology from the laboratory to the field will involve a variety of problems. The Company also recognizes that its microwave technology requires certain equipment and machinery components which are not commercially available and which must be built to the Company's order and which may, accordingly, require a substantial manufacturing or fabricating time.

Liquidity and Working Capital

As of March 31, 2008 the Company had \$1,595,782 in cash on hand and another \$5,069,872 pending release from escrow upon the issuance of securities being subscribed for. Subsequent to March 31, 2008 the securities were issued and the cash was released to the Company from escrow. The cash on hand as of March 31, 2008 including the subsequently released cash is considered adequate to cover anticipated working capital requirements for approximately thirty-three (33) months. The Company is continuously engaged in reviewing, discussing, analyzing and negotiating various financing, sales and license opportunities, both in the United States and in Europe.

During the quarter ending March 31, 2008 the Company incurred inventory cost of \$361,511 for its one ton machine which was not complete as of March 31, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company does not have market risk sensitive instruments, whether instruments entered into for trading purposes or instruments entered into for other than trading purposes.

23

ITEM 4. CONTROLS AND PROCEDURES.

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the specified time periods.

The Company's management, with the participation of its Chief Executive Officer and its Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e)) as of March 31, 2008. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of that date, the Company's disclosure controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, were effective at the reasonable assurance level.

As discussed in the Company's prior year annual report on Form 10-KSB for the year ended December 31, 2007 management's assessment identified a material weakness relating to lack of adequate segregation of duties.

Edgar Filing: Global Resource CORP - Form 10-Q

The Public Company Accounting Oversight Board has defined material weakness as a "significant deficiency or combination of significant deficiencies that results in more than a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected".

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting except for the previously mentioned continuing lack of segregation of duties, in that we only had one person performing all accounting-related on-site duties. Because of the "barebones" level of relevant personnel, however, certain deficiencies which are cured by separation of duties cannot be cured, but only monitored as a weakness. In 2007 the Company added three new independent members to the Board of Directors, and in 2008 the Board will form an audit committee and a compensation committee in order to enhance and strengthen controls.

Notwithstanding the existence of material weakness in our internal controls over financial reporting, our management, including our Chief Executive Officer and Chief Financial Officer, believe that the consolidated financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

ITEM 4(T) CONTROLS AND PROCEDURES.

The management of Global Resources Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance as to the reliability of the Company's financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

24

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making this assessment, it used the criteria set forth in INTERNAL CONTROL--INTEGRATED FRAMEWORK issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We identified the following material weakness in our internal control over financial reporting- we did not have adequately segregation of duties, in that we only had one person performing all accounting-related on-site duties. Because of the "barebones" level of relevant personnel, however, certain deficiencies which are cured by separation of duties cannot be cured, but only monitored as a weakness.

Our independent registered public accounting firm, Bagell, Josephs, Levine & Company, LLC, has reviewed our management's assessment of our internal controls over the financial reporting and will issue their report in 2008 per SEC rules for non-accelerated filers.

25

PART II - OTHER INFORMATION

Edgar Filing: Global Resource CORP - Form 10-Q

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2007.

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

Information with respect to all equity securities of the Company sold during the first quarter that were not registered under the Securities Act of 1933 has been previously filed on Forms 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5. OTHER INFORMATION.

On April 24, 2008 (as of April 17, 2008) the Company and Warwick Communications, Inc. further amended the non-binding Letter of Intent of December 17, 2007 by extending the date on which the second portion of the initial deposit, \$1,168,793, which was to have been paid on or before April 25, 2008, will now be due and payable by no later than August 30, 2008. The making of the second portion of the deposit is dependent upon a successful demonstration of the pilot plant "to be held on May 23 or by or before July 15, 2008. Upon waiving the condition of the demonstration on or before July 15, 2008 or by no later than July 30 the \$10,000 deposit will be advanced as non-refundable money and within thirty business days, the balance of the initial deposit of \$1,168,793 will be advanced by Warwick into GRC's account, ..." The balance of the payments will be due as previously reported.

ITEM 6. EXHIBITS.

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Edgar Filing: Global Resource CORP - Form 10-Q

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL RESOURCE CORPORATION

By /s/ Frank G. Pringle

Frank G. Pringle, Pres/CEO

Date: May 9, 2008