Global Resource CORP
Form 10-Q
November 23, 2009

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

FORM 10-Q

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

For the quarterly period ended September 30, 2009

o 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)	(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. þYes oNo

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). oYes oNo

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company þ

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

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

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

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

		(Unaudited) Period Ended September 30, 2009		Year Ended 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

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.

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

	Three Months Ended		Nine Months Ended		July 19, 2002
		Restated		Restated	(Inception)
	September 30 2009	September 30 2008	September 30 2009	September 30 2008	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 September 30, 2009	Nine Months Ended September 30, 2008	July 19, 2002 (Inception) to June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		Restated	
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

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.

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

	Preferred Stock Par Value $.001 Shares	Preferred Stock Par Value $.001 $ Amount	Preferred Stock B Par Value $.001 Shares	Preferred Stock B Par Value $.001 $ Amount	Common Stock Par Value $.001 Shares	Common Stock Par Value $.001 $ Amount	(Restated) Additional Paid-In Capital	Deficit (Restated) Accumulated during the Development Stage	Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(Restated) 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

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

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.

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

	Preferred Stock Preferred Value $.001 Shares	Preferred Stock Preferred Value $.001 $ Amount	Preferred Stock A Preferred Value $.001 Shares	Preferred Stock A Preferred Value $.001 $ Amount	Common Stock Par Value $.001 Shares	Common Stock Par Value $.001 $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	(Restated) Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(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.

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

	Preferred Stock Par Value $.001 Shares	Preferred Stock $ Amount	Preferred A Stock Par Value $.001 Shares	Preferred A Stock $ Amount	Common Stock Par Value $.001 Shares	Common Stock $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	(Restated) Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(Restated) Total
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 $1.00per 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

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 receiveable, 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.

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

	Preferred Stock A Par Value $.001 Preferred Shares	Preferred Stock A $ Amount	Preferred Stock B Par Value $.001 Preferred Shares	Preferred Stock B $ Amount	Common Stock Par Value $.001 Common Shares	Common Stock $ Amount	(Restated) Additional Paid-In Capital	Deficit (Restated) Accumulated during the Development Stage	Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(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 warrants	10,000	20,000		20,000
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	26,000	8,125		8,125

52,000 warrants			
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 February 16, 2006, at $2.00 per share plus 10,000 warrants	10,000	20,000	20,000
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
Common stock issued for cash on March 17, 2006, at $.36 per share plus 308,000 warrants	154,000	55,175	55,175
Common stock issued for cash on March 20, 2006, at $2.00 per share plus 11,800 warrants	11,800	23,600	23,600
Common stock issued for cash on April 5, 2006, at $2.00	1,000	2,000	2,000

per share plus 1,000 warrants			
Common stock issued for cash on April 26, 2006, at $2.00 per share plus 8,000 warrants	8,000	16,000	16,000
Common stock issued for cash on May 4, 2006, at $2.00 per share plus 2,200 warrants	2,200	4,400	4,400
Common stock issued for cash on May 8, 2006, at $2.00 per share plus 500 warrants	500	1,000	1,000
Common stock issued for cash on May 10, 2006, at $2.00 per share plus 750 warrants	750	1,500	1,500
Common stock issued for cash on May 15, 2006, at $2.00 per share plus 2,500 warrants	2,500	5,000	5,000
Common stock issued for cash on May 17, 2006, at $1.00 per share plus 600,000 warrants	600,000	600,000	600,000
Common stock issued for cash on May 20, 2006, at $.49 per share plus	6,436	3,148	3,148

10,000 warrants				
Common stock issued for cash on May 22, 2006, at $1.00 per share plus 2,000 warrants	1,000	1,000		1,000
Common stock issued for cash on May 25, 2006, at $1.00 per share plus 8,000 warrants	8,000	16,000		16,000
Common stock issued for cash on May 30, 2006, at $2.00 per share plus 19,500 warrants	19,500	39,000		39,000
Common stock issued for cash on June 2, 2006, at $1.00 per share plus 11,800 warrants	11,800	11,800		11,800
Common stock issued for cash on June 7, 2006, at $2.00 per share plus 1,250 warrants	1,250	2,500		2,500
Common stock issued for cash on June 7, 2006, at $2.00 per share plus 15,000 warrants	15,000	14,990		14,990
Common stock issued for cash on June 12,	25,000	12,485		12,485

2006, at $.50 per share plus 50,000 warrants				
Common stock issued for cash on June 22, 2006, at $2.00 per share plus 2,500 warrants	2,500	5,000		5,000
Common stock issued for cash on June 23, 2006, at $1.00 per share plus 24,000 warrants	24,000	24,000		24,000
Common stock issued for cash on June 26, 2006, at $2.00 per share plus 1,900 warrants	1,900	3,800		3,800
Common stock issued for cash on July 6, 2006, at $2.00 per share plus 250 warrants	250	500		500
Common stock issued for cash on July 11, 2006, at $1.00 per share plus 25,000 warrants	25,000	25,000		25,000
Common stock issued for cash on July 17, 2006, at $1.02 per share plus 872,000 warrants	436,000	445,000		445,000
	2,250	4,500		4,500

Common stock issued for cash on July 27, 2006, at $2.00 per share plus 2,250 warrants				
Common stock issued for cash on July 28, 2006, at $1.00 per share plus 10,000 warrants	10,000	10,000		10,000
Common stock issued for cash on August 4, 2006, at $2.00 per share plus 100,000 warrants	50,000	99,961		99,961
Common stock issued for cash on August 14, 2006, at $1.00 per share plus 160,000 warrants	160,000	160,000		160,000
Common stock issued for cash on August 14, 2006, at $2.00 per share plus 100,000 warrants	50,000	99,961		99,961
Common stock issued for cash on August 30, 2006, at $1.00 per share	3,200	3,200		3,200
Common stock issued for cash on September 13, 2006, at $1.00 per share plus 14,500	14,500	14,500		14,500

warrants			
Common stock issued for cash on September 14, 2006, at $1.00 per share plus 50,000 warrants	50,000	50,000	50,000
Common stock issued for cash on September 14, 2006, at $.35 per share plus 863,200 warrants	431,600	288,207	288,207
Common stock issued for cash on September 15, 2006, at $1.00 per share plus 77,510 warrants	47,150	47,510	47,510
Common stock issued for cash on September 15, 2006, at $2.00 per share plus 1,600 warrants	1,600	3,200	3,200

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Preferred Shares	Par Value $.001 $ Amount	Preferred Stock B Preferred Shares	Par Value $.001 $ Amount	Common Stock Common Shares	Par Value $.001 $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	(Restated) Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated other Comprehensive Loss	(Restated) Total
mon stock s issued rvices red:													
mon stock l for es red, on mber 006, at per share 4,123 nts					14,123		14,746						14
mon stock l for es red to old (shell)'s r, on mber 006, at per share					25,000	25	49,975						50
:													
mon stock l in nge for tment in state on mber 006, at per share, 2,500 nts					22,500		45,000						45
mon issued					2,681,837	2,682	118,000						120

onversion GRC)'s debt on mber 26, at ximately per share									
riptions veable, net								(582,511)	(582
ss red ensation o adoption AS R)					(436,000)		436,000		
rtization ferred ensation					109,000				109
t of se merger mber 22,			72,241	48,761	(169,444)				(120
non and rred Stock ued for er with lestream nc. on mber 31, at $0.26 hare plus 5,867 nts	35,236,188	35,236	11,145,255	11,145	3,310,274	(10,498)			3,346
ellation of s for er with lestream, n mber 28,			(37,500,000)	(37,500)	37,500				
ssification rivative ty on					(16,139,529)				(16,139

nts													
oss for the ended mber 31,								(5,010,541)					(5,010
ce at mber 31,	35,236,188	35,236	-	-	25,113,329	25,113	(6,648,402)	(7,696,594)	-	(660,693)	-	-	(14,945
mon stock s issued sh :													
mon stock d for cash nuary 29, at $0.30 hare					8,000	8	2,392						2
mon stock d for cash bruary 2, at $0.30 hare					3,500	4	1,046						1
mon stock d for cash bruary 21, at $0.30 hare					6,000	6	1,794						1
mon stock d for cash arch 7, at $1.08 hare					186,822	187	201,156						201
mon stock d for cash April 2, at $0.32 hare					88,800	89	28,327						28
mon stock d for cash April 23, at $0.32 hare					66,500	67	21,213						21

non stock d for cash April 30, at $0.32 hare	47,500	48	15,152	15
non stock d for cash May 07, at per share	9,100	9	2,903	2
non stock d for cash May 007, at per share	39,900	40	12,728	12
non stock d for cash May 007, at per share	56,588	57	18,051	18
non stock d for cash May 007, at per share	39,000	39	12,441	12
non stock d for cash June 4, at $0.32 hare	19,873	20	6,339	6
non stock d for cash June 11, at $0.32 hare	113,703	114	34,621	34
non stock d for cash June 25, at $0.32 hare	18,600	19	5,933	5
non stock d for cash ctober	2,500	2	4,998	5

007, at per share				
mon stock d for cash ecember 007, at per share 525,000 nts	1,000,000	1,000	999,000	1,000

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Par Value $.001 Preferred Shares	$ Amount	Preferred Stock B Par Value $.001 Preferred Shares	$ Amount	Common Stock Par Value $.001 Common Shares	$ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	(Restated) Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated other Comprehensive Loss	(Restated) Total
Common Stock Shares issued for services rendered:													
Common stock issued for services rendered, on March 19, 2007, at $1.00 per share					5,000	5	4,995						5,000
Common stock issued for services rendered, on March 19, 2007, at $0.50 per share					20,000	20	9,980						10,000
Common stock issued for services rendered, on March 20, 2007, at $0.50 per share					11,000	11	10,989						11,000
Common stock issued to employee for services rendered, on April 20, 2007, at $1.38 per					250,000	250	344,750						345,000

share				
Common stock issued for services rendered, on May 30, 2007, at $1.05 per share	3,417	3	3,301	3,304
Common stock issued to employee for services rendered, on June 1, 2007, at $1.36 per share	194,500	195	264,325	264,520
Common stock issued for services rendered, on July 9, 2007, at $1.00 per share	4,700	4	4,696	4,700
Common stock issued for services rendered, on July 18, 2007, at $0.80 per share	37,500	37	29,963	30,000
Common stock issued to employee for services rendered, on August 1, 2007, at $4.43 per share	100,000	100	442,900	443,000
Common stock issued to employee for services rendered, on	250,000	250	1,124,750	1,125,000

August 19, 2007, at $4.50 per share					
Common stock issued for services rendered, on August 30, 2007, at $2.27 per share	3,745	3	8,497		8,500
Common stock issued for services rendered, on August 30, 2007, at $0.69 per share	30,041	30	20,698		20,728
Common stock issued for services rendered, on August 31, 2007, at $3.41per share	1,000	1	3,409		3,410
Common stock issued for services rendered, on August 31, 2007, at $3.41 per share	10,000	10	34,090		34,100
Common stock issued for services to be performed, service valued on August 31, 2007, at $3.41 per share	350,000	350	1,193,150		1,193,500
Common stock issued	150,000	150	343,350		343,500

for services to be performed, service valued on September 14, 2007, at $2.29 per share				
Common stock issued to employee for services rendered, on October 1, 2007, at $2.60 per share	300,000	300	779,700	780,000
Common stock issued for services to be performed, service valued on October 02, 2007, at $2.47 per share	350,000	350	864,150	864,500
Common stock issued for services to be performed, service valued on October 02, 2007, at $2.40 per share	75,000	75	179,926	180,001
Common stock issued for services rendered, on October 9, 2007, at $2.69 per share	47,579	47	127,703	127,750
Common stock issued to employee for services rendered, on October 22, 2007, at $1.86	50,000	50	92,950	93,000

per share					
Common stock issued for services rendered, on October 29, 2007, at $2.25 per share	150,000	150	337,350		337,500
Common stock issued for services rendered, on November 9, 2007, at $3.23 per share	130,000	130	419,770		419,900
Common stock issued for services rendered, on November 19, 2007, at $3.50 per share	50,000	50	174,950		175,000
Common stock issued for services rendered, on November 26, 2007, at $3.01 per share	30,000	30	90,270		90,300
Common stock issued for services rendered, on December 3, 2007, at $2.00 per share	45,094	45	89,955		90,000
Common stock issued for services rendered, on December 4, 2007, at	50,000	50	157,450		157,500

$3.15 per share				
Common stock issued for services rendered, on December 11, 2007, at $2.50 per share	200,000	200	499,800	500,000
Common stock issued for services rendered, on December 17, 2007, at $1.446 per share	400,000	400	578,052	578,452
Common stock issued for services rendered, on December 17, 2007, at $2.50 per share	100,000	100	249,900	250,000
Common stock issued for services rendered, on December 18, 2007, at $3.02 per share	50,000	50	150,950	151,000
Common stock issued for services rendered, on December 21, 2007, at $3.00 per share	40,000	40	119,960	120,000
Common stock issued for services	50,000	50	154,950	155,000

rendered, on December 27, 2007, at $3.10 per share

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Preferred Shares	Preferred Stock A Par Value $.001 $ Amount	Preferred Stock B Preferred Shares	Preferred Stock B Par Value $.001 $ Amount	Common Stock Common Shares	Common Stock Par Value $.001 $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage (Restated)	Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated other Comprehensive Loss	(Re T
d Stock B ssued for nt of			1,000	1			399,999						4
y stock, ed from fficer on 2007, at share					(94,961)						(66,473)		(
bscriptions ble, net										475,000			4
ation of sation							109,000						1
fication of ve liability itional paid l due to tion of							2,187,850						2,1
for the year ecember 31, estated, see)								(6,578,331)					(6,5
at er 31, 2007 d)	35,236,188	35,236	1,000	1	30,263,330	30,358	6,328,170	(14,274,925)	-	(185,693)	(66,473)	-	(8,1
n stock sued for													
					17,000	17	33,983						

n stock or cash on y 19, 2008, per share				
n stock or cash on , 2008, at r share	31,057	31	49,969	
n stock or cash on 8, 2008, at r share, ,669	850,669	851	849,818	8
n stock or cash on 6, 2008, at r share, 38,500	1,138,500	1,138	1,137,362	1,1
n stock or cash on 6, 2008, at r share	9,000	9	10,611	
n stock or cash on 2008, at r share, 37,980	3,387,980	3,388	3,384,593	3,3
n stock or cash on , 2008, at r share, 75 warrants	1,929,775	1,930	2,148,662	2,1
n stock or cash on , 2008, at r share, 87,139	1,487,139	1,487	1,771,366	1,7
	39,100	39	42,891	

n stock or cash on 2008, at r share plus varrants				
n stock or cash on 2008, at r share, ,909	236,909	237	236,672	2
n stock or cash on 2008, at r share	250,000	250	249,750	2
n stock or cash on 008, at r share, ,730	391,730	392	391,338	3
n stock or cash on 2008, at r share, 480	73,480	73	73,407	
n stock or cash on 21, 2008, at share	10,000	10	8,740	
n stock or cash on per 4, 2008, per share	13,867	14	14,384	
n stock or cash on per 29, 2008, per share	1,723,844	1,724	1,722,120	1,7
n stock or cash on 7, 2008, at r share	497,375	497	496,878	4

n stock or cash on 7, 2008, at r share	7,500	8	7,492
n stock or cash on 10, 2008, at r share	10,000	10	9,990
n stock or cash on 15, 2008, at r share, 00 warrants	241,000	241	240,359
n stock n December , at $0 per	850,000	850	1,089

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Par Value $.001 Preferred Shares	Preferred Stock A $ Amount	Preferred Stock B Par Value $.001 Preferred Shares	Preferred Stock B $ Amount	Common Stock Par Value $.001 Common Shares	Common Stock $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	(Restated) Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated other Comprehensive Loss	(Restated) Total
Common stock shares issued for services rendered:													
Common stock issued for services rendered, on February 1, 2008, at $2.95 per share					100,000	100	294,900						295,000
Common stock issued for services rendered, on February 6, 2008, at $2.63 per share					150,000	150	394,350						394,500
Common stock issued for services rendered, on February 13, 2008, at $2.39 per share					12,500	13	29,862						29,875
Common stock issued for services rendered, on February 15, 2008, at $2.42 per share					20,000	20	48,380						48,400
Common stock issued for services					25,000	25	53,725						53,750

rendered, on February 28, 2008, at $2.15 per share				
Common stock issued for services rendered, on February 29, 2008, at $2.19 per share	175,000	175	383,075	383,250
Common stock issued for services rendered, on March 14, 2008, at $2.10 per share	5,000	5	10,495	10,500
Common stock issued for services rendered, on March 18, 2008, at $1.60 per share	30,000	30	47,970	48,000
Common stock issued for services rendered, on March 19, 2008, at $1.60 per share	20,000	20	31,980	32,000
Common stock issued for services rendered, on March 31, 2008, at $1.90 per share	350,000	350	664,650	665,000
Common stock issued for services rendered, on April 1, 2008, at $1.95 per	70,000	70	136,430	136,500

share				
Common stock issued for penalty, on April 2, 2008, at $1.84 per share	50,000	50	91,950	92,000
Common stock issued for services rendered, on April 4, 2008, at $1.90 per share	20,000	20	37,980	38,000
Common stock issued for services rendered, on April 4, 2008, at $1.90 per share	1,066,666	1,067	2,025,598	2,026,665
Common stock issued for services rendered, on April 14, 2008, at $3.05 per share	150,000	150	457,350	457,500
Common stock issued for services rendered, on April 29, 2008, at $3.07 per share	883,333	883	2,710,950	2,711,833
Common stock issued for services rendered, on May 7, 2008, at $2.55 per	1,000,000	1,000	2,549,000	2,550,000

share					
Common stock issued for services rendered, on May 12, 2008, at $2.65 per share	20,000	20	52,980		53,000
Common stock issued for services rendered, on May 13, 2008, at $2.79 per share	50,000	50	139,450		139,500
Common stock issued for services rendered, on June 3, 2008, at $2.10 per share	150,000	150	314,850		315,000
Common stock issued for services rendered, on June 11, 2008, at $2.25 per share	88,750	89	199,599		199,688
Common stock issued for services rendered, on June 13, 2008, at $2.25 per share	125,000	125	281,125		281,250
Common stock issued for penalty to "POOF", on June	650,000	650	1,357,850		1,358,500

30, 2008, at $2.09 per share				
Common stock issued for services rendered, on July 14, 2008, at $1.66 per share	200,000	200	331,800	332,000
Common stock issued for services rendered, on July 25, 2008, at $1.40 per share	75,000	75	104,925	105,000
Common stock issued for services rendered, on August 8, 2008, at $1.03 per share	75,000	75	77,175	77,250
Common stock issued for services rendered, on August 25, 2008, at $1.25 per share	6,000	6	7,494	7,500
Common stock issued for services rendered, on September 8, 2008, at $.96 per share	1,500,000	1,500	1,438,500	1,440,000
Common stock issued for services	100,000	100	148,900	149,000

rendered, on October 7, 2008, at $1.49 per share						
Common stock issued for services rendered, on October 15, 2008, at $1.25 per share	60,000	60	74,940			75,000
Common stock issued for services rendered, on October 20, 2008, at $1.50 per share	125,000	125	187,375			187,500
Common stock issued for services rendered, on October 24, 2008, at $1.37 per share	100,000	100	136,900			137,000
Common stock issued for services rendered, on October 31, 2008, at $1.55 per share, plus 300,000 warrants	150,000	150	232,350			232,500
Common stock issued for services rendered, on December 16, 2008, at $1.35 per share	12,600	13	16,997			17,010
Common stock issued for services rendered, on	100,000	100	107,900			108,000

December 18, 2008, at $1.08 per share				
Common stock issued to employees for services rendered, on June 26, 2008, at $2.08 per share	7,500	8	16,632	16,640

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Preferred Shares	Par Value $.001 $ Amount	Preferred Stock B Preferred Shares	Par Value $.001 $ Amount	Common Stock Common Shares	Par Value $.001 $ Amount	(Restated) Additional Paid-In Capital	Deficit (Restated) Accumulated during the Development Stage	Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated other Comprehensive Loss
k y:												
ck 0) ,							21,870					
ck 0) .							14,795					
ck 0) re							50,000					
ck 0) . re							24,600					

ck			
e			
re			78,030
ck			
e			
5			102,285
ck			
k	58,478	58	(58)
ck			
k	66,011	66	(66)
ck	325,957	326	(326)
,			

re									
ck d . .							1,040,000		
k .			(1,000)	(1)	206,559	207	(206)		
k k	(1,791,064)	(1,791)			895,532	895	896		
k k	(33,440,124)	(33,440)			16,720,062	16,720	16,720		
k, m					(6,600,000)				(1,650,000)
t							(130,518)	185,693	
e n									

e s			(142,312)
e s ,			(819,015)
e s			(114,073)
on o			837,850
of	218,000		
e		(15,495,349)	

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Par Value $.001 Preferred Shares	Preferred Stock A $ Amount	Preferred Stock B Par Value $.001 Shares	Preferred Stock B $ Amount	Common Stock Par Value $.001 Common Shares	Common Stock $ Amount	(Restated) Additional Paid-In Capital	Deficit (Restated) Accumulated during the Development Stage	Deferred Compensation	Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(Restated) Total
alance at ecember 31, 008	5,000	5	-	-	62,854,203	69,549	35,842,053	(29,770,274)	-	-	(1,716,473)	(237,550)	4,187,310
ommon stock hares issued or services endered:													
ommon stock ssued for ervices endered, on anuary , 2009, at 1.17 per share lus 150,000 varrants					60,000	60	70,140						70,200
ommon stock ssued for ervices endered, on ebruary 4, 2009, at 1.30 per share					15,000	15	19,485						19,500
ommon stock ssued for ervices endered, on March 0, 2009, at 1.25 per share lus 60,041 varrants					19,000	19	23,731						23,750
ommon stock varrants and ption activity:													
							25,787						25,787

Common Stock Warrants issued for services to non-employees on January 2, 2009, at $1.50 per share		
Common Stock Warrants issued for services to non-employees on February 18, 2009, at $2.50 per share	31,666	31,666
Common Stock Warrants issued for services to non-employees on March 2, 2009, at $1.02 per share	9,103	9,103
Common Stock Warrants issued for services (BOD) on March 27, 2009, at $1.04 per share (30,000 warrants)	27,119	27,119
Common Stock Warrants amortization expense for warrants issued for services to non-employees on October 31, 2008, at $1.58 per share	102,285	102,285
Record Common Stock Options expense for options issued to employee	260,000	260,000

n October 1, 008, at fair alue of $1.04 er share													
Other:													
Preferred stock A - converted o common tock on anuary 6, 2009	(5,000)	(5)			2,500	2	3						-
Record other omprehensive oss - nrealized loss ecorded at March 31, 2009												(312,891)	(312,891
Net loss for the uarter ended March 31, 2009								(1,697,362)					(1,697,362
Balance at March 31, 2009	-	-	-	-	62,950,703	69,645	36,411,372	(31,467,636)	-	-	(1,716,473)	(550,441)	2,746,467
Common stock hares issued or services endered:													
Common stock ssued for ervices endered, on April 22, 2009, t $1.13 per hare					225,000	225	254,025						254,250
Common stock ssued for ervices endered, on March 4, 2009, at 1.37 per share					105,000	105	143,745						143,850
Common stock ssued for ervices					300,000	300	491,700						492,000

endered, on May 12, 2009, t $1.64 per hare		
Common stock varrants and ption activity:		
Common Stock Varrants issued or services to on-employees n April 1, 009, at $1.50 er share	32,887	32,887
Common Stock Varrants issued or services to on-employees n April 1, 009, at $1.01 er share	46,960	46,960
Common Stock Varrants mortization xpense for varrants issued or services to on-employees n January 2, 009, at $1.50 er share	25,787	25,787
Common Stock Varrants mortization xpense for varrants issued or services to on-employees n March 2, 009, at $1.02 er share	27,309	27,309
Common Stock Varrants mortization xpense for	102,285	102,285

varrants issued or services to on-employees n October 31, 008, at $1.58 er share													
Record Common Stock Options xpense for ptions issued o employee n October 1, 008, at fair alue of $1.04 er share							520,000						520,000
Other:													
Record other omprehensive ncome - nrealized gain ecorded at une 30, 2009												550,441	550,441
Net loss for the uarter ended une 30, 2009								(4,383,104)					(4,383,104
Balance at June 0, 2009	-	-	-	-	63,580,703	70,275	38,056,070	(35,850,740)	-	-	(1,716,473)	-	559,132
Common stock hares issued or services endered:													
Common stock ssued for ervices endered, on eptember 0, 2009, at 0.90 per share					125,000	125	112,375						112,500

See accompanying notes to the condensed financial statements.

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

	Preferred Stock A Par Value $.001 Shares	Preferred Stock A $ Amount	Preferred Stock B Par Value $.001 Shares	Preferred Stock B $ Amount	Common Stock Par Value $.001 Common Shares	Common Stock $ Amount	(Restated) Additional Paid-In Capital	Deficit Accumulated during the Development Stage	Deferred Compensation	(Restated) Stock Subscription Receivable	Treasury Stock	Accumulated Other Comprehensive Loss	(Restated) Total
Common stock warrants and option activity:													
Common Stock Warrants issued for services to non-employees on April 1, 2009, at $1.50 per share							32,887						3
Common Stock Warrants issued for services to non-employees on April 1, 2009, at $1.01 per share							46,960						4
Common Stock Warrants amortization expense for warrants issued for services to non-employees on January 2, 2009, at $1.50 per share							25,787						2
Common Stock Warrants amortization expense for warrants issued for services to non-employees on March 2, 2009, at $1.02 per share							18,206						1

Common Stock Warrants amortization expense for warrants issued for services to non-employees on October 31, 2008, at $1.58 per share							78,309						7
Other:													
Net loss for the quarter ended September 30, 2009								(3,789,512)					(3,78
								.					
Balance at September 30, 2009	-	$ -	-	$ -	63,705,703	$ 70,400	$ 38,370,594	$ (39,640,252)	$ -	$ -	$ (1,716,473)	$ -	$ (2,91

See accompanying notes to the condensed financial statements.

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GLOBAL RESOURCE CORPORATION
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Global Resource Corporation's ("GRC" or "the Company") business plan is to research, develop and market the business of decomposing petroleum-based materials by subjecting them to a fixed-frequency microwave radiation (the "Technology") at specifically selected frequencies for a time sufficient to at least partially decompose the materials, converting the materials into hydrocarbons and fossil fuels from sources such as tires, oil shale, capped wells, shale deposits and waste oil streams.

The Company's business goals for exploitation of the Technology are as follows:

1) The design, manufacture and sale of machinery and equipment units, embodying the Technology.
2) The ownership and operation of plants to use the Technology in conjunction with other investors.
3) The formation of Joint-Venture relationships with established companies.

The Company is considered to be in the development stage. The Company has devoted substantially all of its efforts to business planning and development, as well as allocating a substantial portion of its time and resources in bringing its product to the market and the raising of capital. The Company has begun generating revenue from licensing agreements and has taken a conditional order for one development prototype machine related to one of those license agreements.

Basis of Presentation

The accompanying condensed consolidated balance sheet as of December 31, 2008, which has been derived from audited financial statements, and the unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. The Company believes that the disclosures made are adequate to make the information not misleading. All adjustments that, in the opinion of management and consisting only of a normal and recurring nature, are necessary for a fair presentation for the interim periods have been reflected as required by Regulation S-X, Rule 10-01.

Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. It is suggested that these financial statements should be read in conjunction with the Company's consolidated financial statements and related notes contained in the Company's latest shareholders' annual report and the Company's Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission (the "SEC").

Prior to September 22, 2006, the old GRC (shell) was a shell company ("old GRC (shell)").

On September 22, 2006, the old GRC (shell) completed the acquisition of substantially all of the assets of Carbon Recovery Corporation ("CRC"), a New Jersey corporation formed on July 19, 2002, pursuant to a plan and agreement of reorganization entered into on or about July 26, 2006 ("CRC Acquisition Agreement").

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 1- NATURE OF BUSINESS AND BASIS OF PRESENTATION (CONTINUED)

Basis of Presentation (continued)

On December 31, 2006, the Company completed the acquisition of the assets of Mobilestream Oil, Inc. ("Mobilestream") in a transaction deemed to be a merger of entities under common control.

Each of the foregoing transactions changed the reporting entity of the Company. As a result of the CRC transaction, the Company's reporting reflected the historical accounts of CRC. Subsequently, as a result of the Mobilestream transaction, the Company's financial statements were combined with Mobilestream on an "as-if" pooling basis since the date common control was established. As a result of a February 2006 recapitalization transaction between Mobilestream, legal acquirer, and PSO Enterprises, Inc. ("PSO") (surviving corporation of a January 2006 merger with a related party, Careful Sell Holdings, LLC ("Careful Sell")), accounting acquirer, common control was established at February 17, 2005, the inception date of Careful Sell.

The condensed consolidated financial statements include the accounts of GRC and its wholly-owned subsidiaries, Global Scientific Corporation and Global Heavy Oil Corporation. All significant intercompany balances and transactions have been eliminated in consolidation.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Cash in excess of operating requirements is invested in marketable debt and equity securities, all of which are classified as available for sale, and are carried at their fair value. The unrealized gains or losses on these investments, which are deemed to be temporary in nature, are recorded as part of accumulated other comprehensive income (loss), and are included in the consolidated statement of stockholders' equity. Realized gains or loss and declines in value judged to be other-than-temporary on these investments are recognized as realized gains or losses in the condensed consolidated statements of operations and comprehensive loss.

Patents

Legal fees associated with patents which are expected to be issued are recorded as prepaid patent costs on the accompanying condensed consolidated balance sheets. Upon approval by the relevant patent office, the prepaid patent costs will be reclassified to an intangible asset and amortized over the expected life of the patent. The value of the patent(s) will be reviewed each year for possible impairment and expensed in the year it is determined that a write-down in the value of the patent is required. Prepaid patent costs associated with patents which are not approved or abandoned are expensed in the period in which such patents are not approved or abandoned.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and Development Costs

Research and development ("R & D") costs consist of all activities associated with the development and enhancement of products using the Company's microwave Technology. R & D costs consist primarily of contract engineer labor and salaries of our in-house engineers, lab supplies used in testing and expenses of equipment used to test and develop our Technology. R & D costs are expensed when incurred. The amounts charged to operations for the three months ended September 30, 2009 and 2008 were $438,710 and $177,172, respectively, for the nine months ended September 30, 2009 and 2008 were $1,119,069 and $612,165, respectively, and for the cumulative period July 19, 2002 (inception) to September 30, 2009, was $2,400,108.

Stock-Based Compensation

The total expense associated with stock-based employee compensation was approximately $180,000 for the three months ended September 30, 2009, $960,000 for the nine months ended September 30, 2009 and $2,000,000 for the period July 19, 2002 (inception) to September 30, 2009. There was no expense associated with stock-based employee compensation for the three and nine month periods ended September 30, 2008.

For non-employees, stock grants and stock issued for services are valued at either the invoiced or contracted value of services provided, or to be provided, or the fair value of stock at the date the agreement is reached, whichever is more readily determinable. Warrants or options issued for services provided, or to be provided, are valued at fair value at the date the agreement is reached.

Revenue Recognition

Under the Company's current strategy, its revenue is likely to be generated from the development, licensing or sale of our proprietary Technology and/or design, manufacture and sale of machinery and equipment units. For machinery and equipment sales revenue will be recognized when the machinery and equipment is shipped, installed and operating successfully at the destination site. For a licensing agreement, revenue is recognized when services have been rendered per the terms of the licensing agreement.

Earnings (Loss) Per Share of Common Stock

Basic loss per share is calculated by dividing net loss attributable to common shares by the weighted average number of outstanding common shares for the period. Diluted earnings per common share includes dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants and the conversion of convertible preferred stock.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings (Loss) Per Share of Common Stock (continued)

Unexercised common stock options and warrants to purchase common stock, and preferred stock convertible into common stock as of September 30, 2009 and 2008 respectively, were as follows:

	As of September 30, 2009	As of September 30, 2008
Options	3,200,000	1,200,000
Warrants	22,075,836	21,894,749
Convertible preferred		2,500
Total	25,275,836	23,097,249

The foregoing common stock equivalents were excluded from the calculation of diluted net loss per common share because their inclusion would have been anti-dilutive as of September 30, 2009 and 2008.

Derivative Financial Instruments

The Company's derivative financial instruments include freestanding warrants and options to purchase the Company's common stock. Under certain circumstances that would require the Company to settle these instruments in cash, and without regard to probability, the Company classifies all of these instruments as liabilities. The Company adjusts these financial instruments to fair value at each reporting date, with such adjustments reflected in the Company's condensed consolidated statements of operations and comprehensive loss.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

On January 1, 2009 the Company adopted authoritative guidance issued by the Financial Accounting Standards Board ("FASB") on disclosures about derivative instruments and hedging activities. The guidance intended to improve financial reporting of derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. The guidance achieves these improvements by requiring disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. It also provides more information about an entity's liquidity by requiring disclosure of derivative features that are credit risk-related. Finally, it requires cross-referencing within footnotes to enable financial statement users to locate important information about derivative instruments. The guidance became effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

On April 1, 2009, the Company adopted authoritative guidance issued by the FASB on interim disclosures about fair value of financial instruments. This guidance amends prior guidance to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The guidance is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may early adopt this guidance if certain requirements are met. The guidance does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, the guidance requires comparative disclosures only for periods ending after initial adoption. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

On April 1, 2009, the Company adopted authoritative guidance issued by the FASB on determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. The guidance affirms that the objective of fair value when the market for an asset is not active is the price that would be received to sell the asset in an orderly transaction; clarifies and includes additional factors for determining whether there has been a significant decrease in market activity for an asset when the market for that asset is not active; and eliminates the proposed presumption that all transactions are distressed (not orderly) unless proven otherwise. The guidance requires an entity to base its conclusion about whether a transaction was not orderly on the weight of the evidence. In addition, this guidance requires an entity to disclose a change in valuation technique (and the related inputs) resulting from the application of this guidance and to quantify its effects, if practicable. This guidance is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009 if certain requirements are met. It must be applied prospectively and retrospective application is not permitted. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (continued)

In April 2009, the FASB issued updated guidance related to recognition and presentation of “other-than-temporary impairments.” The guidance is intended to bring consistency to the timing of impairment recognition, and provide improved disclosures about the credit and noncredit components of impaired debt securities that are not expected to be sold. The measure of impairment in comprehensive income remains fair value. The guidance also requires increased and more timely disclosures regarding expected cash flows, credit losses, and an aging of securities with unrealized losses. This guidance is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. Earlier adoption for periods ending before March 15, 2009 is not permitted. This guidance does not require disclosures for earlier periods presented for comparative purposes at initial adoption. This guidance does require comparative disclosures only for periods ending after initial adoption. The adoption of this guidance is not anticipated to have a material impact on the Company’s condensed consolidated financial statements

On July 1, 2009, the Company adopted authoritative guidance issued by the FASB concerning the reporting of subsequent events. The guidance’s intent is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This guidance became effective for financial statements issued for fiscal years and interim periods beginning after June 15, 2009. The adoption of this guidance did not have a material impact on the Company’s condensed consolidated financial statements.

In June 2009, the FASB issued authoritative guidance on accounting standards codification and the hierarchy of generally accepted accounting principles. The guidance authorized the FASB Accounting Standards Codification as the sole source for authoritative accounting principles generally accepted in the United States of America (“U.S. GAAP”). This guidance will be effective for financial statements issued for reporting periods that end after September 15, 2009.

In April 2009, the FASB issued updated guidance related to business combinations, identifiable assets, liabilities and any non-controlling Interest. The guidance amends and clarifies application issues regarding initial recognition and measurement, subsequent measurement and accounting and disclosure of assets and liabilities arising from contingencies in a business combination. In circumstances where the acquisition-date fair value for a contingency cannot be determined during the measurement period and it is concluded that it is probable that an asset or liability exists as of the acquisition date and the amount can be reasonably estimated, a contingency is recognized as of the acquisition date based on the estimated amount. This guidance is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company does not believe this guidance will have a material impact on the Company’s future financial statements.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (continued)

In October 2009, the FASB issued authoritative guidance on multiple-deliverable revenue arrangements. The guidance requires entities to allocate revenue in an arrangement using estimated selling prices of the delivered goods and services based on a selling price hierarchy. The amendments eliminate the residual method of revenue allocation and require revenue to be allocated using the relative selling price method. This guidance removes tangible products from the scope of software revenue guidance and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. This guidance will become effective for the Company beginning July 1, 2010, with early adoption permitted. The Company does not expect adoption of the guidance to have a material impact on the Company's results of operations or financial condition.

Reclassification

Certain amounts for the three and nine months ended September 30, 2008 have been reclassified in the condensed consolidated financial statements to be comparable to the presentation for the three and nine months ended September 30, 2009. These reclassifications, along with certain income adjustments, are further described in Note 11.

NOTE 3- GOING CONCERN

As shown in the accompanying condensed consolidated financial statements, the Company incurred substantial net losses in the amount of $9,869,978 for the nine months ended September 30, 2009 and $39,640,252 for the cumulative period from July 19, 2002 (inception) to September 30, 2009. The Company also had negative cash flows from its operations in the amount of $4,125,765 and $16,670,258 for the nine month period ended September 30, 2009 and for the cumulative period from July 19, 2002 (inception) to September 30, 2009, respectively.

Based on the Company's current operating plan, total cash expenditures needed for the next twelve months are expected to exceed the Company's cash of approximately $134,000 as of September 30, 2009. The Company's assessment of its cash needs may be affected by changes in the assumptions relating to the Company's strategy, technological and engineering requirements in the development of its products as well as payroll, staff and administrative related matters.

On April 23, 2009, the Company, through a wholly-owned subsidiary, entered into a Joint Development Agreement pursuant to which the Company received $300,000, on May 22, 2009 and is to receive another $300,000 contingent on approval, in May 2010. Upon a successful completion of Phase I of the Agreement and the beginning of Phase II, the Company is to receive a one-time $1,000,000 engineering fee. See Note 6 – Commitments and Contingencies – Joint Development Agreement and Note 12 – Subsequent Events regarding a $750,000 licensing fee received on October 14, 2009.

The Company has completed a development prototype fixed frequency microwave reactor system, named "Patriot-1" which it has used to demonstrate the decomposition of tires into diesel oil, combustible gas and carbon char. During May 4-8, 2009 and June 8-11, 2009, the Company provided public demonstrations of the Patriot-1 to prospects, partners and dignitaries at its outside contract manufacturer's facility (Ingersoll Production System) located in Rockford, Illinois. As of September 30, 2009, the Company did not have any committed orders for its equipment. (However, see Note 12 - Subsequent Events with respect to an order for a development prototype machine received on

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 3- GOING CONCERN (CONTINUED)

October 14, 2009 from Universal Alternative Fuels, Inc.) Management believes that it will take the Company approximately twelve months to deliver a system from the time the Company receives an order. Management currently anticipates that each order will be accompanied by a deposit from the purchaser which will be recorded as deferred revenue until the equipment is shipped, installed and operating successfully at the destination site.

The Company's plans to address the expected cash shortfall are dependent upon its ability to raise capital or to secure significant sales orders of our system as a source of revenue. There is no guarantee that the Company will be able to raise enough capital or generate revenues to sustain its operations thus raising substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that might result should the Company be unable to continue as a going concern.

NOTE 4- RELATED PARTY TRANSACTIONS

The Company had engaged Clark Resources, Inc. ("Clark"), a governmental relations consulting firm located in Harrisburg, Pennsylvania, to provide consulting services with respect to governmental issues concerning permits and funding. The Company had a monthly retainer agreement with Clark, which it terminated in May 2009. There were no payments to Mr. Clark for three month period September 30, 2009 and for nine month periods ended September 30, 2009 and 2008, and for the cumulative period July 12, 2002 (inception) to September 30, 2009, the Company paid Clark a total of $15,000, $45,000, and $179,670, respectively. The president and CEO of Clark is Frederick A. Clark, who has served as a director of the Company since December 2006.

On October 1, 2008, the Company entered into a four month consulting agreement with LP (Origination) Limited ("LP"), a company incorporated in the United Kingdom, to provide consulting services relating to the oil and gas industries. The Company issued 100,000 shares of its common stock to LP on October 7, 2008 for payment of these consulting services, and the related $37,250 of the total charge of $149,000 was recorded as prepaid services on the condensed consolidated balance sheet at December 31, 2008. The president of LP is Peter A. Worthington, who has served as a director of the Company since August 2008. On May 28, 2009, the Board of Directors of the Company appointed Mr. Worthington as Interim Chairman of the Board of Directors. On July 6, 2009, the Board of Directors appointed Mr. Worthington as the Company's Chief Executive Officer. In addition to the common shares issued to LP, the Company also paid a fee in December 2008 in the amount of $90,000 to Mr. Worthington for the services provided under the agreement. On May 11, 2009, the Company entered into another consulting agreement with LP with an effective date of April 7, 2009, pursuant to which LP has agreed to perform management advisory, strategic planning and other consulting services as the Company may request from time to time for a term ending on April 6, 2010, in return for (i) a payment of $100,000 conditioned upon and to be paid after a specified amount of sales have been made and for which LP had some significant involvement as set forth in the consulting agreement, and (ii) 300,000 shares of the Company's common stock, which was issued on May 12, 2009. The latest consulting agreement may be renewed by either party for an additional one year term. For the three and nine month periods ended September 30, 2009, a charge of approximately $23,000 and $306,000, respectively, was made to operations with respect to consulting expense, which is reflected in general and administrative expenses on the condensed consolidated statements of operations and comprehensive loss. On November 11, 2009, Mr. Worthington resigned from the position of Chief Executive Officer of the Company as well as from its Board of Directors, including as Interim Chairman of the Board.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 4 -RELATED PARTY TRANSACTIONS (CONTINUED)

On September 4, 2008, the Company entered into a consulting agreement with Paul Sweeney for services relating to investor relations and other investment banking services. On September 8, 2008, the Company issued 1,500,000 shares of its common stock to Mr. Sweeney valued at $1,440,000 for his consulting services. The Company recorded an expense of $120,000, for three and nine month periods ended September 30, 2008 and $240,000 and $960,000, for the three and nine month periods ended September 30, 2009, respectively, in the condensed consolidated statements of operations and comprehensive loss. Mr. Paul Sweeney has served as a director of the Company since August 2008.

On May 26, 2008, the Company entered into a new five year consulting agreement with Worldwide expiring on May 26, 2013, pursuant to which Worldwide will identify potential acquisition candidates or joint venture partners for the Company, and upon closing a transaction with any such candidate, the Company will pay Worldwide a fee based upon a percentage of the value of the transaction beginning with 5% of the first $1,000,000 and declining 1% for each successive $1,000,000 increase in transaction value until Worldwide receives 1% of the transaction value in excess of $4,000,000.

In November 2007, the Company entered into a six month consulting agreement with Worldwide Strategic Partners, Inc. (“Worldwide”), a corporation in which General Lincoln Jones III, one of our directors, has an ownership interest in excess of ten percent. The consulting agreement was executed and delivered approximately six months before General Jones became a director of our Company. Subsequent to the execution of the consulting agreement with Worldwide, the Company issued a total of 150,000 shares of its common stock to Worldwide and its assignees valued at $448,000 through June 30, 2008, of which 31,250 shares were distributed to General Jones. On May 26, 2008, the Company and Worldwide terminated the November 2007 consulting agreement by agreeing to pay Worldwide a total of 275,000 shares of its common stock for its services, inclusive of the 150,000 shares already issued. The residual expense of $281,250 associated with consulting services was recorded to the condensed consolidated statement of operations and comprehensive loss in general and administrative expenses in the third quarter of 2008.

NOTE 5 - STOCKHOLDERS’ EQUITY

Common stock issued for services to non-employees

For the nine month period ended September 30, 2009, the Company issued a total of 849,000 shares of its common stock to non-employees for services rendered or to be rendered. These services were valued at $1,116,050, and will be amortized over the length of time the services are to be provided.

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 5 - STOCKHOLDERS' EQUITY (CONTINUED)

Preferred Stock

In January 2009, the remaining 5,000 shares of Preferred Stock A, held by a person related to the Company's former Chief Executive Officer, Frank Pringle ("Pringle"), was converted into 2,500 shares of common stock.

Warrants

During the period from July 19, 2002 (inception) to September 30, 2009, the Company granted two types of warrants: (a) Purchase warrants – sold in conjunction with the sale of common stock and (b) Compensation warrants – grants to non-employee consultants or directors for services provided or to be provided. Warrants issued in association with the sale of common stock have no related expense, and accordingly no effect on the Company's results of operations. A fair value for each warrant is calculated using the Black-Scholes option-pricing model and a debit and credit is recorded to additional paid-in capital.

For Compensation warrants, the Company records the expense of options granted to non-employee consultants for services based on the estimated fair value of the warrants using the Black-Scholes option-pricing model on the grant date. The Company believes that the estimated fair value of the warrants is more readily measurable than the fair value of services rendered.

The fair value of the warrants was determined using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2009	July 19, 2002 (inception) to September 30, 2009
Dividend yield	0%	0%
Expected volatility	94%-151%	94% - 240%
Risk-free interest rate	.80% - 1.87%	.80% - 4.97%
Expected life	.5 - 5 years	.5 years - 5 year
Expected forfeiture rate	0%	0%

Global Resource Corporation
(A Development Stage Company)
Notes to the Condensed Consolidated Financial Statements
September 30, 2009

NOTE 5 - STOCKHOLDERS' EQUITY (CONTINUED)

Warrants (continued)

A summary of the status of the Company's stock warrants for the nine-month period ending September 30, 2009:

	Warrants	Range of Exercise price	Weighted Average Exercise price
Balance at December 31, 2008	21,425,795	$.80 - $4.75	$ 2.79
Granted	650,041	$1.02 - $2.50	$ 1.30
Cancelled			
Exercised			
Balance at September 30, 2009	22,075,836	$.80 - $4.75	$ 2.75
Exercisable at September 30, 2009	11,041,429		$ 1.99

	Warrants Outstanding			Warrants Exercisable	
Exercise Price	Number Outstanding at 09/30/09	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding at 09/30/09	Weighted Average Exercise Price
$ 0.80	400,000	0.25	$ 0.80	400,000	$ 0.80
$ 1.02	60,000	4.42	$ 1.02	60,000	$ 1.02
$ 1.04	30,000	4.49	$ 1.04	30,000	$ 1.04
$ 1.10	200,000	1.56	$ 1.10	-	$ 1.10
$ 1.35	20,000	4.12	$ 1.35	20,000	$ 1.35
$ 1.50	300,000	1.41	$ 1.50	75,000	$ 1.50
$ 2.00	9,837,782	0.10	$ 2.00	9,637,782	$ 2.00
$ 2.25	25,000	3.98	$ 2.25	25,000	$ 2.25
$ 2.50	350,041	0.54	$ 2.50	350,041	$ 2.50
$ 2.63	6,000	3.36	$ 2.63	6,000	$ 2.63
$ 2.75	5,734,546	0.53	$ 2.75	428,606	$ 2.75
$ 2.83	9,000	3.64	$ 2.83	9,000	$ 2.83
$ 4.00	1,397,600	0.50	$ 4.00	-	$ 4.00
$ 4.75	3,705,867	0.50	$ 4.75	-	$ 4.75
	22,075,836		$ 2.75	11,041,429	$ 1.99

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NOTE 5 - STOCKHOLDERS' EQUITY (CONTINUED)

Compensation warrants

For the nine month period ended September 30, 2009, the Company granted a total of 650,041 common stock warrants to non-employees for services provided or to be provided. The distribution of these warrants was as follows: On January 2, 2009, 150,000 warrants were issued with an exercise price of $1.50 and which are exercisable until December 31, 2010; on February 18, 2009, 60,041 warrants were issued with an exercise price of $2.50 and which are exercisable until June 30, 2010; on March 2, 2009, 60,000 warrants were issued with an exercise price of $1.02 and which are exercisable until March 2, 2014; on March 27, 2009, 30,000 warrants were issued with an exercise price of $1.04 and which are exercisable until March 27, 2014; on April 1, 2009, 100,000 warrants were issued with an exercise price of $1.50 and which are exercisable until June 1, 2012; and on April 1 2009, 200,000 warrants were issued with an exercise price of $1.01 and which are exercisable until June 10, 2012. The fair value of the warrants was determined using the Black-Scholes option pricing model.

CRC and Mobilestream Warrants (Derivative Liabilities)

In conjunction with the CRC Acquisition Agreement and the Mobilestream Acquisition Agreement (together, "the 2006 Acquisition Agreements") (see Note 1 – Nature of Business and Basis of Presentation), the Company issued common stock purchase warrants ("Acquisition Warrants"). The Acquisition Warrants consisted of 3,908,340 Carbon Recovery Class B Acquisition Warrants ("Class B Warrants"), 1,397,600 Carbon Recovery Class D Acquisition Warrants ("Class D Warrants"), 1,397,600 Carbon Recovery Class E Acquisition Warrants ("Class E Warrants") and 27,205,867 Mobilestream Acquisition Warrants, of which 23,500,000 Mobilestream Acquisition Warrants were issued directly to Mr. Frank Pringle and were subsequently cancelled in 2007. The Class B Warrants and the Class D Warrants each have an exercise price of $2.75 and had an original expiration date of September 21, 2007. The Class E warrants have an exercise price of $4.00 and had an original expiration date of September 21, 2007. The Mobilestream Acquisition Warrants have an exercise price of $4.75 and had an original expiration date of December 31, 2007. On September 21, 2007, the Board of Directors extended the expiration date of all of the Acquisition Warrants to December 31, 2007 and on December 31, 2007, the expiration date was further extended until December 31, 2008. In November 2008, the Board of Directors amended the expiration date to 120 days subsequent to the effective date of a successful registration statement filed with the SEC covering the Acquisition Warrants is. On July 13, 2009, the Board of Directors extended the expiration date of all of the Acquisition Warrants to March 31, 2010. As of September 30, 2009 and through the date of this filing, the Company has not had registration statements with respect to any of the Acquisition Warrants declared effective by the SEC.

Pursuant to the 2006 Acquisition Agreements, the Acquisition Warrants must be held in liquidating trusts for the benefit of their beneficiaries indefinitely until they are registered or an exemption from such registration is available. Further, unless the underlying shares have been registered, the trustees of the liquidating trusts may serve written demand on the Company that the shares issuable upon exercise of the Acquisition Warrants held by the trusts be registered. The 23,500,000 Mobilestream Acquisition Warrants issued directly to Mr. Pringle were not held in a liquidating trust as required by the terms of the Mobilestream acquisition agreement. Although these warrants were not held in the liquidating trust, the Company believes that they should still be subject to the terms of the Mobilestream acquisition documents and, accordingly, were included in the computation of derivative liabilities as discussed below.

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NOTE 5 - STOCKHOLDERS' EQUITY (CONTINUED)

CRC and Mobilestream Warrants (Derivative Liabilities) (continued)

The Company analyzed the Acquisition Warrants in conjunction with the 2006 Acquisition Agreements as potential derivative financial instruments. Since the trustees of the liquidating trusts can serve written demand on the Company that the shares issuable upon the exercise of the Acquisition Warrants held by the trusts be registered and the 2006 Acquisition Agreements (i) do not specify any circumstances under which net-cash settlement would be permitted or required and (ii) do not specify how the contract would be settled in the event the Company is unable to deliver registered shares, the Acquisition Warrants do not meet all of the conditions required for equity classification. Accordingly, the Company has classified the Acquisition Warrants as derivative liabilities at the time of the respective effective dates of each of the 2006 Acquisition Agreements.

As derivative liabilities, the Acquisition Warrants are measured at fair value at each reporting period (marked to market) with gains and losses being recognized in earnings. The Acquisition Warrants continue to be accounted for as derivative liabilities until a reclassification event such that the warrants are exercised, cancelled, expire or the 2006 Acquisition Agreements are modified to remove the registration restrictions. Upon a reclassification event, the Acquisition Warrants would be reclassified from liability back to equity after a mark to market adjustment immediately prior to the reclassification event. The Company calculates fair value of the Acquisition Warrants using a Black-Scholes option pricing model (see 2nd table below for underlying assumptions).

The impact of the derivative financial instrument treatment of these warrants on the Company's condensed consolidated balance sheets as of December 31, 2008 and September 30, 2009 and for the three and nine month periods ended September 30, 2009 is as follows:

Date	Derivative Liability on Condensed Consolidated Balance Sheets	Gain (Loss) impacting Condensed Consolidated Statements of Operations and Comprehensive Loss
December 31, 2008	$ 1,591,834	
		$ 1,713,449 3 months
September 30, 2009	$ 131,150	$ 1,460,684 9 months

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NOTE 5 - STOCKHOLDERS' EQUITY (CONTINUED)

CRC and Mobilestream Warrants (Derivative Liabilities) (continued)

The following table shows the variables used in the Black-Scholes option pricing model calculation used to determine the fair values for the derivative liability above:

Warrants	Date	Exercise Price	Market Price of Underlying Common Stock	Expected Volatility Rate	Risk Free Interest Rate	Expected Life
Classes B & D	09/30/2009	$ 2.75	$ 1.02	94%	.20%	6 months
Class E	09/30/2009	$ 4.00	$ 1.02	94%	.20%	6 months
Mobilestream Acquisition	09/30/2009	$ 4.75	$ 1.02	94%	.20%	6 months

Employee Options

On January 29, 2009, the Company authorized 35,000 common stock options to staff employees. These options have an exercise price of $1.02, an expiration date of ten years from grant date and become fully vested on July 1, 2009. These options were granted under the Company's 2008 Incentive Stock Option Plan, as amended and are subject to stockholders' approval of an Amendment to the Plan, increasing the number of shares available for issuance. No expense has yet to be recorded for the unapproved options.

On February 19, 2009, the Company authorized 75,000 common stock options to an employee. These options have an exercise price of $1.27, and expire on February 19, 2019. The option vest one-third on the one year anniversary of the grant date, one-third on the two year anniversary of the grant date one-third on the three year anniversary of the grant date. These options were granted under the Company's 2008 Incentive Stock Option Plan, as amended, and are subject to stockholders' approval of an Amendment to the Plan, increasing the number of shares available for issuance. No expense has yet to be recorded for the unapproved options.

On September 23, 2008, as part of a series of employment term sheets, the Company authorized the grant of a total of 8,500,000 stock options to four key executives. 5,000,000 of those stock options were granted to Eric Swain, the Company's Chief Executive Officer. The other 3,500,000 stock options were granted to three other officers of the Company and remain subject to stockholders' approval of an amendment to the Company's stock option plan increasing the number of authorized shares available for issuance under the plan. All of these options have an exercise price of $1.18 per share and expire ten years after the vesting date. 1,000,000 of Mr. Swain's options vested immediately and the balances were scheduled to vest in equal annual installments of 1,000,000 options on September 23, 2009 and on each anniversary thereafter for the three years thereafter. The Company recorded an expense to general and administrative expenses in the accompanying 2009 condensed consolidated statement of operations and comprehensive loss in the amount of $960,000, for the nine month period ended September 30, 2009, for the options granted to Mr. Swain, which represents the charge related to the second tranche of his options. On July 6, 2009, Mr. Swain's employment with the Company was terminated and a subsequent severance agreement was entered into between the Company and Mr. Swain on October 2, 2009. As part of the severance agreement, 2,000,000 of Mr.

Swain’s options were cancelled. (See Note 6 – Commitments and Contingencies – Severance Agreements).

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NOTE 5- STOCKHOLDERS' EQUITY (CONTINUED)

Employee Options (continued)

On April 27, 2009, with the retirement of Mr. Wayne Koehl, 600,000 of his options still waiting stockholders' approval were cancelled (see Note 6 for details). Of the combined 2,900,000 options granted to Mr. Koehl and the two other executives, one-fifth of these options will vest immediately upon approval of the amendment of the Company's stock option plan, and the remainder are scheduled to vest one-fifth on September 23, 2009, and an additional one-fifth on each anniversary thereafter, for the next three years, provided that the executives are employed by the Company at each vesting date, or the options are subject to the terms of a retirement or severance agreement.

A summary of the status of the Company's outstanding employee stock options as of September 30, 2009 is as follows:

	Number of Option shares	Weighted Average Exercise price	Number of Vested Option shares
Options from July 19, 2002 (inception) to December 31, 2004	-		
Granted	200,000	$ 1.00	50,000
Options as of December 31, 2005	200,000	$ 1.00	50,000
Options as of December 31, 2006	200,000	$ 1.00	100,000
Options as of December 31, 2007	200,000	$ 1.00	150,000
Granted	5,000,000	$ 1.18	1,000,000
Exercised			
Forfeited/expired			
Options as of December 31, 2008	5,200,000	$ 1.17	1,200,000
Granted			
Exercised			
Forfeited/expired/cancelled	(2,000,000)	$ 1.18	—
Options as of September 30, 2009	3,200,000	$ 1.17	1,200,000

The 3,460,000 options (for eight employees and one former employee) awaiting stockholders' approval are not included in summary table above because options under an arrangement that is subject to stockholders' approval are not deemed to be granted until that approval is obtained, unless approval is essentially a formality, which the Company has deemed not to be the case.

As of September 30, 2009, 3,200,000 options are vested and no options have been exercised. The weighted average exercise price is $1.17.

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NOTE 6 - COMMITMENTS AND CONTINGENCIES

Retirement Agreement

On April 27, 2009, the Company entered into a retirement agreement with Mr. Wayne Koehl, Chief Operation Officer. This retirement agreement replaces the prior employment agreement. Pursuant to the retirement agreement, the Company has agreed to pay Mr. Koehl his current salary for a period of approximately six months ending on October 31, 2009. The retirement agreement also provides that: (a) Mr. Koehl will be entitled to receive a bonus based upon sales of equipment made by the Company solely to one certain customer; (b) Mr. Koehl shall be entitled to retain the options to purchase 200,000 shares of the Company's common stock previously granted which are vested but are subject to the stockholders' approval, and options to purchase an additional 200,000 shares of the Company's common stock previously granted, also subject to the stockholders' approval, which were to vest on September 23, 2009 but shall now be immediately vested; (c) the Company will continue to provide medical coverage under the Company's current health care benefits plan for period of approximately six months ending on October 31, 2009. Thereafter, Mr. Koehl shall be entitled to elect to continue such COBRA coverage for the remainder of the COBRA period, at Mr. Koehl's own expense.

Severance Agreements

On July 6, 2009, the Company terminated the employment of Eric Swain, its Chief Executive Officer, and removed him from the Company's Board of Directors. On October 2, 2009, the Company entered into a Severance Agreement with Mr. Swain (the "Swain Severance Agreement"). The Swain Severance Agreement replaced the prior terms of employment that the Company had with Mr. Swain. Pursuant to the terms of the Swain Severance Agreement, in material part, (a) the Company and Mr. Swain agreed to mutual general releases; (b) Mr. Swain agreed, for a two year period, not to compete in the business of microwave resource recovery technology and not to solicit the Company's employees or customers; (c) of the options to purchase 5,000,000 shares of the Company's common stock at an exercise price of $1.18 per share previously granted to Mr. Swain, Mr. Swain shall retain 1,000,000 that previously vested, 1,000,000 that will vest on December 1, 2009 and 1,000,000 that will vest on December 1, 2010, the remaining 2,000,000 being cancelled; (d) the Company agreed, subject to Mr. Swain's continued compliance with the terms of the Swain Settlement Agreement, (i) to pay to Mr. Swain certain bonuses, if earned, payable to him under the prior terms of his employment through January 6, 2011, and (ii) to issue to Mr. Swain an aggregate of 2,250,000 shares of its common stock on certain dates starting on October 6, 2009 and ending on October 6, 2011, of which 1,800,000 shares are to registered under the Securities Act of 1933 pursuant to an effective registration statement on Form S-8 filed on January 29, 2008 ("S-8 Shares"); (e) Mr. Swain agreed not to sell more than 35,000 S-8 shares during any calendar week; (f) the Company will continue to provide full health insurance benefits to Mr. Swain through July 5, 2010; and (g) the Company transferred to Mr. Swain the title of ownership of the Company's car then in Mr. Swain's possession. In compliance with the terms of the Swain Severance Agreement, on October 5, 2009, the Company issued to Mr. Swain 450,000 restricted shares of its common stock. In September of 2009, the Company recorded a severance expense of $3,654,714 for the payments to be paid by the Company to Mr. Swain pursuant to the Swain Settlement Agreement. The payments were valued using the present value of expected future outflows.

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NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Severance Agreements (Continued)

On November 12, 2008, the Company entered into a severance agreement with Pringle and 888 Corporation, a New Jersey corporation owned directly or indirectly by Pringle (the "Severance Agreement"). The Severance Agreement replaces a prior consulting agreement with 888 Corporation, which was approved by the Board of Directors on May 21, 2008. Pursuant to the Severance Agreement, the Company agreed to pay Pringle $200,000 per year for the six year period commencing on January 1, 2009 subject to Pringle and 888 Corporation's continued compliance with the terms of the Severance Agreement. Pursuant to the Severance Agreement, Pringle returned 225,000 shares of the Company's common stock previously issued to him, and he resigned as a member of the Company's Board of Directors and in all other capacities. Pringle also agreed to restrict the amount of shares of the Company's common stock that he or his affiliates may sell to the following amounts: an aggregate of 400,000 shares of the Company's common stock in the three month period beginning February 1, 2009, an aggregate of 300,000 shares of the Company's common stock in the three month period beginning May 1, 2009 and an aggregate of 250,000 shares of Company's common stock in any three month period thereafter beginning with the three month period beginning August 1, 2009. The foregoing restrictions remain in place until Pringle has less than 5,000,000 shares of Company's common stock. Any transfers by Pringle in accordance with the foregoing restrictions remain subject to the Company's right of first refusal to purchase the stock. The Severance Agreement also provides for: (i) the immediate termination of the consulting agreement between the Company and 888 Corporation dated as of January 1, 2008 (though the Company has agreed to pay 888 Corporation the remainder of any payments otherwise due them through December 31, 2008); (ii) a nine year non-compete and non-solicitation agreement from Mr. Pringle; (iii) certain representations, warranties and covenants from Pringle and associated indemnification obligations; and (iv) mutual general releases and non-disparagement provisions. The Company's pledge of its pending patents as collateral for the payments to Pringle was eliminated. On September 29, 2009, (i) the Company declined to exercise its right of first refusal to purchase a total of 950,000 shares from Mr. Pringle and (ii) the Company and Pringle agreed to amend the Severance Agreement with respect to the selling restrictions (the "Amendment"). Pursuant to the Amendment, (i) Mr. Pringle agreed not to sell, assign, transfer, pledge or encumber more than 20,000 shares of the Company's common stock per week commencing on September 28, 2009 and continuing for the following 78 weeks thereafter, (ii) any transfers of shares that Mr. Pringle agreed to make prior to September 28, 2009 would be made from the 950,000 shares that were permitted to be sold pursuant to the Severance Agreement prior to November 1, 2009 and (iii) in all other respects, the terms of the original Severance Agreement remain unchanged.

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NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Joint Development Agreement

On April 23, 2009, Global Heavy Oil Corporation, a wholly-owned subsidiary of the Company (“GHO”), entered into a Joint Development Agreement (the “JDA”) with Schlumberger Technology Corporation and Schlumberger Holdings Limited (collectively, “Schlumberger”; together with GHO, the “JDA Parties”). Pursuant to the JDA, the JDA Parties agreed to use reasonable efforts to collaborate in order develop Surface Upgrading products and services in Heavy Oil oilfield operations (the “Products and Services”). Surface Upgrading are processes and technologies using microwaves to increase the gravity of Heavy Oil above the surface of the Earth. Heavy Oil is petroleum with an American Petroleum Institute gravity of 22.3 degrees or less.

In consideration of the time, effort and expense that Schlumberger will expend in connection with the activities contemplated by the JDA, and in exchange for the payments to be made by Schlumberger to GHO described in the next paragraph, the Company agreed not to engage in the research, development, manufacturing, marketing or exploitation of Products and Services during the term of the JDA and for two years thereafter, except pursuant to the JDA.

Pursuant to the JDA, Schlumberger agreed to pay $300,000 to GHO within thirty days of the execution of the JDA and another $300,000, contingent on approval, on the first anniversary of the JDA. These amounts are non-refundable. The first $300,000 was received on May 22, 2009. As of September 30, 2009, the Company recognized $90,000 of this payment as revenue, with the remaining $210,000 remaining on the accompanying condensed consolidated balance sheet as deferred revenue. The Company recognizes revenue in accordance with SEC guidance Staff Accounting Bulletin 101 “Revenue Recognition in Financial Statements” (SAB 101) guidance on revenue recognition. Revenue is recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured. Revenue is recognized as services are rendered in accordance with the terms of the JDA.

Pursuant to the terms of the JDA, each JDA Party granted to the other JDA Party an exclusive, worldwide, royalty-free license to use such JDA Party’s intellectual property applicable to Surface Upgrading in Heavy Oil oilfield operations during the term of the JDA.

Pursuant to the JDA, the collaboration between the JDA Parties is to be implemented in three distinct phases as follows:

Phase I - Research and Development. During this Phase, the concept of the Products and Services will be designed and developed, and the efficacy thereof will be tested. Phase I continues until the earlier of (i) the date on which the JDA Parties agree that the Phase I objectives have been satisfied or (ii) the second anniversary of the JDA, subject to extension at the option of either JDA Party until the third anniversary of the JDA. During this Phase, each JDA Party shall pay its own expenditures incurred pursuant to the JDA.

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NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Joint Development Agreement (continued)

Phase II - Prototype. During this Phase, the JDA Parties will design and test a prototype device or system to deliver Products and Services as a prelude to commercial exploitation of Products and Services. Phase II commences immediately upon agreement of the JDA Parties that the Phase I objectives have been timely satisfied (though Schlumberger has the option to terminate the JDA upon completion of Phase I by providing notice to GHO within thirty days of such completion) and continues until the earlier of (i) the date on which the JDA Parties agree that the Phase II objectives have been satisfied or (ii) the second anniversary of the date of commencement of Phase II, subject to extension at the option of either JDA Party until the third anniversary of commencement of Phase II. During this Phase, Schlumberger shall pay for all qualifying expenditures incurred by the JDA Parties pursuant to the JDA, except that if this Phase is extended at the option of GHO, during such extension GHO shall pay all such expenditures. Within thirty days of the commencement of Phase II, Schlumberger shall pay to GHO $1,000,000 as a Non-Recurring Engineering Charge.

Phase III – Joint Venture. During this Phase, the JDA Parties will enter into a joint venture for the commercial exploitation of Products and Services, which joint venture shall include provisions set forth in the JDA and such terms as mutually agreed upon by the JDA Parties. Phase III commences if, and when, the Phase II objectives have been timely satisfied. However, Schlumberger has the option to terminate the JDA upon completion of Phase II by providing notice to GHO within thirty days of such completion; GHO does not have such an option. Pursuant to the terms of the JDA, the Phase III joint venture will be owned jointly by the JDA Parties in proportion to the amount of qualifying expenditures each JDA Party spent during Phases I and II, but in no event will GHO own more than 40% of the joint venture. If GHO's proportion of qualifying expenditures is less than 40% of total qualifying expenditures, then GHO shall have the option of acquiring an additional interest in the Joint Venture so that its interest in the joint venture will be 40% by paying to Schlumberger an amount such that GHO's qualifying expenditures (including such payment) reaches 40% of total qualifying expenditures (including such payment). If GHO's proportion of total qualifying expenditures is more than 40%, then Schlumberger shall pay to GHO an amount such that Schlumberger's qualifying expenditures (including such payment) as a proportion of total qualifying expenditures (including such payment) is reduced to 60%.

The costs being incurred by GHO for the research and development to performed by it under the JDA are being funded by the Company out of its working capital. The Company's current expectation is that such costs will total approximately $600,000 during Phase I.

CRC and Mobilestream Asset Acquisitions

With respect to the Company's past acquisitions of the assets of CRC and Mobilestream Oil, Inc. and the registration under the Securities Act of 1933 on Form S-1, Registration Statement Number 333-149199 (the "Registration Statement"), of securities issued to the Carbon Recovery Liquidating Trust and the Mobilestream Liquidating Trust in connection therewith, specifically (i) the distribution of 22,334,221 shares of the Company's common stock (the "Shares") and warrants to purchase a total of 10,409,407 shares of the Company's common stock (the "Warrants") to the beneficiaries of such liquidating trusts, (ii) the issuance of 10,409,407 shares of the Company's common stock upon exercise of the Warrants (the "Warrant Shares") and (iii) the resale of the Shares and the Warrant Shares by the initial recipients thereof (the “Acquisition and Registration”), the Staff of the SEC (the “Staff”) has advised the Company that in the view of the Staff, the Acquisition and Registration may, in substance, be an attempt to complete a business combination transaction via a registered offering when it was already started without registration and has further advised the Company to include the Staff’s view in the Registration Statement, and the risks to and potential liability of the Company, if any, associated therewith. The Company is continuing to evaluate the view of the Staff of the SEC in this matter and the Company’s options with respect to the Registration Statement. In addition, the 35,236,188 shares of Preferred Stock A issued directly to Mr. Pringle as part of the acquisition of the assets of Mobilestream were not held in a liquidating trust and the Staff has advised the Company that such fact should be disclosed in the Registration Statement. The Company is continuing to evaluate the view of the Staff and it is not clear whether the Company faces any potential liability as a result of such shares being issued directly to Mr. Pringle and not included in the liquidating trust as may have been required pursuant to the terms of the acquisition documents and therefore the Company has not recorded the fair value of any potential liability resulting therefrom.

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NOTE 7 - PATENTS

The Company currently has three utility patent applications pending in the United States Patent and Trademark Office ("USPTO") and approximately ten corresponding utility patent applications pending in international patent offices in commercially relevant countries. In August 2009, the Company received a Notice of Allowance for its first application (Serial No 11/610,823) from the USPTO. A Notice of Allowance is issued if one or more of the claims of an application are allowed and precedes the formal patent issuance. The Company's patent applications cover its proprietary microwave technology for recovering hydrocarbons and fossil fuels from sources such as tires, oil shale, capped wells, shale deposits, and waste oil streams. Legal fees associated with the above mentioned patent applications are recorded as prepaid patent costs on the accompanying condensed consolidated balance sheets. Upon final approval by the USPTO, the prepaid patent costs will be reclassified to an intangible asset and amortized over the expected life of the patent. The prepaid patent costs are $558,620 and $383,685 at September 30, 2009 and December 31, 2008, respectively.

On October 2, 2009, the Company filed a continuation application with the USPTO for the microwave processing of (i) oil shale and (ii) coal.

On October 14, 2009, the Company entered into a license agreement with Universal Alternative Fuels Inc. ("UAF"). In connection with the execution of the license agreement, the Company granted to UAF a first priority security interest in the Company's patent rights, technology and trademarks as applied to the oil shale and coal fields of use. (See Note 12 – Subsequent Events).

NOTE 8 - INVESTMENTS

Cash in excess of operating requirements was invested in marketable debt and equity securities. All securities were considered available for sale and were carried at their fair value on the accompanying condensed consolidated December 31, 2008 balance sheet. The Company has liquidated all of its investments as of September 30, 2009.

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NOTE 8 - INVESTMENTS (CONTINUED)

The Company held the following types of investments at December 31, 2008:

	Cost	Fair Value	Unrealized Gain/(Loss)	Realized Gain / (Loss)
Fixed-rate capital securities	$ 125,000	$ 95,000	$ (30,000)	
Corporate Bonds	1,826,264	1,618,714	(207,550)	
Preferred Stock	1,681,410	843,560		(837,850)
Total as of December 31, 2008	$ 3,632,674	$ 2,557,274	$ (237,550)	$ (837,850)

NOTE 9 - FAIR VALUE MEASUREMENTS

On January 1, 2008, the Company adopted the authoritative guidance issued by FASB that defines fair value, provides a consistent framework for measuring fair value under U.S. GAAP and expands fair value financial statement disclosure requirements. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable and unobservable. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions.

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Valuation Techniques:

Preferred Stock: The Company values investments in preferred stock and fixed-rate capital securities that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of September 30, 2009.

Corporate Bonds: The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads ore credit defaults swaps spreads, the spread data used are for the same maturity as the bond. If the spread data does not reference the issuer, then data that reference a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flows models with yield curves, bond or single-name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds and fixed-rate capital securities are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the hierarchy.

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NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED)

Derivative Liabilities: The Company uses management judgment to develop assumptions to determine fair value for those instruments that are not of available from market-based observable inputs, they are categorized in Level 3 of the hierarchy

The following tables represent available for sale securities measured at fair value at September 30, 2009 and December 31, 2008 :

	Fair Value at September 30, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Derivative financial instruments	$ 131,150	$ -	$ -	$ 131,150

	Fair Value at December 31, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Fixed-rate capital securities	$ 95,000	$ 95,000		
Corporate Bonds	1,618,714	1,492,621	126,093	
Preferred Stock	843,560	843,560		
Total	$ 2,557,274	$ 2,431,181	$ 126,093	$ -
Liabilities				
Derivative financial instruments	$ 1,591,834	$ -	$ -	$ 1,591,834

The following table presents additional information about Level 3 liabilities measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for liabilities within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

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NOTE 9 - FAIR VALUE MEASUREMENTS (CONTINUED

Changes in Level 3 liabilities measured at fair value for the nine month period ended September 30, 2009:

	LEVEL 3				
	Beginning Balance January 1, 2009	Gains	Purchase Sales and Settlements	Ending Balance September 30, 2009	Change in Fair Value of Derivative financial instruments still held at September 30, 2009
Liabilities					
Derivative financial instruments, at fair value	$ 1,591,834	$ (1,460,684)	$ -	$ 131,150	$ (1,460,684)

	LEVEL 3				
	Beginning Balance January 1, 2008	Gains	Purchase Sales and Settlements	Ending Balance December 31, 2008	Change in Fair Value of Derivative financial instruments still held at December 31, 2008
Liabilities					
Derivative financial instruments, at fair value	$ 10,950,670	$ (9,358,836)	$ -	$ 1,591,834	$ (9,358,836)

The change in fair value of derivative financial instruments are included in the accompanying condensed consolidated statements of operations and comprehensive loss, as other income (expense). The change in fair value of derivative financial instruments for the three month period ended September 30, 2009, is a reduction of $1,713,449, and for the nine month period ended September 30, 2009, the change in fair value is a reduction of $1,460,684.

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NOTE 10- PREPAID SERVICES

During the three month period ended September 30, 2009, the Company recorded an expense of $632,625 to the accompanying condensed consolidated statement of operations and comprehensive loss and $1,933,925 for the nine month period ended September 30, 2009, for the amortization of stock issued for services that were issued in 2009 and 2008. The unamortized amount as of September 30, 2009 is $450,250. In addition, for the nine month period ended September 30, 2009, the Company recorded an expense of $85,000 to the accompanying condensed consolidated statement of operations and comprehensive loss for the amortization of cash paid for services from 2008.

NOTE 11- RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008

As disclosed in the Company's Form 8-K filed on April 2, 2009, the Company announced its intention to amend and restate certain financial statements in its consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2008. That amendment and restatement was done and certain summary information with respect to the amendment and restatement is contained below. The Company also intends to amend and restate its consolidated financial statements for all prior quarters for 2006, 2007 and 2008 and to file amendments to all applicable previously filed quarterly and annual reports as soon as practicable.

The following tables summarize the adjustments made in the restatement of our third quarter 2008 condensed consolidated financial statements.

Consolidated Balance Sheet Adjustments

1. We adjusted legal fees of $172,036 associated with the filing of our patents as a prepaid asset for the nine months period ending September 30, 2008. Prepaid patents was also adjusted $143,063 for prior years amounts. Previously, we had reflected these costs as an expense on our consolidated statement of operations and comprehensive income (loss).
2. We reclassified the Acquisition Warrants (as defined in Note 5) with a fair value of $1,097,657 at September 30, 2008 as derivative financial instruments. Previously, we had reflected the Acquisition Warrants as equity. Also an adjustment in the amount of $13,951,679 were made to additional paid in capital and $3,001,009 was made for prior years impact of these derivative financial instruments to deficit accumulated during the development stage.
3. We adjusted professional consulting fees and prepaid services associated with stock issued for services for the nine months period ending September 30, 2008, in the amount of $1,403,000. Previously we had reflected the cost for stocks issued for services as 100% expensed in the month that the stock was issued. No amount was reported as prepaid services in our September 30, 2008 condensed consolidated balance sheet and $1,660,000 was previously expense in our condensed consolidated statement of operations and comprehensive loss. The services should have be amortized over the service period of the contract and consequently only $203,000 should have been expense in the condensed consolidated statement of operations for the nine months period ending September 30, 2008.

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NOTE 11- RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2008

Consolidated Balance Sheet Adjustments
(continued)

	As Originally Reported	Adjustments	Restated
ASSETS			
CURRENT ASSETS			
Cash	$ 3,809,491	$ -	$ 3,809,491
Short-term Investments	287,933		287,933
Prepaid services		1,403,000	1,403,000
Total current assets	4,097,424	1,403,000	5,500,424
Property and equipment, net depreciation	1,119,785		1,119,785
Deposits	73,639		73,639
Long-term investments	2,672,100		2,672,100
Prepaid patent costs		315,099	315,099
TOTAL ASSETS	$ 7,962,948	$ 1,718,099	$ 9,681,047
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	66,154		66,154
Loans payable - equipment	41,619		41,619
Capital lease obligation - equipment	9,154		9,154
Stock to be issued	747,976		747,976
Total current liabilities	864,903		864,903
Loan payable -equipment, net of current portion	20,696		20,696
Capital lease obligation - equipment, net of current portion	18,167		18,167
Derivative financial instruments		1,097,657	1,097,657
Total liabilities	903,766	1,097,657	2,001,423
STOCKHOLDERS' EQUITY			
Preferred stock A	5		5
Common stock	67,523		67,523
Additional paid-in capital	47,938,902	(13,951,679)	33,987,223
Accumulated other comprehensive loss	(961,327)		(961,327)
Deficit accumulated during the development stage	(38,269,448)	14,572,121	(23,697,327)

		8,775,655		620,442		9,396,097
Treasury stock		(1,716,473)				(1,716,473)
Total stockholders' equity		7,059,182		620,442		7,679,624
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	7,962,948	$	1,718,099	$	9,681,047

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NOTE 11- RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2008 (CONTINUED)

Consolidated Statement of Operations and Comprehensive Loss Adjustments

The following is a summary of the adjustments to our previously issued condensed consolidated statement of operations and comprehensive loss for the three and nine months ended September 30, 2008:

1. We adjusted legal fees in the amount of $14,923 for the three month period ended and $172,036 for the nine month period ended September 30, 2008 for fees associated with the filing of our patents as a prepaid asset. Previously, we had reflected these costs as an expense on our condensed consolidated statement of operations and comprehensive income (loss).
2. As derivative liabilities, the Acquisition Warrants (as defined in Note 5) are measured at fair value each reporting period (marked to market) with the gains and losses being recognized in earnings. Accordingly, we adjusted our condensed consolidated statement of operations and comprehensive loss to reflect income of $2,303,664 and $9,853,013 for the three and nine months respectively as a result of the change in the fair value of the Acquisition Warrants. Previously, we recognized the Acquisition Warrants as equity and did not did not recognize any change in the fair value.
3. We adjusted professional consulting fees and prepaid services associated with stock issued for services for the nine months period ending September 30, 2008, in the amount of $1,403,000. Previously we had reflected the cost for stocks issued for services as 100% expensed in the month that the stock was issued. No amount was reported as prepaid services in our September 30, 2008 condensed consolidated balance sheet and $1,660,000 was previously expense in our condensed consolidated statement of operations and comprehensive loss. The services should have be amortized over the service period of the contract and consequently only $203,000 should have been expense in the condensed consolidated statement of operations for the nine months period ending September 30, 2008.

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NOTE 11- RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2008 (CONTINUED)

Consolidated Statement of Operations and Comprehensive Loss Adjustments (continued)

For Three Months ended September 30, 2008 For Nine Months ended September 30, 2008