

HUNT GLOBAL RESOURCES, INC.
Form 10-Q
May 24, 2011

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011

OR

..

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: **000-53515**

HUNT GLOBAL RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Colorado
State or Incorporation

51-0541963
(IRS Employer ID)

10001Woodloch Forest Drive, Suite 325, The Woodlands, TX 77380

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **281-825-5000**

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 for Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Larger accelerated filer
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

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

Indicate the number of share outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of May 15, 2011, there were 70,769,582 shares of the registrant's common stock issued and outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS:

HUNT GLOBAL RESOURCES, INC.
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

| ASSETS | March 31, 2011 | December 31, 2010 |
|--|-------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 374,588 | \$ 1,069,473 |
| Marketable securities | 142,842 | - |
| Accounts receivable | 227,029 | - |
| Short-term loan receivable | 87,000 | - |
| Related party receivables | 60,475 | 29,413 |
| Inventory | 247,565 | - |
| Prepaid royalties to related parties | 628,986 | 622,986 |
| Prepaid expenses and other | 492,816 | 59,074 |
| Total current assets | 2,261,301 | 1,780,946 |
| Property, plant and equipment, net of accumulated depreciation | | |
| | 11,971,247 | 918,047 |
| Surface mining rights and royalty agreement | 3,696,177 | 3,696,177 |
| Intangible assets, net | 137,940,833 | - |
| Other assets | 15,000 | 25,000 |
| Total assets | \$ 155,884,558 | \$ 6,420,170 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable, including amounts due to related parties | \$ 1,842,059 | \$ 757,879 |
| Accrued dividend payable | 139,752 | 46,666 |
| Accrued interest payable | 183,649 | 323,653 |
| Accrued liability to related party | 366,000 | 276,000 |
| Other current liabilities | 1,111,691 | - |
| Amount due to shareholder | 6,744,620 | - |
| Notes payable | 5,068,854 | 4,346,704 |
| Notes payable to related parties | 610,000 | 1,100,000 |
| Total current liabilities | 16,066,625 | 6,850,902 |

Shareholders' equity (deficit)

| | | |
|--|-----------------------|---------------------|
| Preferred stock, no par value, 1,000,000 shares authorized | | |
| Class A convertible - 250,000 shares authorized, 247,138 and 123,463 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively | 44,504,707 | 2,414,139 |
| Class B convertible - 250,000 shares authorized, 248,675 and 125,000 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively | 50,402,464 | 310,642 |
| Common stock, no par value, 500,000,000 shares authorized, 70,567,916 and 37,442,453 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively | 70,055,834 | 13,884,175 |
| Additional paid-in capital | 1,923,558 | - |
| Shareholder receivable | (8,782,141) | - |
| Accumulated other comprehensive income (loss) | 222,089 | - |
| Loss accumulated during the development stage | (27,290,719) | (17,039,688) |
| Total Hunt Global Resources, Inc. shareholders' equity (deficit) | 131,035,792 | (430,732) |
| Non-controlling interest | 8,782,141 | - |
| Total shareholders' equity (deficit) | 139,817,933 | (430,732) |
| Total liabilities and shareholders' equity (deficit) | \$ 155,884,558 | \$ 6,420,170 |

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

HUNT GLOBAL RESOURCES, INC.
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended March 31, | | Period From Inception to March 31, |
|---|--------------------------------------|----------------|--|
| | 2011 | 2010 | 2011 |
| Sales | \$ 26,685 | \$ - | \$ 26,685 |
| Cost of sales | 13,671 | - | 13,671 |
| Gross profit | 13,014 | - | 13,014 |
| Operating expenses | | | |
| Selling, general and administrative | 2,036,075 | 856,945 | 14,179,006 |
| Depreciation and amortization | 1,247,345 | 26,260 | 1,389,733 |
| Total operating expenses | 3,283,420 | 883,205 | 15,568,739 |
| Loss from operations | (3,270,406) | (883,205) | (15,555,725) |
| Other income and (expenses): | | | |
| Interest income | - | 5,012 | 14,210 |
| Interest expense | (200,540) | (181,260) | (2,649,872) |
| Loss on debt conversion | (2,976,305) | - | (3,904,286) |
| Loss from settlement | (2,827,535) | - | (2,827,535) |
| Equity in loss of Momentum | (27,500) | - | (246,171) |
| Loss on investment | - | - | (1,172,595) |
| Total other income (expenses) | (7,031,880) | (176,248) | (11,786,249) |
| Net loss | (10,302,286) | (1,059,453) | (27,341,974) |
| Less net loss attributable to non-controlling interests | 51,255 | - | 51,255 |
| Net loss attributable to Hunt Global Resources, Inc. | (10,251,031) | (1,059,453) | (27,290,719) |
| Preferred stock dividends | (93,086) | - | (139,752) |
| Net loss attributable to common stock | \$ (10,344,117) | \$ (1,059,453) | \$ (27,430,471) |
| Net loss per common share - basic and diluted | \$ (0.21) | \$ (0.01) | |

Weighted average number of common
shares

outstanding - basic and diluted

49,553,009

85,017,995

The accompanying notes are an integral part of these condensed consolidated financial statements

HUNT GLOBAL RESOURCES, INC.
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

| | Class A Convertible Preferred Stock | Class B Convertible Preferred Stock | Common Stock | Additional Paid-in Capital | Shareholder Receivable | Accumulated Other Comprehensive Income (Loss) | Accumulated During the Development Stage |
|---|--|--|-----------------|----------------------------------|---------------------------|--|---|
| Balance at December 31, 2010 | \$ 2,414,139 | \$ 310,642 | \$ 13,884,175 | \$ - | \$ - | \$ - | \$ (17,039,600) |
| Common stock issued for cash | - | - | 195,000 | - | - | - | - |
| Common stock issued for services and prepaid services | - | - | 456,050 | - | - | - | - |
| Warrants issued for services | - | - | - | 573,653 | - | - | - |
| Common stock issued upon exercise of stock options and warrants | - | - | 82,500 | - | - | - | - |
| Acquisition of Carbon Green NA, Inc. | 42,090,568 | 50,184,908 | 49,494,174 | - | (8,782,141) | - | - |
| Common stock issued in debt conversion | - | - | 3,116,400 | - | - | - | - |
| | - | - | - | 1,349,905 | - | - | - |

Warrants
issued in debt
conversion

Common stock
issued under
settlement
agreement

- - 2,827,535 - - -

Preferred stock
dividends

- (93,086) - - - -

Comprehensive
income:

Net loss

- - - - - - (8,327,4

Foreign
currency
translation
adjustment

- - - - - 222,089

Total
comprehensive
income

- - - - - -

Balance at

March 31, 2011 \$ 44,504,702 \$ 50,402,464 \$ 70,055,834 \$ 1,923,558 \$ (8,782,141) \$ 222,089 \$ (27,290,7

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

HUNT GLOBAL RESOURCES, INC.
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | 2011 | March 31, 2010 | Period From Inception to March 31, 2011 |
|---|-----------------|-------------------|--|
| Cash flows from operating activities | | | |
| Net loss | \$ (10,302,286) | \$ (1,059,453) | \$ (27,341,974) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation and amortization | 1,247,345 | 26,260 | 1,389,733 |
| Common stock issued for services | 605,704 | 730,466 | 7,082,420 |
| Loss on investment | - | - | 1,172,595 |
| Loss on debt conversion | 2,976,305 | - | 3,904,286 |
| Loss on settlement agreement | 2,227,535 | - | 2,827,535 |
| Equity in losses of Momentum | 27,500 | - | 246,171 |
| Common stock issued for interest expense | - | - | 888,941 |
| Investment exchanged for services | | | |