

Global Resource CORP  
Form S-1/A  
July 20, 2009

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As filed with the Securities and Exchange Commission on July 20, 2009

Registration No. 333-152118

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

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933  
(Amendment No. 2)

GLOBAL RESOURCE CORPORATION

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(Exact name of registrant as specified in its charter)

Nevada	2860	84-1565820
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1000 Atrium Way, Suite 100  
Mount Laurel, New Jersey 08054  
(856) 767-5665

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Peter A. Worthington  
Chief Executive Officer  
Global Resource Corporation  
1000 Atrium Way, Suite 100  
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(856) 767-5665

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as shall be determined by the selling stockholders identified herein.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. . o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. . o

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (4)
Common Stock, par value \$.001 per share(3)	1,042,106	\$2.25(2)	\$2,344,739	\$92.15

- (1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, this registration statement also covers an indeterminate number of shares of common stock as may be issued as a result of stock splits, dividends or similar transactions.
- (2) The price is estimated in accordance with Rule 457(c) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee and is based upon the average of the closing bid and ask prices of our common stock on June 20, 2008 as reported by the Pink Sheets.
- (3) Represents shares of common stock issuable upon exercise of outstanding warrants held by the selling stockholders.
- (4) The registration fee with respect to the shares has been previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.



**THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING STOCKHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE OF THESE SECURITIES IS NOT PERMITTED.**

**Subject to completion  
Dated July 20, 2009**

**PRELIMINARY PROSPECTUS**

**1,042,106 Shares of Common Stock**

**GLOBAL RESOURCE CORPORATION**

The selling stockholders identified on page 53 of this Prospectus (the "Selling Stockholders") are offering on a resale basis a total of 1,042,106 shares of our common stock issuable upon the exercise of outstanding warrants (the "Shares"). We will not receive any proceeds from the sale of these shares by the selling stockholders, except that we will receive gross proceeds in the approximate amount of \$2,013,292 assuming the exercise of all of the warrants. To the extent any of these warrants are so exercised, we intend to use the proceeds for general working capital. All net proceeds from sales of Shares pursuant to this Prospectus will go to the Selling Stockholders and not to us. All costs, expenses and fees in connection with the registration of the Shares being offered hereby will be borne by us. Brokerage commissions and similar selling expenses, if any, attributable to the sale of Shares will be borne by the Selling Stockholders.

The Selling Stockholders, or their pledgees, donees, transferees or other successors-in-interest, may offer the Shares, from time-to-time, for resale on the Pink Sheets or other over-the-counter market, in isolated transactions, or in a combination of such methods of sale. They will set a fixed selling price of \$\_\_\_ per share until our shares of common stock are quoted on the OTC Bulletin Board and thereafter will sell at prevailing market prices or privately negotiated prices. However, we can provide no assurance that our shares of common stock will eventually be listed for quotation on the OTC Bulletin Board.

Trades in shares of our common stock are reported on the Pink Sheets under the symbol "GBRC". On June 30, 2009, the last sale price of our common stock as reported on the Pink Sheets was \$1.35 per share.

We have not authorized anyone to provide information different from that contained in this prospectus. Neither the delivery of this prospectus nor the distribution or sale of the securities offered hereby means that information contained in this prospectus is correct after the date of this prospectus. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. This prospectus is not an offer to sell or solicitation of an offer to buy these securities in any circumstances under which the offer or solicitation is unlawful.

**THE SECURITIES OFFERED BY THIS PROSPECTUS INVOLVE A HIGH DEGREE OF RISK. FOR MORE INFORMATION, SEE "RISK FACTORS" BEGINNING ON PAGE 5.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE**

ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is July \_\_, 2009

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## PROSPECTUS SUMMARY

This summary provides a brief overview of the key aspects of this offering. Because it is only a summary, it does not contain all of the detailed information contained elsewhere in this prospectus or in the documents incorporated by reference into this prospectus or included as exhibits to the registration statement that contains this prospectus. This summary may not contain all of the information that may be important to you. We urge you to read this entire prospectus carefully, including the risks of investing in our common stock discussed under "Risk Factors" and the financial statements and other information that is incorporated by reference into this prospectus, before making an investment decision. All references in this prospectus to "Global", "we", "us", "our", "our Company" or "the Company" refer to Global Resources Corporation.

### The Company

Our business is (i) the design, manufacture and sale of machinery and equipment units for decomposing petroleum-based materials by subjecting them to microwave radiation at specifically selected frequencies for a time sufficient to at least partially decompose the materials and focused on specific applications (the "Technology"); (ii) the licensing of third parties to exploit the Technology; and (iii) the construction of plants, in conjunction with other investors, to exploit that Technology. Currently, our efforts are directed principally to the design, manufacture and sale of machinery and equipment.

We have no manufacturing capability of our own. Accordingly, we have entered into an agreement with Ingersoll Production Systems, a manufacturing facility in Rockford, Illinois, for research on and the manufacture of our machines, where the Patriot-1 was completed. The prototype is being tested initially to apply our microwave Technology to the decomposition of tires as waste and to retrieve commercially viable components therefrom in the form of carbon, liquid hydrocarbons which can be converted to electricity, and gas. We will use our prototype primarily to confirm and refine the principles that will be utilized in commercial scale operations of our Technology.

We do not research nor represent to potential customers the commercial uses or revenues they may derive from the end-products generated using our Technology. Each potential customer evaluates for itself whether the commercialization and disposition of the end products justifies the cost to purchase and install one of our machines.

We are conducting negotiations with prospective purchasers of machines, but do not have any committed orders for our equipment. We have entered into an exclusive marketing agreement with one company for a defined geographic area outside the United States. We are not presently devoting any time or funds to the construction of plants to exploit our Technology. Any such effort will require capital in excess of funds available to us, and will require us to "partner" with a company with much larger resources.

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises". The Company has devoted substantially all of its efforts to business planning and development, as well as allocating a substantial portion of its time and resources in bringing its product to the market and the raising of capital.

Our principal executive office is located at 1000 Atrium Way, Suite 100, Mount Laurel, NJ 08054. Our telephone number is (856) 767-5665 and our internet address is [www.globalresourcecorp.com](http://www.globalresourcecorp.com). Trades in our common stock are reported on the Pink Sheets under the symbol "GBRC".

### Recent Developments

#### Appointment of New Independent Accountants

On February 2, 2009, we dismissed Bagell, Josephs, Levine & Company, L.L.C. as the Company's independent registered public accounting firm. On February 18, 2009, we appointed Rothstein Kass & Company, P.C. as the Company's independent registered public accounting firm.

### Restatement of Financial Statements

On March 31, 2009, the Company's Audit Committee concluded, upon the advice of management, that its previously issued consolidated financial statements contained in the Company's annual report on Form 10-KSB for the years ended December 31, 2007 and 2006 and its quarterly reports on Form 10-QSB for the periods ended March 31, June 30 and September 30, 2007 and Form 10-Q for the periods ended March 31, June 30 and September 30, 2008 will require restatement and should no longer be relied upon. The Company retained its independent registered public accounting firm Rothstein, Kass & Company, P.C. ("Rothstein, Kass"), to reaudit its historical financial statements. Such reaudits and restatements are ongoing and the initial results are reflected in the Financial Statements contained in this Prospectus. The Company intends to complete such reaudits and restatements as soon as practicable. The Company believes that the restatements and reclassifications made and intended to be made will not materially impact the ability of the Company to implement its business plan on a going-forward basis nor materially impact its current cash position, except for the payment of additional auditing and legal fees incurred in connection with the reaudits, restatements and reclassifications, as the anticipated restatements and reclassifications relate solely to non-cash charges.

### Agreement with Schlumberger

On April 23, 2009, Global Heavy Oil Corporation ("Global Heavy Oil"), a wholly-owned subsidiary of the Company, entered into a Joint Development Agreement (the "Collaborative Arrangement") with Schlumberger Technology Corporation and Schlumberger Holdings Limited (collectively, "Schlumberger") for the purpose of researching and developing surface upgrading, a process using microwaves to increase the gravity of heavy oil above the surface of the Earth in oilfield operations (the "products and services"). The Collaborative Arrangement is to be implemented in three distinct phases.

### Demonstrations of Prototype

The Company has completed two demonstrations of our commercial prototype machine with the first demonstration taking place May 4-8, 2009 and the second demonstration taking place June 8-11, 2009. Both demonstrations included prospective customers from the United States and several foreign countries as well as partners and dignitaries and were held in our contract manufacturer's facility (Ingersoll Production Systems) in Rockford, Illinois. The demonstrations consisted of processing tire material on a continuous basis and collecting commercially viable byproducts in the form of diesel heating oil, combustible gas in the combined form of propane, butane, methane and other gases that can be used to generate electricity or be used as energy feedstock for other processes, and a high BTU carbon char.

### Separation of Board Chairman and Chief Executive Officer Roles

On May 28, 2009, the Board of Directors of the Company voted to separate the position of Chairman of the Board from that of Chief Executive Officer of the Company in order to strengthen both the corporate governance and the management team of the Company. Consequently, the Board appointed Peter A. Worthington, a director of the Company, to the position of Interim Chairman of the Board of Directors until a permanent, independent Chairman of the Board is appointed.

### Termination of Chief Executive Officer

Effective on July 6, 2009, the Company terminated the employment of Eric Swain, the then Chief Executive Officer of the Company, and removed him from the Company's Board of Directors. Effective upon Mr. Swain's removal, the Board of Directors appointed Peter A. Worthington to the position of Chief Executive Officer.

For more information on these recent developments, see “DESCRIPTION OF BUSINESS – Recent Developments” beginning on page 12.

#### Risk Factors

An investment in the shares of our common stock involves a high degree of risk and may not be an appropriate investment for persons who cannot afford to lose their entire investment. For a discussion of some of the risks you should consider before purchasing shares of our common stock, you are urged to carefully review and consider the section entitled “Risk Factors” beginning on page 4 of this prospectus.

## The Offering

The selling stockholders identified on page 53 of this Prospectus (the “Selling Stockholders”) are offering on a resale basis a total of 1,042,106 shares of our common stock (the “Shares”) issuable upon the exercise of outstanding warrants (the “Warrants”).

For a complete description of the terms and conditions of our common stock, you are referred to the section in this Prospectus entitled “Description of Securities.”

Common stock offered	1,042,106
Common stock outstanding before the offering (1)	63,580,703 shares
Common stock outstanding after the offering (2)	64,662,809 shares
Common Stock trading symbol (Pink Sheets)	GBRC

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- (1) Based on the number of shares outstanding as of June 15, 2009, but does not include (i) 22,075,836 shares issuable upon exercise of outstanding warrants to purchase our common stock, of which 1,042,106 shares are covered by this Prospectus, (ii) 1,200,000 shares issuable upon the exercise of outstanding vested options to purchase our common stock and (iii) 7,460,000 shares issuable upon the exercise of outstanding options to purchase our common stock which have not yet vested, of which 3,460,000 are subject to stockholder approval of an amendment to our stock option plan increasing the number of options authorized for issuance (of which 850,000 options will vest immediately upon approval).
  - (2) Assumes the issuance of all shares of common stock offered by this Prospectus that are issuable upon the exercise of the Warrants, but does not include (i) 21,033,730 shares issuable upon exercise of outstanding warrants to purchase our common stock, (ii) 1,200,000 shares issuable upon the exercise of outstanding vested options to purchase our common stock and (iii) 7,460,000 shares issuable upon the exercise of outstanding options to purchase our common stock which have not yet vested, of which 3,460,000 are subject to stockholder approval of an amendment to our stock option plan increasing the number of options authorized for issuance (of which 850,000 options will vest immediately upon approval).

The Selling Stockholders, or their pledgees, donees, transferees or other successors-in-interest, may offer the Shares, from time-to-time, for resale on the Pink Sheets or other over-the-counter market, in isolated transactions, or in a combination of such methods of sale. They will set a sale price of \$\_\_\_ per share until our shares of common stock are quoted on the OTC Bulletin Board and thereafter at prevailing market prices or privately negotiated prices. However, we can provide no assurance that our shares of common stock will eventually be listed for quotation on the OTC Bulletin Board.

The fixed price at which the Selling Stockholders will offer the Shares until such time as our shares of Common Stock are quoted on the OTC Bulletin Board has been arbitrarily determined based on estimates of the price that purchasers

of speculative securities, such as the Shares, will be willing to pay considering the nature and capital structure of our Company, the experience of our officers and directors and the market conditions for the sale of equity securities in similar companies and bears no relationship to the assets, earnings or book value of us, or any other objective standard of value.

The offering will terminate on the earlier of the dates on which the Warrants expire or all of the Warrants are exercised and all Shares have been issued.

All costs, expenses and fees in connection with the registration of the Shares being offered hereby will be borne by us. Brokerage commissions and similar selling expenses, if any, attributable to the sale of Shares will be borne by the Selling Stockholders.

#### Use of Proceeds

We will not receive any proceeds from the sale of the Shares by the Selling Stockholders, except that we will receive gross proceeds in the approximate amount of \$2,013,292 assuming the exercise of all of the Warrants. To the extent any of the Warrants are so exercised, we intend to use the proceeds for general working capital. All net proceeds from sales of Shares pursuant to this Prospectus will go to the Selling Stockholders and not to us. All costs, expenses and fees in connection with the registration of the Shares being offered hereby will be borne by us. Brokerage commissions and similar selling expenses, if any, attributable to the sale of Shares will be borne by the Selling Stockholders. However, as of today's date, only 400,000 of the Warrants are "in the money", the exercise of all of which would generate \$320,000 in gross proceeds to the Company). The remaining Warrants are therefore unlikely to be exercised at this time. We expect to use the proceeds, if any, that we receive from the exercise of Warrants for general working capital purposes.

## RISK FACTORS

The purchase of shares of our common stock is very speculative and involves a very high degree of risk. An investment in our company is suitable only for the persons who can afford the loss of their entire investment. Accordingly, investors should carefully consider the following information about these risks, as well as other information set forth in this Prospectus, in making an investment decision with respect to our common stock. We have sought to identify what we believe to be all material risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise.

### Risks Relating to Our Business Operations

**We Have A Limited Operating History, And Investors May Not Have A Sufficient History On Which To Base An Investment Decision.**

Although we were incorporated in 2000, we acquired our operating assets for our current business only in September and December 2006 and are a development stage company. Accordingly, we have a limited operating history upon which investors may evaluate our prospects for success. Investors must consider the risks and difficulties frequently encountered by early stage companies. Such risks include, without limitation, the following:

- amount and timing of operating costs and capital expenditures relating to expansion of our business, operations, and infrastructure;
- time line to develop, test, manufacture, market and sell our products;
- negotiation and implementation of strategic alliances or similar arrangements with companies with sufficient resources to support our research and manufacturing efforts;
- need for acceptance of products;
- ability to anticipate and adapt to a competitive market and rapid technological developments;
- dependence upon key personnel.

We cannot be certain our strategy will be successful or that we will successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition, and results of operations could be materially and adversely affected.

**We Are A Development Stage Company With A History Of Losses And Can Provide No Assurance Of Our Future Operating Results.**

We are a development stage company with no revenues from our contemplated principal business activity. We have incurred net losses and negative cash flows since inception and expect such losses and negative cash flows to continue in the foreseeable future. We currently have no product revenues, and may not succeed in developing or commercializing any products which will generate product or licensing revenues. We do not know when we will have any products on the market, and each such product will be manufactured only upon receipt of an order. In addition, the sale completion for each of our machines requires a process of testing, during which our products could fail. We may not be able to enter into agreements with one or more companies experienced in the manufacturing and marketing of complex equipment machines and, to the extent that we are unable to do so, we will not be able to market our products. Eventual profitability will depend on our success in developing, manufacturing, and marketing our products. We may never achieve profitability.

Doubt About Our Ability To Continue As A Going Concern.

Our independent certified public accountant has stated in their report included in this filing that we have suffered recurring losses and that we currently do not have any significant revenue to fund future operations which raises substantial doubt about our ability to continue as a going concern.

We have incurred substantial net losses in the amount of \$15,495,349 and \$6,578,311 for the years ended December 31, 2008 and 2007, respectively, and \$29,770,274 for the cumulative period from July 19, 2002 (inception) to December 31, 2008. We also had negative cash flows from its operations in the amount of \$5,175,036, \$2,689,445, and \$12,544,493 for the years ended December 31, 2008 and 2007 respectively, and for the cumulative period from July 19, 2002 (inception) to December 31, 2008. Additionally, we have had no revenue since inception.



Based on our current operating plan, the total cash expenditures needed for the year ending December 31, 2009 are expected to exceed our cash, cash equivalents and short-term investments, aggregating approximately \$4,600,000, as of December 31, 2008. Our assessment of our cash needs may be affected by changes in our assumptions relating to our technological and engineering requirements in the development of our products as well as payroll, staff and administrative related matters.

We have completed a prototype fixed frequency microwave reactor system, named "Patriot-1", which we have 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, we provided public demonstrations of the Patriot-1 to prospects, partners and dignitaries at our outside contract manufacturer's facility (Ingersoll Production Systems) located in Rockford, Illinois. We are currently in preliminary negotiations with prospective customers for orders of our equipment. It will take us approximately twelve months to deliver a system from the time we receive an order. It is our intention that each order be accompanied by a cash deposit from the purchaser which will be recorded as deferred revenue until the equipment is shipped, installed and operating successfully at the destination site.

Our plans to address the expected cash shortfall are dependent upon our ability to raise capital or to secure significant sales orders of our system as a source of revenue. There is no guarantee that we will be able to raise enough capital or generate revenues to sustain our operations thus raising substantial doubt about our ability to continue as a going concern.

We can provide no assurance that additional funding will be available on a timely basis, on terms acceptable to us, or at all. In the event that we are unable to obtain such financing, we will not be able to fully develop and commercialize our technology.

Our future capital requirements will depend upon many factors, including:

- effects of commercialization activities and facility expansions if and as required;
- our ability to establish collaborative relationships;
- increases in our management, research, sales and marketing personnel;
- competing technological and market developments;
- continued progress in our research and development programs; and
- patent prosecutions.

If we cannot secure adequate financing when needed, we may be required to delay, scale back or eliminate one or more of our research and development programs or to enter into license or other arrangements with third parties to commercialize products or technologies that we would otherwise seek to develop and commercialize ourselves. In such event, our business, prospects, financial condition, and results of operations may be adversely affected as we may be required to scale-back, eliminate, or delay development efforts or product introductions or enter into royalty, sales or other agreements with third parties in order to commercialize our products.

**We Can Provide No Assurance Of The Successful And Timely Development Of Our Products.**

Our products are at various stages of research and development. Further development and extensive testing will be required to determine their technical feasibility and commercial viability. Our success will depend on our ability to achieve scientific and technological advances and to translate such advances into reliable, commercially competitive products on a timely basis. Products that we have developed and may in the future develop are not likely to be commercially available for some time because of the time and expense in building an individual machine. The proposed development schedules for our products may be affected by a variety of factors, including technological

difficulties, proprietary technology of others and changes in governmental regulation, many of which will not be within our control. Any delay in the development, introduction, or marketing of our products could result either in such products being marketed at a time when their cost and performance characteristics would not be competitive in the marketplace or in the shortening of their commercial lives. In light of the long-term nature of our projects, the technology involved, and the other factors described elsewhere in "Risk Factors", there can be no assurance that we will be able to complete successfully the development or marketing of any new products.

**We Lack The Resources And Experience Needed To Manufacture Our Products.**

We currently lack the resources and experience needed to manufacture any of our products. Our ability to conduct trials and commercialize our products will depend, in part, on our ability to manufacture our products, either directly or, as currently intended, through contract manufacturers, at a competitive cost and in accordance with current good manufacturing practices and safety, environmental, health and other regulatory requirements. We anticipate that we will be required to depend on contract manufacturers or collaborative partners for the manufacturing of our products during the testing phases and intend to use contract manufacturers to produce any products we may eventually commercialize. We have identified and entered into an arrangement with one such manufacturer thus far. If we are not able to obtain or maintain contract manufacturing on commercially reasonable terms, we may not be able to conduct or complete trials of our machines or commercialize our products. We have identified multiple suppliers for most if not all of the components of our machines, although we can provide no assurance that these components will be available when needed on commercially reasonable terms.

In order to succeed, we ultimately will be required to either develop such manufacturing capabilities or to outsource manufacturing on a long-term basis to third parties. We can provide no assurance that third parties will be interested in manufacturing our products on a timely basis, on commercially reasonable terms, or at all. If we are unable to establish manufacturing capabilities either by developing our own organization or by entering into agreements with others, we may be unable to commercialize our products, which would have a material adverse effect upon our business, prospects, financial condition, and results of operations. Further, in the event that we are required to outsource these functions on disadvantageous terms, we may be required to pay a relatively large portion of our net revenue to these organizations, which would have a material adverse effect upon our business, prospects, financial condition, and results of operations.

**In The Future, We May Rely Upon Collaborative Agreements With Large Industrial And Manufacturing Companies.**

In the future, we may rely heavily on collaborative agreements with large industrial and manufacturing companies, governments, or other parties for our revenues. Our inability to obtain any one or more of these agreements, on commercially reasonable terms, or at all, or to circumvent the need for any such agreement, could cause significant delays and cost increases and materially affect our ability to develop and commercialize our products.

**We Have Limited Sales, Marketing, And Distribution Capabilities. We Will Be Required To Either Develop Such Capabilities Or To Outsource These Activities To Third Parties.**

We currently have limited sales, marketing and distribution capabilities. In order to succeed, we ultimately will be required to either develop such capabilities or to outsource these activities to third parties. We can provide no assurance that third parties will be interested in acting as our outsourced sales, marketing, and distribution arms on a timely basis, on commercially reasonable terms, or at all. If we are unable to establish sales, marketing, or distribution capabilities either by developing our own organization or by entering into agreements with others, we may be unable to successfully sell any products that we are able to begin to commercialize, which would have a material adverse effect upon our business, prospects, financial condition, and results of operations. Further, in the event that we are required to outsource these functions on disadvantageous terms, we may be required to pay a relatively large portion of our net revenue to these organizations, which would have a material adverse effect upon our business, prospects, financial condition, and results of operations.

We Rely Upon Our Patent Applications To Protect Our Technology. We May Be Unable To Protect Our Intellectual Property Rights, And We May Be Liable For Infringing The Intellectual Property Rights Of Others.

Our ability to compete effectively will depend on our ability to maintain the proprietary nature of our technologies. We currently hold several pending patent applications in the United States and corresponding patent applications filed in certain other countries covering the proposed use of microwaves for the recovery of hydrocarbons and fossil fuels. Further, we intend to rely on a combination of trade secrets and non-disclosure, and other contractual agreements and technical measures to protect our rights in our technology. We intend to depend upon confidentiality agreements with our officers, directors, employees, consultants, and subcontractors, as well as collaborative partners, to maintain the proprietary nature of our technology. These measures may not afford us sufficient or complete protection, and others may independently develop technology similar to ours, otherwise avoid our confidentiality agreements, or produce patents that would materially and adversely affect our business, prospects, financial condition, and results of operations. We believe that our technology is not subject to any infringement actions based upon the patents of any third parties; however, our technology may in the future be found to infringe upon the rights of others. Others may assert infringement claims against us, and if we should be found to infringe upon their patents, or otherwise impermissibly utilize their intellectual property, our ability to continue to use our technology or the licensed technology could be materially restricted or prohibited. If this event occurs, we may be required to obtain licenses from the holders of this intellectual property, enter into royalty agreements, or redesign our products so as not to utilize this intellectual property, each of which may prove to be uneconomical or otherwise impossible. Licenses or royalty agreements required in order for us to use this technology may not be available on terms acceptable to us, or at all. These claims could result in litigation, which could materially adversely affect our business, prospects, financial condition, and results of operations.

The patent position of petroleum extraction and decomposition technology firms is generally uncertain and involves complex legal and factual questions. We do not know whether any of our current or future patent applications will result in the issuance of any patents. Even issued patents may be challenged, invalidated or circumvented. Patents may not provide a competitive advantage or afford protection against competitors with similar technology. Competitors or potential competitors may have filed applications for, or may have received patents and may obtain additional and proprietary rights to processes competitive with ours. In addition, laws of certain foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States of America or Canada.

Patent litigation may occur in our industry and we cannot predict how this will affect our efforts to form strategic alliances, conduct testing or manufacture and market any products under development. If challenged, our pending patents may not be held valid. We could also become involved in interference proceedings in connection with one or more of our patent applications to determine priority of invention. If we become involved in any litigation, interference or other administrative proceedings, we will likely incur substantial expenses and the efforts of our technical and management personnel will be significantly diverted. In addition, an adverse determination could subject us to significant liabilities or require us to seek licenses that may not be available on favorable terms, if at all. We may be restricted or prevented from manufacturing and selling our products in the event of an adverse determination in a judicial or administrative proceeding or if we fail to obtain necessary licenses.

Our commercial success will also depend significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Patent applications are, in many cases, maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications are filed. In the event of infringement or violation of another party's patent, we may be prevented from pursuing product development or commercialization. See "Business--Intellectual Property".

We Can Provide No Assurance That Our Products Will Obtain Regulatory Approvals At Or Prior To The Time Of Installation.

The installation of any of our products at a customer site may require the prior approval of various federal and state regulatory authorities governing such areas as the environment, hazardous waste, health and worker safety. We cannot predict with any certainty the amount of time necessary to obtain such approvals and whether any such approvals will ultimately be granted. Operational trials of our built to scale machines as opposed to laboratory scale models may reveal that one or more of our products are ineffective or unsafe, in which event further development of such products could be seriously delayed or terminated. Delays in obtaining any necessary regulatory approvals of any proposed product and failure to receive such approvals would have an adverse effect on the product's potential commercial success and on our business, prospects, financial condition, and results of operations. In addition, it is possible that a product may be found to be ineffective or unsafe due to conditions or facts which arise after development has been completed and regulatory approvals have been obtained. In this event we may be required to withdraw such product from the market. See "Business - Regulatory Issues".

We Depend Upon Our Senior Management And Skilled Personnel And Their Loss Or Unavailability Could Put Us At A Competitive Disadvantage.

We currently depend upon the efforts and abilities of our senior executives, as well as the services of other key personnel. The loss or unavailability of the services of certain of these individuals for any significant period of time could have a material adverse effect on our business, prospects, financial condition, and results of operations. We have no "Key Man" insurance policies on any of our senior executives. In addition, recruiting and retaining qualified engineering and scientific personnel to perform future research and development work will be critical to our success. Our ability to attract and retain qualified personnel may be limited. Our inability to attract and retain qualified skilled personnel would have a material adverse effect on our business, prospects, financial condition, and results of operations.

Limitation Of Liability And Indemnification Of Officers And Directors.

Our officers and directors are required to exercise good faith and high integrity in our management affairs. Our Certificate of Incorporation provides, however, that our officers and directors shall have no liability to our stockholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend or stock repurchase, or derived an improper benefit from the transaction. Our articles and bylaws also provide for the indemnification by us of the officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate our business or conduct the internal affairs, provided that in connection with these activities they act in good faith and in a manner that they reasonably believe to be in, or not opposed to, our best interests, and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations.

Certificate of Incorporation Grants the Board of Directors the Power to Designate and Issue Additional Shares of Common and/or Preferred Stock.

Our certificate of incorporation grants our Board of Directors authority to, without any action by our stockholders, designate and issue, from our authorized capital, shares in such classes or series (including classes or series of common stock and/or preferred stock) as it deems appropriate and establish the rights, preferences, and privileges of such shares, including dividends, liquidation and voting rights. The rights of holders of classes or series of common stock or preferred stock that may be issued could be superior to the rights of the common stock offered hereby. Our board of directors' ability to designate and issue shares could impede or deter an unsolicited tender offer or takeover proposal. Further, the issuance of additional shares having preferential rights could adversely affect other rights appurtenant to the shares of common stock offered hereby. Any such issuances will dilute the percentage of ownership interest of our stockholders and may dilute our book value.

#### Risks Related to Our Common Stock

In Recent Years, The Stock Market In General Has Experienced Periodic Price And Volume Fluctuations. This Volatility Has Had A Significant Effect On The Market Price Of Securities Issued By Many Companies For Reasons Often Unrelated To Their Operating Performance. These Broad Market Fluctuations May Adversely Affect Our Stock Price, Regardless Of Our Operating Results. The Market Price Of Our Common Stock May Fluctuate Significantly, And It May Be Difficult To Resell Your Shares Of Common Stock Or Warrants When You Want Or At Prices You Find Attractive.

The price of our common stock is quoted on the Pink Sheets and constantly changes. We expect that the market price of the common stock will continue to fluctuate. These fluctuations may result from a variety of factors, many of which

are beyond our control. These factors include:

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quarterly variations in our financial results;  
operating results that vary from the expectations of management, securities analysts and investors;  
changes in expectations as to our business, prospects, financial condition, and results of operations;  
announcements by us or our competitors of material developments;  
the operating and securities price performance of other companies that investors believe are comparable to us;  
future sales of our equity or equity-related securities;  
changes in general conditions in our industry and in the economy, the financial markets and the domestic or international political situation;  
departures of key personnel; and  
regulatory and intellectual property considerations.

As a result of these fluctuations, you may experience difficulty selling shares of our common stock or warrants when desired or at acceptable prices.

**Future Sales Of Common Stock Or The Issuance Of Securities Senior To The Common Stock Or Convertible Into, Or Exchangeable Or Exercisable For, Common Stock Could Materially Adversely Affect The Trading Price Of The Common Stock, And Our Ability To Raise Funds In New Equity Offerings.**

Future sales of substantial amounts of our common stock or other equity-related securities in the public market or privately, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or other equity-related securities. We can make no prediction as to the effect, if any, that future sales of shares of common stock or equity-related securities, or the availability of shares of common stock for future sale, will have on the trading price of our common stock.

**Resale of Shares Offered by this Prospectus and a Concurrent Offering Could Adversely Affect the Market Price of Our Common Stock and Our Ability to Raise Additional Equity Capital.**

The sale, or availability for sale, of common stock in the public market pursuant to this Prospectus may adversely affect the prevailing market price of our common stock and may impair our ability to raise additional capital by selling equity or equity-linked securities. This Prospectus covers the resale of a significant number of shares of our common stock. In fact, at the time that the registration statement that includes this Prospectus is declared effective, up to 1,042,106 shares of our common stock will be made publicly available for resale. In addition, concurrent with the offering pursuant to this Prospectus, we are undertaking the registration of an additional shares of our common stock, which, if and when declared effective, will make up to an additional 33,743,628 shares of our common stock publicly available for resale. The resale of a substantial number of shares of our common stock in the public market pursuant to this offering, and afterwards, could adversely affect the market price for our common stock and make it more difficult for you to sell our shares at times and prices that you feel are appropriate. Furthermore, we expect that, because there is a large number of shares offered hereby, the selling stockholders will continue to offer shares covered by this prospectus for a significant period of time, the precise duration of which we cannot predict. Accordingly, the adverse market and price pressures resulting from this offering may continue for an extended period of time and continued negative pressure on the market price of our common stock could have a material adverse effect on our ability to raise additional equity capital.

**Trading Market for Common Stock Has Limited Liquidity.**



Although sales of our stock are reported on the Pink Sheets under the symbol “GBRC”, the market for our common stock has limited liquidity.

Limited Market Due To Penny Stock.

Our stock differs from many stocks, in that it is considered a penny stock. The Securities and Exchange Commission has adopted a number of rules to regulate penny stocks. These rules include, but are not limited to, Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6 and 15g-7 under the Securities and Exchange Act of 1934, as amended. Because our securities probably constitute penny stock within the meaning of the rules, the rules would apply to our securities and us. The rules may further affect the ability of owners of our stock to sell their securities in any market that may develop for them. There may be a limited market for penny stocks, due to the regulatory burdens on broker-dealers. The market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all.

Investors should be aware that, according to the Securities and Exchange Commission Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These patterns include: control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; "boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons; excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

Furthermore, the penny stock designation may adversely affect the development of any public market for our shares of common stock or, if such a market develops, its continuation. Broker-dealers are required to personally determine whether an investment in penny stock is suitable for customers. Penny stocks are securities (i) with a price of less than five dollars per share; (ii) that are not traded on a "recognized" national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); and (iv) of an issuer with net tangible assets less than \$2,000,000 (if the issuer has been in continuous operation for at least three years) or \$5,000,000 (if in continuous operation for less than three years), or with average annual revenues of less than \$6,000,000 for the last three years. Section 15(g) of the Exchange Act, and Rule 15g-2 of the Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be penny stock. Rule 15g-9 of the Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor.

This procedure requires the broker-dealer to (i) obtain from the investor information concerning his financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for the Company's stockholders to resell their shares to third parties or to otherwise dispose of them.

#### The Trading Price Of Our Common Stock May Decrease Due To Factors Beyond Our Control.

The trading price of our common stock will be subject to significant fluctuations in response to numerous factors, including:

- Variations in anticipated or actual results of operations;
- Announcements of new products or technological innovations by us or our competitors;
- Changes in earnings estimates of operational results by analysts;
- Results of product demonstrations;
- Inability of market makers to combat short positions on the stock;
- Inability of the market to absorb large blocks of stock sold into the market;
- Comments about us or our markets posted on the Internet.



Moreover, the stock market from time to time has experienced extreme price and volume fluctuations, which have particularly affected the market prices for emerging growth companies and which often have been unrelated to the operating performance of the companies. These broad market fluctuations may adversely affect the market price of our common stock. If our stockholders sell substantial amounts of their common stock in the public market, the price of our common stock could fall. These sales also might make it more difficult for us to sell equity or equity related securities in the future at a price we deem appropriate.

We Pay No Dividends.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any earnings for funding growth however these plans may change depending upon capital raising requirements.

Sarbanes-Oxley and Federal Securities Laws Reporting Requirements Can Be Expensive.

As a public reporting company, we are subject to the Sarbanes-Oxley Act of 2002, as well as the information and reporting requirements of the Securities Exchange Act of 1934, as amended, and other federal securities laws. The costs of compliance with the Sarbanes-Oxley Act and of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC, and furnishing audited reports to shareholders, are significant and may increase in the future.

## NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements used in this Prospectus, in filings by the Company with the Securities and Exchange Commission (the "SEC"), in the Company's press releases or other public or stockholder communications, or made orally with the approval of an authorized executive officer of the Company that utilize the words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions speaking to anticipated actions, results or projections in the future speak only as of the date made, are based on certain assumptions and expectations which may or may not be valid or actually occur, and which involve various risks and uncertainties. The Company cautions readers not to place undue reliance on any such statements and that the Company's actual results for future periods could differ materially from those anticipated or projected. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "RISK FACTORS" beginning on page 4.

Unless otherwise required by applicable law, the Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

## DESCRIPTION OF BUSINESS

### Introduction

The business plan of Global Resource Corporation ("GRC", "Global", the "Company", "we", "us" or "our") 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, coal, automotive shredded residue, municipal solid waste, waste oil streams, etc.

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 as defined in Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises". The Company has devoted substantially all of its efforts to business planning and development, as well as allocating a substantial portion of its time and resources in bringing its product to the market and the raising of capital. The Company has not commenced any commercial operations as of June 15, 2009.

### Recent Developments

The following recent developments occurred after December 31, 2008:

#### Appointment of New Independent Accountants

On February 2, 2009, we dismissed Bagell, Josephs, Levine & Company, L.L.C. as the Company's independent registered public accounting firm. On February 18, 2009, we appointed Rothstein Kass & Company, P.C. as the Company's independent registered public accounting firm.



### Restatement of Financial Statements

On March 31, 2009, the Company's Audit Committee concluded, upon the advice of management, that its previously issued consolidated financial statements contained in the Company's annual report on Form 10-KSB for the years ended December 31, 2007 and 2006 and its quarterly reports on Form 10-QSB for the periods ended March 31, June 30 and September 30, 2007 and Form 10-Q for the periods ended March 31, June 30 and September 30, 2008 will require restatement and should no longer be relied upon. The Company's decision to restate was made in connection with comment letters received from the U.S. Securities and Exchange Commission ("SEC") in connection with the Company's filings of Registration Statements on Form S-1, including amendments thereto, in 2008. The issues raised by the SEC included the presentation of certain transactions reported in the financial statements for the years ended December 31, 2006 and 2007. The Audit Committee discussed with its independent registered public accounting firm, Rothstein, Kass & Company, P.C. ("Rothstein, Kass"), these matters and concluded that the Company should restate its consolidated financial statements for years ended December 31, 2007 and 2006 and have Rothstein, Kass reaudit its historical financial statements and, accordingly, the Company retained Rothstein, Kass to conduct such reaudits.

Such reaudits and restatements are ongoing and the initial results are reflected in the Financial Statements contained in this Prospectus. The Company intends to complete such reaudits and restatements as soon as practicable.

The Company believes that the restatements and reclassifications made and intended to be made will not materially impact the ability of the Company to implement its business plan on a going-forward basis nor materially impact its current cash position, except for the payment of additional auditing and legal fees incurred in connection with the reaudits, restatements and reclassifications, as the anticipated restatements and reclassifications relate solely to non-cash charges.

### Retirement of Chief Operating Officer

On April 17, 2009, Wayne J. Koehl retired as an employee with the Company from the position of Chief Operating Officer.

### Agreement with Schlumberger

On April 23, 2009, Global Heavy Oil Corporation ("Global Heavy Oil"), a wholly-owned subsidiary of the Company, entered into a Joint Development Agreement (the "Collaborative Arrangement") with Schlumberger Technology Corporation and Schlumberger Holdings Limited (collectively, "Schlumberger") for the purpose of researching and developing surface upgrading, a process using microwaves to increase the gravity of heavy oil above the surface of the Earth in oilfield operations (the "products and services"). The Collaborative Arrangement is to be implemented in three distinct phases as follows:

Phase I: Research and development, including the testing of the products and services for the heavy oil field use.

Phase II: Design and testing of a prototype device or system to deliver the products and services as a prelude to their commercial exploitation.

Phase III: Upon full satisfaction of Phase II objectives, Global Heavy Oil and Schlumberger will enter into a joint venture for the commercial exploitation of the products and services.

In consideration of Global's exclusive license of its intellectual property in the heavy oil field of use, Global Heavy Oil will receive \$600,000 (\$300,000 was received thirty days after the execution of the Collaborative Arrangement and

\$300,000 payable on the first anniversary of the Collaborative Arrangement). Additionally, within 30 days of the commencement of Phase II, Global Heavy Oil will receive a one-time \$1,000,000 engineering fee from Schlumberger. Pursuant to the Collaborative Arrangement, Global Heavy Oil will have the right to acquire up to a 40% interest in the joint venture.

#### Demonstrations of Prototype

The Company has completed two demonstrations of our commercial prototype machine with the first demonstration taking place May 4-8, 2009 and the second demonstration taking place June 8-11, 2009. Both demonstrations included prospective customers from the United States and several foreign countries as well as partners and dignitaries and were held in our contract manufacturer's facility (Ingersoll Production Systems) in Rockford, Illinois. The demonstrations consisted of processing tire material on a continuous basis and collecting commercially viable byproducts in the form of diesel heating oil, combustible gas in the combined form of propane, butane, methane and other gases that can be used to generate electricity or be used as energy feedstock for other processes, and a high BTU carbon char. The make-up of the byproducts was verified by independent certified laboratories and the byproducts were valued based on oil and energy indexes as well as an independent commodity marketing company specializing in the sale of oils and char byproducts. The Company believes the demonstrations were successful.



### Separation of Board Chairman and Chief Executive Officer Roles

On May 28, 2009, the Board of Directors of the Company voted to separate the position of Chairman of the Board from that of Chief Executive Officer of the Company in order to strengthen both the corporate governance and the management team of the Company, enabling the Chairman to better focus on corporate governance and the Chief Executive Officer to better focus on the rapid advancement of the Company's technology applications and product development and commercialization. Consequently, the Board appointed Peter A. Worthington, a director of the Company, to the position of Interim Chairman of the Board of Directors until a permanent, independent Chairman of the Board is appointed.

### Termination of Chief Executive Officer

Effective on July 6, 2009, the Company terminated the employment of Eric Swain, the then Chief Executive Officer of the Company, and removed him from the Company's Board of Directors. Effective upon Mr. Swain's removal, the Board of Directors appointed Peter A. Worthington to the position of Chief Executive Officer.

### Background and Nature of Business

Prior to our acquisition of the assets and development stage business of Carbon Recovery Corporation ("Carbon Recovery" or "CRC") on September 22, 2006, and the subsequent acquisition of the assets of Mobilestream Oil, Inc. on December 31, 2006, we had been a shell corporation since approximately December 15, 2005. Our business history prior to September 22, 2006 may be found at "BUSINESS-History of the Company."

We are a development stage company with three provisional patent applications and two utility patent applications pending in the United States Patent and Trademark Office ("PTO") and approximately ten corresponding foreign patent applications pending in commercially relevant countries. Our patent applications cover our variable frequency microwave technology for recovering hydrocarbons and fossil fuels from sources including shale deposits, tar sands, capped oil wells, waste oil streams and tires. The process uses specific frequencies of microwave radiation to extract oils and alternative petroleum products from a variety of these unconventional hydrocarbon sources. Our patent applications also cover certain medical applications.

With the acquisition of (i) the assets and (ii) the development stage business from Carbon Recovery, our business became that of Carbon Recovery. That business was, and continues to be: (i) the design, manufacture and sale of machinery and equipment units embodying the technology; (ii) the ownership and operation of plants using the Technology, in conjunction with other investors; and (iii) formation of Joint-Venture relationships with established companies with the goal of further exploiting the Technology.

One application of the process utilizes the technology to decompose waste tires into their components of carbon ash, scrap steel, and hydrocarbon liquid and gas. When the waste tires are processed, we recover carbon ash which has residual energy value; i.e. it can be used for the production of electricity. The hydrocarbon liquid is not truly "oil". A tire is manufactured from hydrocarbons (60%), and rubber and steel (40% together). The hydrocarbons used to make a tire are "process oil". This process oil is a refined product, but with our technology it is broken into a gas which is then partially liquified. The precise composition of the resulting condensed liquid is not known but it has been tested and has a BTU content comparable to heating oil and we believe that it can be sold for fuel, though it may potentially require additional refining.

The tire decomposition process involves a series of steps including repeated break down of the materials into smaller components to fit the machine size and repeated exposure of the materials to the microwave process at temperatures and for time periods applicable to this kind of material.

In October 2008, we completed a prototype fixed frequency microwave reactor system, named "Patriot-1", at the Ingersoll Production Systems facility in Rockford, Illinois.

The Company has completed two demonstrations of our commercial prototype machine with the first demonstration taking place May 4-8, 2009 and the second demonstration taking place June 8-11, 2009. Both demonstrations included prospective customers from the United States and several foreign countries as well as partners and dignitaries and were held in our contract manufacturer's facility (Ingersoll Production Systems) in Rockford, Illinois. The demonstrations consisted of processing tire material on a continuous basis and collecting commercially viable byproducts in the form of diesel heating oil, combustible gas in the combined form of propane, butane, methane and other gases that can be used to generate electricity or be used as energy feedstock for other processes, and a high BTU carbon char. The make-up of the byproducts was verified by independent certified laboratories and the byproducts were valued based on oil and energy indexes as well as an independent commodity marketing company specializing in the sale of oils and char byproducts. The Company believes the demonstrations were successful.

We are currently in preliminary negotiations with prospective customers for orders of our equipment. It will take us approximately twelve months to deliver a system from the time we receive an order. It is our intention that each order be accompanied by a cash deposit from the purchaser which will be recorded as deferred revenue until the equipment is shipped, installed and operating successfully at the destination site.

We will also use the prototype to confirm and refine the principles that will be utilized in commercial scale operations of our technology and to test various feedstocks, materials that can benefit from the application of our technology, prior to releasing processes for production. The prototype will also be used on a limited basis to show customers that the process works as applied to a specific feedstock and is viable for commercialization.

There are other potential applications for our microwave technology covered by the pending patents. These include:

1. Reduction of hydrocarbons in drilling cuttings to permit on-site disposal;
2. Volatilization of heavy or slurry oil;
3. Recovery of oil from oil shale and oil sands; and
4. Medical applications.

Each potential application will require additional testing and refinement in the laboratory, creation and design of equipment that will use the technology to recover hydrocarbons from these alternate sources, the construction of test units that are sufficiently large to determine whether the application works on a large scale and has commercial value, securing orders for the manufacture of machines designed to implement the process, and the manufacture, sale and distribution of such equipment. Currently, we do not have adequate funds available to take these steps for any of these alternate applications. Therefore, our ability to expand our business in any such direction will depend upon our success in finding joint venture or strategic alliance partners to underwrite these activities, or licensees with the resources to develop these applications while paying us royalties and similar fees. There can be no assurance that we will succeed.

We do not research nor represent to potential customers the commercial uses or revenues they may derive from the end-products generated using our technology. Each potential customer evaluates for itself whether the commercialization and disposition of the end products justifies the cost to purchase and install one of our machines.

We have begun our marketing efforts in various industry sectors. We have hired dedicated sales and marketing personnel. We have submitted several proposals to build one or more forms of microwave reactor tire processing machines with varying processing speeds.

We have entered into an exclusive marketing agreement with one company for a defined geographic area outside the United States. We intend to actively seek other marketing agreements with partners who have demonstrable economic and marketing contact resources. Each agreement will be limited in the type of equipment and process that is the subject of the exclusive arrangement, geographical area, duration and commissions or other payment terms for sourcing potential customers for our equipment. Under each agreement, a representative will be paid only from the proceeds we receive from an actual sale or lease transaction.

We also intend to consider the development of additional machines and equipment using our core technology in areas outside of the tire recycling industry, but we will require the assistance of outside capital equity investments on a large scale, or we will need to align ourselves with joint venture or strategic alliance partners in order to have the funds available to exploit these other potential applications.

As an additional, but not complete, alternative we may enter into strategic alliances joint ventures and similar arrangements for the development, testing, construction, marketing and sale of our machines. In each such

arrangement we will be required to share our revenues from sale of our products with the other party to the arrangement. The methods, terms and amounts of these arrangements may vary greatly for each such transaction.

#### Number of Employees

In June 2008 we hired three employees who conduct research and development activities on the prototype at the premises we use from Ingersoll Production Systems in Rockford, Illinois. We also estimate another increase in the number of our employees in the next twelve months. The increase is expected mostly in marketing and sales and operations as we start to market our machines for a variety of purposes. The expected increase in the number of employees in the next twelve months will be proportional to the number of orders received.

As of June 15, 2009, we had a total of 14 employees, all of which were full-time employees. We also use independent contractors to fulfill certain functions.

#### Customers; Suppliers

As of June 15, 2009, we had no customers and were therefore not dependent on any single customer. As discussed immediately below, we outsource manufacturing and, as of June 15, 2009, Ingersoll Production Systems was the sole supplier of such manufacturing services and we are therefore currently dependent on our continued relationship with Ingersoll Production Systems, the loss of which would have a material adverse impact on us.

#### Manufacturing Outsourcing

We do not have our own factory site nor the equipment, personnel and funds required to manufacture the machines designed to implement applications of our pending patents technology. Accordingly, our strategy is to enter into manufacturing agreements with companies that have the physical sites, manpower and financial strength to manufacture our equipment to our specifications.

We have entered into a joint cooperation agreement with Ingersoll Production Systems in Rockford, Illinois. Under our agreement, Ingersoll will build a piece of equipment against payment in stages which will be linked to the payments we receive from a customer under a purchase agreement. The agreement also grants us discounts based on larger units orders. Subject to our obligations under the cooperation agreement, we will seek to develop similar arrangements with other manufacturers.

In October 2008, we completed a prototype fixed frequency microwave reactor system, named "Patriot-1", at the Ingersoll Production Systems facility. The prototype has been used to demonstrate the applicability of our microwave technology to the decomposition of tires as waste and to retrieve commercially viable components therefrom in the form of carbon, liquid hydrocarbons which can be converted to electricity, and gas.

#### Joint Ventures and Strategic Alliances

We currently have limited funds available to pursue research and development of our technology in other potential areas of application. These additional applications require the investment of large amounts of capital over extended time periods to investigate, refine and eventually develop the correct techniques for the use of microwave technology for the relevant application, build test units to evaluate the viability of the techniques on a large scale, determine the commercial usefulness of the application, and develop a sales and marketing force with expertise in the intended area of use. Accordingly, our strategy will be to negotiate collaborative agreements with large industrial and manufacturing companies, governments, or other parties to pursue opportunities in these areas of application.

#### Marketing and Distribution Arrangements

We currently have one full time sales person, one full time marketing director and several part time consultants for the sale, marketing and distribution of our products. We intend to increase our sales force during the next twelve months by hiring at least 3-5 sales persons. If we cannot expand our own sales and marketing personnel, then we will be required to partly outsource these activities to third parties. Currently, we do not have any discussions or plans underway to do so, and we do not know what terms and conditions may be required to obtain this assistance from third party sales organizations.

## Intellectual Property

We currently have three utility patent applications pending in the United States Patent and Trademark Office ("PTO") and approximately ten corresponding utility patent applications pending in international patent offices in commercially relevant countries. 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. The process uses specific frequencies of microwave radiation to extract oils and alternative petroleum products from a variety of these unconventional hydrocarbon sources. Our patent applications also cover certain medical applications of our technology. We rely on a combination of trade secrets, non-disclosure and other contractual agreements and technical measures to protect our rights in our technology. We maintain confidentiality agreements with our officers, directors, employees, consultants, and subcontractors, as well as collaborative partners, to maintain the proprietary nature of our technology. We believe that our technology is not subject to any infringement actions based upon the patents of any third parties.

We do not currently have any trademark or service mark protection other than that available at common-law, if any. We intend to file appropriate applications for protection upon receipt of funds allocated to that purpose.

## Regulatory Issues

At this time, there are no direct federal or state certification or regulatory requirements for our products, except for the requirement that all our equipment conform to regulations for microwave devices. We are not aware of any pending federal or state legislation which would introduce regulatory requirements that would negatively impact or impede the manufacture, sale and distribution of our equipment in the United States or elsewhere.

There will be federal, state and local environmental, health and hazardous substance regulations that will apply at each location at which one of our machines is installed. It is not possible to discuss the variety of these regulations in detail; however, we believe that the design of our equipment for the decomposition of hydrocarbons for the applications in which they are currently being marketed--namely waste tires--will protect the environment from any harmful releases or waste products.

Wholly apart from any regulatory requirements, we will maintain product liability insurance for our products as a condition of our ability to market them. Our purchase agreements will require our customers to maintain adequate amounts of product liability insurance naming us as an additional insured.

## History of the Company

The Company was organized as a Colorado corporation on March 28, 2000 under the name "Email Mortgage.Com, Incorporated" ("Email Mortgage Com"). Its business focus was the marketing of first and second mortgages, principally through its website. The Company was not successful with that business and in 2002 it discontinued those operations, liquidated its loan inventory, and paid off its then existing liabilities. On August 14, 2002, Email Mortgage Com changed its state of domicile from Colorado to Nevada by merging itself into a Nevada corporation named Mariner Health Care, Inc. (formed June 17, 2002) and simultaneously changed its name to "Advanced Healthcare Technologies, Inc." ("Advanced Healthcare"). Under that name, the Company first owned and operated a subsidiary named "Advanced Hyperbaric Industries, Inc." ("Advanced Hyperbaric") which engaged in the manufacture and marketing of rigid extremity hyperbaric chambers and a sacral patch device, both of which utilized oxygen therapy for the treatment of open sores and wounds, including bedsores. On December 4, 2003, the Company acquired a 100% interest in "Nutrateg LLC" ("Nutrateg") which was engaged in the research and development of nutritional dietary supplements, functional food products and natural sweeteners, which products were manufactured by non-related third parties. On March 31, 2004, as a consequence of the Nutrateg acquisition, the Company spun off

and sold the intellectual properties and oxygen therapy products and business of Advanced Hyperbaric in exchange for the assumption of Advanced Hyperbaric's liabilities. On June 30, 2004 the former President, Chief Executive Officer, Director and majority stockholder sold his interest in the Company to an unrelated third party. In connection with that sale and change in control, the Company's operating subsidiary, Nutrateg was spun off to the selling majority stockholder and the purchaser determined to change the business of the Company to that of a business development company. On September 10, 2004, the Company changed its name to its current "Global Resource Corporation". On September 17, 2004, the Company filed a notice with the SEC electing to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended. The intent was to focus on acquiring interests in portfolio companies doing business in the energy sector.



While operating as a BDC, and seeking energy-related portfolio companies, on January 11, 2005 the Company acquired a 50% interest in Well Renewal, LLC ("Well Renewal"), an entity which managed and operated approximately 30 oil wells in Oklahoma by utilizing a nitrogen and carbon dioxide gas injection unit to "pump up" and re-pressurize the wells to increase oil output. In December 2005 we assigned our Well Renewal ownership interest to Transnix Global Corporation in settlement of sums past due under a \$137,900 8% debenture we issued to Transnix.

The Company filed a notice withdrawing its BDC election on December 20, 2005, at which point the Company became a "development stage company" and a shell corporation until September 22, 2006 when it acquired the assets of Carbon Recovery Corporation in the Recapitalization Transaction described below.

On June 7, 2006, an unrelated third party acquired the Restated and Amended Debenture owned by Transnix Global Corporation, which represented the balance of the indebtedness by the Company to Transnix in the p