

EMPIRE RESOURCES LIMITED

ACN 092 471 513

PROSPECTUS

For the offer of a non-renounceable pro-rata rights issue to Eligible Shareholders of approximately 248,725,876 New Shares, on the basis of 2 New Shares for every 5 Shares held at an issue price of 0.8 cents per New Share, to raise up to approximately \$1,989,807 before costs

The Shortfall is partly underwritten by Panthea Capital Partners Pty Ltd to \$712,000.

IMPORTANT NOTICE

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 5 November 2019 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

Restrictions on distribution

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an Offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus is available from the ASX website at www.asx.com.au using the code "ERL". If you access the electronic version of this Prospectus you should ensure that you read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

CORPORATE DIRECTORY

DIRECTORS

Dr Michael Ruane (Non-Executive Chairman)
Mr Sean Richardson (Managing Director)
Mr David Sargeant (Non-Executive Director)
Mr Jeremy Atkinson (Non-Executive Director)

SOLICITORS

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COMPANY SECRETARY

Mr Simon Storm

UNDERWRITER AND LEAD MANAGER

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* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

TIMETABLE

Prospectus lodged with ASIC and ASX	5 November 2019
"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	8 November 2019
Record Date (to determine eligibility of Shareholders to participate in the Offer)	11 November 2019
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders (Opening Date)	14 November 2019
Closing Date	5 December 2019
Issue date	12 December 2019
New Shares commence normal trading on ASX.	13 December 2019

Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

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1. INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	We are offering to issue New Shares to Eligible Shareholders by a non-renounceable rights issue. Under the Rights Issue, Eligible Shareholders may subscribe for 2 New Shares for every 5 Shares held on the Record Date.	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 0.8 cents per New Share.	Section 2.1
Who is an Eligible Shareholder?	The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.	Section 5.1
How many New Shares will be issued?	The maximum number of New Shares that may be issued under the Offer is 248,725,876 New Shares.	Section 2.1
What is the amount that will be raised under the Offer?	At the date of this Prospectus the maximum amount that may be raised under the Offer is \$1,989,807. The actual amount of funds that will be raised under the Offer is not known as it depends upon Eligible Shareholders take-up of the Offer and the placing of subsequent Shortfall.	Section 2.1
What is minimum subscription?	The Minimum Subscription is \$757,745. This equates to the Underwritten Amount of \$712,000 plus the amount of Entitlement that the Directors other than Dr Michael Ruane have committed to take up.	Section 5.1
What is the purpose of the Offer?	The purpose of the Offer is to raise funds to: <ul style="list-style-type: none">• Repay in part a loan facility.• Exploration and drilling programme at Penny's Gold Project.• Exploration and drilling programme at Yuinmery Copper-Gold Project.• General working capital.• Pay the costs of the rights issue process including an underwriting fee. A budget of how we intend to use the funds raised both at Minimum Subscription and Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.	Section 2.2

Question	Response	Where to find more information
What is the effect of the Offer?	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> • Increase the number of Shares on issue. • Increase our cash reserves by approximately \$1,989,807 (at Full Subscription and before the costs of the Offer). 	Section 2.3
What are the risks of a further investment in the Company?	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Future capital needs and additional funding – The Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the projects and the viability of the Company. <p>The Company further has a loan facility summarised at Section 4.2 which will be partly repaid from this Offer as set out in Section 2.2.</p> <ul style="list-style-type: none"> • Exploration - The Company intends to undertake further exploration at its Projects which is a high risk undertaking. In particular, the Company will focus on high priority gold and copper targets during a reconnaissance drilling program at both the Penny's Gold Project and the Yuinmery Copper-Gold Project. <p>There can be no assurance of success from the Company's exploration activities.</p> <ul style="list-style-type: none"> • Commodity price volatility – The Company is seeking to develop the Projects which will be reliant on the prices of commodities including gold and copper. Adverse fluctuations in gold and copper prices may detrimentally affect the Projects and the Company. • Investment in NTM – The Company holds 8.7% of NTM's share capital at the date of this Prospectus. NTM is a gold exploration company with its key project being the Redcliffe gold project in the Eastern Goldfields region of Western Australia. An investment in NTM is highly speculative and exposed to a number of the risks faced by the Company on its own Projects. • Reliance on key personnel - The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry. 	Section 4

Question	Response	Where to find more information
What are the underwriting and Lead Manager arrangements?	<p>Panthea Capital Partners Pty Ltd (the Broker) is both the Underwriter and the Lead Manager.</p> <p>The Broker has agreed to underwrite the Shortfall to the amount of \$712,000 (the Underwritten Amount) and will be paid a fixed underwriting fee of \$10,000 plus GST.</p> <p>The Broker has appointed Tyson Resources as sub-underwriter to subscribe for the Shortfall up to \$712,000 (which is equal to the Underwritten Amount). No fee is payable to Tyson.</p> <p>Tyson Resources is an entity controlled by Dr Michael Ruane, a director of the Company. Dr Ruane and his entities currently have a voting power of 22.08% of the Company. Dr Ruane and his entities will increase their voting power in the Company if Tyson Resources is called upon to sub-underwrite the Offer. Please refer to Section 3 for further information about the sub-underwriting arrangements and the impact on control of the Company.</p> <p>The Broker is also appointed as the Lead Manager to seek to place any Shortfall. The Broker will be paid 5% plus GST on the value of any Shortfall that it places.</p>	Section 3
How do I accept my entitlement under the Offer?	<p>All Eligible Shareholders are entitled to subscribe for New Shares under the Offer. If you wish to make an Application in respect to your Entitlement, you must complete the Entitlement and Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	Section 5.2
What happens if Eligible Shareholders don't accept their Entitlement?	<p>Any Entitlement not accepted by Eligible Shareholders will form the Shortfall.</p> <p>The Broker must apply for the Shortfall up to the amount of \$712,000 in accordance with the terms of the Underwriting Agreement. The Broker has appointed Tyson Resources (an entity controlled by Dr Ruane and a related party to the Company) as sub-underwriter to subscribe for the Shortfall up to \$712,000 (being the Underwritten Amount).</p> <p>Eligible Shareholders who have subscribed for their full Entitlement may also apply for some of the Shortfall.</p> <p>The Broker will seek to place any remaining Shortfall after close of the Offer.</p>	Sections 3.4 and 5.4

Question	Response	Where to find more information
How will Shortfall be allocated?	<p>The Shortfall will be allocated on a priority basis as follows:</p> <ul style="list-style-type: none"> • First – to Eligible Shareholders (other than related parties) who have subscribed for their full Entitlement. • Second – to Tyson Resources as sub-underwriter up to the Underwritten Amount. • Then – remaining Shortfall (if any) will be allocated at the discretion of the Directors in consultation with the Broker. Any Shortfall may be placed within 3 months of the Closing Date. 	Section 3.4
What happens to Excluded Shareholders?	<p>The Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is not in Australia or New Zealand).</p> <p>There will be no nominee for Excluded Shareholders to sell any Entitlement.</p>	Section 5.2
What is the effect on control of the Offer?	<p>The maximum dilution to shareholding that will be experienced by Eligible Shareholders that do not subscribe for their Entitlement is 28.57%.</p> <p>Dr Ruane and his entities have the largest combined shareholding in the Company with a current voting power of 22.08%.</p> <p>The effect of the Offer on control of the Company will depend on number of acceptances of Entitlements by Eligible Shareholders and the placing of any Shortfall Shares. Shortfall priorities have been established to minimise any control issues arising from sub-underwriting by Tyson Resources.</p> <p>If Tyson Resources (as sub-underwriter for \$712,000) is called upon to take up the Shortfall then the voting power of Dr Ruane and his entities will increase. The maximum voting power of Dr Ruane and his entities that can occur by reason of the Offer (where only the Directors other than Dr Ruane take up Entitlement and no other Eligible Shareholders) is 31.74%.</p>	Section 3.5

2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY

2.1 Background

The Company is a gold and copper focused exploration company with Projects in the Eastern Goldfields and Murchison regions of Western Australia.

The Company's 2 major Projects are the Penny's Gold Project and the Yuinmery Copper-Gold Project. The Penny's Gold Project is prospective for gold and no JORC Code Resources have been delineated on this Project. The Yuinmery Copper-Gold Project is prospective for copper and gold and a JORC Code Inferred and Indicated Resource for copper and gold has been delineated on this Project (see ASX announcement of 17 May 2016). Additionally, the Company holds 8.7% of NTM's (ASX:NTM) share capital at the date of this Prospectus (see ASX announcement of 11 July 2019). NTM is an ASX listed gold exploration company.

The Company is making this Offer in order to apply the funds as set out in Section 2.2.

The Offer consists of a pro-rata non-renounceable rights issue of approximately 248,725,876 New Shares to Eligible Shareholders. The Offer is made on the basis of 2 New Shares for every 5 Shares held by Eligible Shareholders on the Record Date at an issue price of 0.8 cents per New Share. The Rights Issue will raise up to approximately \$1,989,807 before costs at Full Subscription and approximately \$757,745 before costs at Minimum Subscription.

Application will be made for quotation of the New Shares on ASX.

2.2 Use of funds

A total of up to approximately \$1,989,807 is sought to be raised from this Rights Issue. Presented below is how the Company intends to use its current funds and the proceeds of the Offer at Minimum Subscription and Full Subscription.

Funds Available	Minimum Subscription (\$757,745)	Full Subscription (\$1,989,807)
Cash on hand at 24 October 2019 ¹	\$515,000	\$515,000
Funds raised under the Offer	\$757,745	\$1,989,807
Total funds available	\$1,272,745	\$2,504,807

Use of Funds	Amount	Amount
Repay part of Loan Facility ²	\$300,000	\$1,000,000
Exploration and drilling programme at Penny's Gold Project	\$300,000	\$350,000
Exploration and drilling programme at Yuinmery Copper-Gold Project	\$300,000	\$350,000
General working capital ³	\$324,608	\$752,781
Costs of the Offer ⁴	\$48,137	\$52,026
Total	\$1,272,745	\$2,504,807

Notes:

1. As announced on 4 March 2019, the Company sold the Penny's Find Gold Mine to a subsidiary of Orminex Limited (ASX:ONX). This included a 100% interest in mining tenements, existing site infrastructure and certain equipment. The cash component of

the sale is \$600,000 of which \$200,000 has been paid. \$200,000 is payable on commencement of mining at Penny's Find and a final \$200,000 upon the first gold pour. The Company retained full ownership of approximately 24km² of exploration tenements prospective for gold (Penny's Gold Project).

2. On 11 July 2019, Dr Ruane loaned \$1,500,000 to the Company. The loan is on reasonable arms length terms to the Company as it is unsecured and with interest of 7.5% per annum payable quarterly in arrears. The loan outstanding including accrued interest at the date of this Prospectus is approximately \$1,536,062.
3. General working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax, audit and corporate advisory fees, insurance and travel costs.
4. The items comprising the costs of the Offer are set out in Section 6.6. These costs include the underwriting fee payable to the Broker. The Broker is also entitled to a 5% fee on any Shortfall that it places. Payment of this fee (if any) will be paid out of general working capital. The fees of the Broker are set out in Section 3.
5. In the event that moneys are received beyond Minimum Subscription but less than Full Subscription (a net amount after increased costs of up to \$1,228,173), the Company intends to apply the funds pro-rata to the amounts to be spent on the items in the table at Minimum Subscription.
6. This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

2.3 Effect on Shareholders' equity and cash reserves

Assuming that all New Shares offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase the total number of Shares on issue (see Section 2.4); and
- (b) increase our cash reserves, before taking into account the costs of the Offer (see Section 2.5).

A pro forma statement of financial position that contains further information about the effect of the Rights Issue on the Company is provided in Section 2.5.

2.4 Effect on capital structure

The capital structure of the Company following the Offer is shown in the following table.

Shares ¹	Minimum Subscription (\$757,745)	Full Subscription (\$1,989,807)
Existing Shares	621,814,690	621,814,690
New Shares issued under Rights Issue	94,718,125	248,725,876
Total Shares on issue after completion of the Rights Issue	716,532,815	870,540,566

Notes:

- At the annual general meeting to be held on 13 November 2019, shareholder approval will be sought to issue 20,000,000 Performance Rights to Sean Richardson as a long term incentive as part of his remuneration package. Each Performance Right vests and converts into one Share if the price of Shares remains at or above a 20 day volume weighted average price of 1.5 cents for not less than 20 days and within a period of 2 years of continuous employment from Sean Richardson.

2.5 Pro forma Statement of Financial Position

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the unaudited statement of financial position as at 30 September 2019. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 30 September 2019 at both Minimum Subscription and Full Subscription based on the following assumptions:

- at Minimum Subscription, the issue of 94,718,125 New Shares at an issue price of 0.8 cents each to raise \$757,745 less estimated costs of \$48,137; and
- at Full Subscription, the issue of 248,725,876 New Shares at an issue price of 0.8 cents each to raise \$1,989,807 less estimated costs of \$52,026.

	30 September 2019 Consolidated unaudited \$	30 September 2019 Proforma (Minimum Subscription) \$	30 September 2019 Proforma (Full Subscription) \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	564,162	1,273,770	2,501,943
Trade and other receivables	348,646	348,646	348,646
Financial assets at fair value through profit or loss	2,427,815	2,427,815	2,427,815
Total current assets	3,340,623	4,050,231	5,278,404
NON-CURRENT ASSETS			
Plant and Equipment	82,708	82,708	82,708
Total non-current assets	82,708	82,708	82,708
TOTAL ASSETS	3,423,331	4,132,939	5,361,112
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	217,910	217,910	217,910
Borrowings	1,525,274	1,525,274	1,525,274
Total current liabilities	1,743,184	1,743,184	1,743,184
TOTAL LIABILITIES	1,743,184	1,743,184	1,743,184
NET ASSETS	1,680,147	2,389,755	3,617,928

EQUITY			
Issued capital	22,806,499	23,515,862	24,744,280
Reserves	1,737,474	1,737,474	1,737,474
Accumulated losses	(22,863,826)	(22,863,826)	(22,863,826)
TOTAL EQUITY	1,680,147	2,389,755	3,617,928

3. UNDERWRITING, LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL

3.1 Underwriter and Underwriting Agreement

The Broker is appointed under the Underwriting Agreement to underwrite any Shortfall up to the Underwritten Amount (\$712,000). The Broker is not a related party or Shareholder of the Company.

Under the Underwriting Agreement the Broker as Underwriter is obliged to subscribe for any Shortfall up to the Underwritten Amount of \$712,000 by the issue date under the Offer timetable. The maximum number of securities that the Broker is required to subscribe for under the Shortfall is 89,000,000 New Shares.

The Company is required to reimburse the Broker for all reasonable out-of-pocket expenses.

The Company is required to make the Offer in accordance with all relevant regulatory requirements and the Company has given various representations and warranties to the Underwriter, which are customary for an agreement of this kind.

The Underwriter has discretion to terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of any Shortfall. The termination events are customary for an agreement of this kind. The more significant termination events include the ASX All Ordinaries Gold Index (AXGD) falling to a level that is 85% or less of the level at the close of trading at the date of the Prospectus and where a material adverse change occurs in respect of the Company or its assets. The failure of the Underwriter to appoint sub-underwriters will not relieve the Underwriter of its obligations.

The Company will pay the Broker a flat fee of \$10,000 plus GST on completion of the Offer.

3.2 Sub-underwriter and Sub-underwriting Agreement

The Broker has appointed Tyson Resources to sub-underwrite any Shortfall for \$712,000 (which is equal to the Underwritten Amount).

Tyson Resources is an entity controlled by Dr Ruane and is therefore a related party of the Company. It is also a substantial shareholder of the Company. Tyson Resources is a private investment company which has invested in the resources sector for in excess of 20 years. Dr Ruane is a director and controls the shareholding of Tyson Resources. Dr Ruane and his associates are substantial shareholders of the Company, Reward Minerals Limited, Yandal Resources Limited and Horizon Minerals Limited, which are ASX listed entities.

Tyson Resources will not be paid a fee by reason of its sub-underwriting of the Shortfall.

3.3 Lead Manager and Lead Manager Agreement

The Broker is the Lead Manager to place any Shortfall. The Broker has agreed to use its best endeavours to place any Shortfall.

The Broker in its role as Lead Manager will be paid 5% plus GST of the amount received by the Company by reason of any Shortfall placed by the Broker.

3.4 Shortfall/Allocation Policy

Any New Shares under the Rights Issue that are not applied for will form the Shortfall. Information on how to apply for Shortfall is set out in Section 5.4.

The Company will allocate any Shortfall in accordance with the following priorities:

- (a) First priority will be given to Eligible Shareholders who are not related parties and who have subscribed for their full Entitlement.

Note:

- Shortfall will be allocated to these Eligible Shareholders at the discretion of the Directors.
 - Shortfall will only be allocated to these Eligible Shareholders so long as their voting power in the Company does not exceed 20%. It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for the Shortfall.
 - The Company may scale back applications if the number of securities applied for exceeds the number of Shortfall Shares or if the application for Shortfall is not reasonably proportionate to the Entitlement of the Eligible Shareholder. In any scale back, the Directors intend to allocate any Shortfall on a proportionate basis relative to shareholdings at the Record Date.
 - Related parties may not apply for the Shortfall without prior Shareholder approval.
- (b) Second priority will be to Tyson Resources (as sub-underwriter at the direction of the Underwriter). This is to minimise the take-up by Tyson Resources as sub-underwriter and thereby minimise any control issues arising from the sub-underwriting.

The Directors have a further discretion to place any additional Shortfall (after the priority process has been completed) in consultation with the Broker within 3 months of the Closing Date. Any placement of Shortfall will be at the same price as the offer under the Rights Issue.

3.5 Potential effect on control

The Offer is 2 New Shares for every 5 Shares held by Eligible Shareholders. The maximum dilution that will be experienced by any Eligible Shareholder that fails to subscribe for any Entitlement is 28.57% of an existing holding.

Under the Underwriting Agreement, the Broker is obliged to subscribe for the Shortfall up to the Underwritten Amount (maximum of 89,000,000 New Shares). If the Broker is required to subscribe for the Shortfall up to the Underwritten Amount, then the voting power of the Broker will be 12.42% at Minimum Subscription. However, the Broker has appointed Tyson Resources as sub-underwriter to subscribe for the Shortfall up to the Underwritten Amount. The potential effect on control if Tyson Resources is required to subscribe for the Shortfall up to the Underwritten Amount is described below.

At the date of this Prospectus, Dr Ruane and entities associated with him (including Tyson Resources) have a voting power of 22.08% (137,304,960 Shares).

Dr Ruane has given a commitment to the Company that he and entities associated with him will subscribe for that part of their Entitlement under the Offer so as not to increase their current voting power.

The effect of the Offer on the voting power of Dr Ruane and his associates is reliant on the take up of Entitlement by other Shareholders and the subsequent placing of any Shortfall. If all Eligible Shareholders take up their Entitlement in full then there will be no change in control by reason of the Rights Issue. However, if there is a Shortfall and Tyson Resources is called upon to subscribe for New Shares under the sub-underwriting arrangement then the voting power of Dr Ruane and his associates will increase. Below is a table detailing various scenarios based on Dr Ruane and his associates taking up that part of their Entitlement so as not to increase their current voting power by reason of the take up of rights. The table assumes that the Directors other than Dr Ruane take up their full Entitlement (5,718,217 New Shares) and that no Shortfall is placed except to Tyson Resources (as sub-underwriter). The table discloses the maximum voting power of Dr Ruane under various scenarios.

Voting power of Dr Ruane and his associates					
At date of this Prospectus	At completion of the Offer				
	100% take up (Full Subscription)	75% take up by non-Director Eligible Shareholders	50% take up by non-Director Eligible Shareholders	25% take up by non-Director Eligible Shareholders	0% take up by non-Director Eligible Shareholders
22.08%	22.08%	27.48%	30.35%	30.99%	31.74%

In this table:

- "100% take up" assumes that all Eligible Shareholders other than Dr Ruane take up 100% of their Entitlement and Dr Ruane and his associates take up 100% of their Entitlement. This is the Full Subscription scenario. There will be no Shortfall in this scenario.
- "75% take up" assumes that the Directors other than Dr Ruane take up all their Entitlement (5,718,217 New Shares) and all other non-Director Eligible Shareholders take up 75% of their Entitlement. In this scenario, Dr Ruane and his associates will take up 41,596,609 New Shares of their Entitlement. There will be a Shortfall and Tyson Resources will be called upon to subscribe for 60,346,794 New Shares as sub-underwriter.
- "50% take up" assumes that the Directors other than Dr Ruane take up all their Entitlement (5,718,217 New Shares) and all other non-Director Eligible Shareholders take up 50% of their Entitlement. In this scenario, Dr Ruane and his associates will take up 28,271,233 New Shares of their Entitlement. There will be a Shortfall and Tyson Resources will be called upon to subscribe for 89,000,000 New Shares as sub-underwriter.
- "25% take up" assumes that the Directors other than Dr Ruane take up all their Entitlement (5,718,217 New Shares) and all other non-Director Eligible Shareholders take up 25% of their Entitlement. In this scenario, Dr Ruane and his associates will take up 14,945,848 New Shares of their Entitlement. There will be a Shortfall and Tyson Resources will be called upon to subscribe for the full Underwritten Amount (89,000,000 New Shares) as sub-underwriter.

- "0% take up" assumes that the Directors other than Dr Ruane take up all their Entitlement (5,718,217 New Shares) and all other non-Director Eligible Shareholders take up none of their Entitlement. In this scenario, Dr Ruane and his associates will take up 1,620,483 New Shares of their Entitlement. There will be a Shortfall and Tyson Resources will be called upon to subscribe for the full Underwritten Amount (89,000,000 New Shares) as sub-underwriter.

In addition to the summary information above, set out below is detail on the calculation of Dr Ruane's voting power indicating Shares taken up in the various scenarios by way of rights take up and the sub-underwriting capacity and the result on voting power. This is based on the same assumptions as set out above.

	Dr Ruane's existing voting power	Rights take up by Directors other than Dr Ruane	Rights take up by others (all non-Director Eligible Shareholders)	Rights take up by Dr Ruane	Voting power of Dr Ruane after rights take up	Shortfall to Dr Ruane entity under sub-underwriting agreement	Total Shares on issue after sub-underwriting	Total Shares of Dr Ruane after sub-underwriting	Voting power of Dr Ruane after sub-underwriting
100% take-up of rights	22.08%	5,718,217	188,085,675	54,921,984	22.08%	0	870,540,566	192,226,944	22.08%
75% take-up of rights	22.08%	5,718,217	141,064,256	41,596,609	22.08%	60,346,794	870,540,566	239,248,363	27.48%
50% take-up of rights	22.08%	5,718,217	94,042,837	28,271,233	22.08%	89,000,000	838,846,978	254,576,193	30.35%
25% take-up of rights	22.08%	5,718,217	47,021,419	14,945,858	22.08%	89,000,000	778,500,184	241,250,818	30.99%
0% take-up of rights	22.08%	5,718,217	0	1,620,483	22.08%	89,000,000	718,153,390	227,925,443	31.74%

The allocation policy for the Shortfall as set out in Section 3.4 is intended to minimise any change in control in favour of Dr Ruane and his associates.

3.6 Future intention of Dr Ruane and his associates

Dr Ruane and his associates (including Tyson Resources as sub-underwriter) may by the Offer increase their voting power in the Company by reason of the Rights Issue. Dr Ruane and his associates have informed the Company that they are supportive of the current direction and they do not currently intend to make any major changes to the direction and objectives of the Company, and other than as disclosed in this Prospectus:

- do not currently intend to make any significant changes to the existing business;
- do not currently intend to inject further capital into the Company other than in taking up their Entitlement and partly sub-underwriting the Offer. However, if the Company requires additional funding in the future, they will assess such requirement and decide whether to provide such funding based on the prevailing circumstances at the time;
- intend to support the Company's decisions regarding the future employment of present employees and contemplate that they will continue in the ordinary course of business;

- do not currently intend for any property to be transferred between the Company and Dr Ruane or any person or entity associated with him;
- do not currently intend to redeploy any fixed assets; and
- do not currently intend to change the Company's existing financial or dividend policies.

Dr Ruane and his associates have indicated that their intentions detailed above are based on the facts and information presently known to them regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by them based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, their intentions may change accordingly.

4. RISK FACTORS

4.1 Introduction

Applicants should be aware that an investment in the Company is highly speculative. The Company is a gold and copper focused explorer. The current 2 major projects in the Company's portfolio are the Penny's Gold Project and the Yuinmery Copper-Gold Project. Additionally, the Company holds 8.7% of NTM's share capital at the date of this Prospectus (see the ASX announcement of 11 July 2019).

The activities of the Company are subject to various risks that may impact on the future performance of the Company. The following is a non-exhaustive list of the risks that may have a material effect on the financial position and performance of the Company and the value of its securities.

The specific risks below are some of the risks to the Company of a specific nature by reason of the Penny's Gold Project, the Yuinmery Copper-Gold Project and the investment in NTM. The general investment risks below are some of the risks to the Company of a general economic nature.

4.2 Specific risks

Future capital needs and additional funding

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of Projects (existing and future), the results of exploration, development activities, the price of commodities and stock market and industry conditions.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its Projects and it may impact on the Company's ability to continue as a going concern. The Company's 2019 Annual Report (see ASX announcement of 16 September 2019) notes the auditor draws attention to a material uncertainty related to the Company's ability to continue as a going concern. The auditor's opinion is not modified in this respect. The Directors believe that upon completion of the Offer with Minimum Subscription, it will have sufficient funds to adequately meet the Company's expenditure requirements and short-term working capital requirements.

As announced on 11 July 2019, the Company's investment in NTM was funded by a loan facility with Kesli Chemicals Pty Ltd, a company controlled by Dr Michael Ruane, the Chairman of Empire. The loan is unsecured and is for a term of 12 months from 11 July 2019 with interest at 7.5% per annum paid quarterly in arrears. Part of the loan funds will be repaid from this Offer as set out in Section 2.2.

Exploration

The Company intends to undertake further exploration at its Projects which is a high risk undertaking. In particular, the Company will focus on high priority gold and copper targets during a reconnaissance drilling program at both the Penny's Gold Project and the Yuinmery Copper-Gold Project.

There can be no assurance of success from the Company's exploration activities.

Development and mining

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from any third parties providing essential services.

In the event that the Company progresses to and commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents.

Commodity price volatility

The Company is seeking to develop Projects which will be reliant on the prices of various commodities including gold and copper.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Investment in NTM

As announced on 11 July 2019, the Company took a placement of 46,150,000 shares in NTM Gold Limited (ASX:NTM) by investing \$1,500,000 at 3.25 cents per share. The Company by the shareholding holds 8.7% of NTM's share capital at the date of this Prospectus.

NTM is a gold exploration company with its key project being the Redcliffe gold project in the Eastern Goldfields region of Western Australia.

An investment in NTM is highly speculative and is exposed to a number of the risks faced by the Company on its own Projects.

Reliance on key personnel

The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry.

Resource and Reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, Resource and Reserve estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, Resource and Reserve estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations

different from those predicted by past drilling, sampling and interpretations, Resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Title

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of State specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

Native title and land access

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which may require heritage survey work to be undertaken.

Results of Studies

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (eg the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (eg operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

Environmental

The Company's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and any subsequent mining operations, the Company's activities are expected to have an impact on the environment. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Legal Proceedings and Toll Treatment Agreement Dispute

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, other than the disputes referred to below, there are no material legal proceedings or disputes affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

The Company is in dispute concerning a now terminated toll treatment agreement. The Company is claiming that an amount is still owed to the Company in excess of \$1,000,000 by Eastern Goldfields Milling Services in relation to failure to pay final gold in circuit, gold ounces discrepancy and errors in calculation. The matter is in arbitration and is at the submission phase. The Company refers to its 2019 Annual Report announced on 16 September 2019.

Johannes Norregaard (the plaintiff) has commenced an action in the Supreme Court of Western Australia against the Company and Brimstone Resources Ltd as the then joint venture participants in the Penny's Find Gold Project. The plaintiff is seeking damages relating to his engagement as the project manager of the Project. Both the Company and Brimstone Resources Ltd are defending the action, which is not yet listed for trial.

Insurance

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

Royalties

The Company's Projects are subject to State royalties including upon any production of gold. In the event that State royalties are increased in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

Some of the Company's tenements are subject to a contractual royalty or royalties.

Climate Change Regulation

Exploration and any mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

4.3 General investment risks

Securities investments and share market conditions

There are risks associated with any securities investment. The trading prices of securities trade fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for resource exploration and development companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

5. DETAILS OF THE OFFER

5.1 The Offer

(a) Overview

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with an address in Australia or New Zealand on the Record Date. The Record Date is 5:00pm WST, 11 November 2019.

As an Eligible Shareholder you are entitled to subscribe for 2 New Shares for every 5 Shares held on the Record Date at the Issue Price of 0.8 cents per New Share. When calculating your Entitlement, we will round fractions up to the nearest whole number.

We must receive your Entitlement and Acceptance Form by the Closing Date (being 5:00pm WST on 5 December 2019).

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

(b) Minimum Subscription

The Minimum Subscription is \$757,745.

This equates to the Underwritten Amount of \$712,000 plus the amount of Entitlement that the Directors other than Dr Michael Ruane have committed to take up.

No New Shares will be issued until the Minimum Subscription is reached. If the Minimum Subscription is not reached within 4 months after the date of this Prospectus, the Company will refund all application moneys without interest in accordance with the Corporations Act.

(c) Underwriting and Lead Manager arrangements

The underwriting, sub-underwriting and Lead Manager arrangements are set out in Section 3. The Shortfall is partly underwritten to the Underwritten Amount and the Lead Manager has been engaged to seek to place the Shortfall.

(d) Rights attaching to New Shares

A summary of the rights attaching to the New Shares is set out in Section 6.1.

5.2 How to accept the Rights Issue

(a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying the Prospectus sent to you. To subscribe to the Rights Issue, you must complete this form in accordance with the instructions.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.

You may pay by cheque or by BPAY.

If you pay by cheque, please make the cheque payable to "Empire Resources Limited – Rights Issue Account" and cross it "Not Negotiable". Completed Entitlement and Acceptance Forms (and a cheque for the Application Money) must be mailed to the postal address or delivered by hand to the delivery address set out below.

Postal address: Empire Resources Limited
c/- Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Delivery address: Empire Resources Limited
c/- Security Transfer Australia Pty Ltd
Level 9, Suite 913
530 Little Collins Street
Melbourne VIC 3000

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

We must receive your Entitlement and Acceptance Form by the Closing Date. If we receive your Entitlement and Acceptance Form after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you complete and lodge an Entitlement and Acceptance Form, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares specified in the Form.

We will hold your Application Money on trust until we issue the New Shares in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Shares are issued to you.

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your professional adviser for assistance.

(b) Shareholders outside Australia and New Zealand (Excluded Shareholders)

The Offer is not made to Shareholders with a registered address which is outside Australia or New Zealand (Excluded Shareholders). The Company has formed the view that it is unreasonable to make an offer to Excluded Shareholders having regard to the number of Excluded Shareholders, the number and value of Shares the Excluded Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Shares issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable

restrictions relating to the taking up of Entitlement or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The making of an Application (whether by the return of a duly completed Entitlement and Acceptance Form or the making of a BPAY payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

(c) **No Nominee for Excluded Shareholders**

There will be no appointment of a nominee for Excluded Shareholders to sell any Entitlement.

(d) **New Zealand offer restrictions**

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(e) **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares.

5.3 Issue and quotation

(a) **Issue of New Shares**

The New Shares under the Rights Issue will be issued as soon as practicable after the Closing Date. We will issue the New Shares on the basis of your Entitlement.

Pending the issue of New Shares or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

(b) **Quotation by ASX**

We intend to apply to ASX for quotation of the New Shares within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Shares will commence after the issue of the New Shares.

If any New Shares are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and the Application Money in respect of those New Shares will be refunded to you without interest within the time prescribed by the Corporations Act.

(c) **Holding Statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

5.4 Shortfall

Any New Shares under the Rights Issue that are not applied for will form the Shortfall Shares. The Offer to issue Shortfall Shares is a separate offer under the Prospectus.

Shareholders may apply for any Shortfall by completing the relevant Shortfall section (titled "*additional New Shares*") in the Entitlement and Acceptance Form and sending it to the Company's share registry with payment by cheque or BPAY on the same terms as in Section 5.2.

The priorities between different categories of parties in the allocation of Shortfall Shares is set out in Section 3.4.

Application for Shortfall with moneys does not guarantee any allotment of any Shortfall. All application moneys in relation to which Shortfall are not allocated will be returned without interest.

It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Shares.

6. ADDITIONAL INFORMATION

6.1 Rights attaching to New Shares

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

Voting rights

At a general meeting each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid share that the Shareholder holds.

General meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at any general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company or the Corporations Act.

Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

Dividend rights

There is no entitlement to a dividend other than that determined by Directors from time to time. The New Shares will rank equally with all other issued Shares in the capital of the Company for the purposes of participation in any dividend paid out of the profits of the Company. The Directors are not anticipating paying dividends at this stage of the Company's development.

Future increases in capital

The issue of Shares is under the control of the Directors. Subject to restrictions on the issue of Shares to Directors, the Constitution of the Company and the Corporations Act, the Directors may issue or otherwise dispose of new Shares on such terms and conditions as they may determine.

Amendment of Constitution

The Constitution of the Company can only be amended by a special resolution, passed by at least three quarters of the votes cast by holders of Shares entitled to vote on the resolution, at general meeting. At least 28 days' written notice specifying the intention to

propose the resolution as a special resolution must be given.

Predominance of Listing Rules

While the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

6.2 Transaction specific prospectus and continuous disclosure obligations

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

We lodged our latest annual report with ASX on 16 September 2019. Since then, we have made the following announcements to ASX, shown in the table below.

Date	Description of Announcement
19/09/2019	Appendix 4G and 2019 Corporate Governance Statement
01/10/2019	Change of Director's Interest Notice x 1
11/10/2019	Notice of Annual General Meeting/Proxy Form
22/10/2019	Change of Director's Interest Notice x 1
31/10/2019	Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
01/11/2019	Change of Director's Interest Notice x 1
01/11/2019	Change in substantial holding

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest closing price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	1.2 cents	7, 8, 9, 12 August and 30 September 2019
Lowest	0.9 cents	28 August, 20 September, 16 and 25 October 2019
Latest	1.0 cents	4 November 2019

6.4 Directors' Interests

(a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (iii) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services

provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

(b) **Interests in securities as at the date of this Prospectus**

As at the date of this Prospectus, the Directors (and their respective associates) have a voting power in the Shares of the Company at set out in the table below. There are no Options on issue. Interests include those held directly and indirectly.

The table below does not include the New Shares that the Directors may subscribe for under the Offer.

Director	Number of Shares
Michael Ruane ¹	137,304,960
Sean Richardson ^{2 and 3}	1,012,204
David Sargeant ²	8,016,668
Jeremy Atkinson ²	5,266,667

Notes:

1. Dr Ruane has given commitments to the Company that he and entities associated with him will subscribe for part of their Entitlement under the Offer (see Section 3.5). Further, Tyson Resources which is an entity that is controlled by Dr Ruane, has agreed to sub-underwrite the Shortfall up to \$712,000 (89,000,000 New Shares).
2. Each of Sean Richardson (404,882 Shares/\$3,239), David Sargeant (3,206,668 Shares/\$25,653) and Jeremy Atkinson (2,106,667 Shares/\$16,853) have committed to take up their full Entitlement.
3. At the annual general meeting to be held on 13 November 2019, shareholder approval will be sought to issue 20,000,000 Performance Rights to Sean Richardson as a long term incentive as part of his remuneration package. Each Performance Right vests and converts into one Share if the price of Shares remains at or above a 20 day volume weighted average price of 1.5 cents for not less than 20 days within a period of 2 years of continuous employment from Sean Richardson.

(c) **Remuneration of Directors**

Dr Michael Ruane is paid a Director's fee of \$36,000 per annum as non-executive Chairman. In the 2 years prior to the date of this Prospectus, Dr Ruane has received or is due cash remuneration totalling \$39,000. The terms of a loan made by Dr Ruane to the Company is summarised in Section 2.2.

Mr Sean Richardson as managing director is paid cash remuneration of \$219,000 including superannuation. In the 2 years prior to the date of this Prospectus, Mr Richardson has received or is due cash remuneration totalling approximately \$70,582 plus superannuation.

Mr David Sargeant is paid a Director's fee of \$36,000 per annum. In the 2 years prior to the date of this Prospectus, Mr Sargeant has received or is due cash

remuneration totalling \$299,250.

Mr Jeremy Atkinson is paid a Director's fee of \$36,000 per annum. In the 2 years prior to the date of this Prospectus, Mr Atkinson has received or is due cash remuneration totalling \$38,806.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

6.5 Interests of Experts and Advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$20,000 (plus GST) for these services. In the past two years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$32,250 by the Company.

Panthea Capital Partners Pty Ltd is the Underwriter and Lead Manager to the Offer. We will pay \$10,000 (plus GST) as the underwriting fee and a 5% fee (plus GST) on the amount of any Shortfall that it places. See Sections 3.1 and 3.2. In the past two years, Panthea Capital Partners Pty Ltd has not been paid any fees by the Company.

Tyson Resources Pty Ltd is the sub-underwriter to the Shortfall as described in this Prospectus. Tyson Resources is an entity controlled by Dr Ruane, a Director of the Company. The Underwriter will not pay Tyson Resources a fee by reason of its sub-underwriting of the Shortfall. In the past two years, Tyson Resources has not been paid any fees by the Company.

6.6 Costs of the Offer

The costs connected to the Rights Issue payable by the Company are estimated at approximately \$48,137 exclusive of GST at Minimum Subscription and \$52,026 exclusive of GST at Full Subscription. These expenses are expected to be applied to the items set out in the table below.

Item of Expenditure	Minimum Subscription	Full Subscription
Underwriting Fee	\$10,000	\$10,000
Legal Fees	\$20,000	\$20,000
Printing, share registry, miscellaneous	\$10,000	\$10,000
ASIC lodgement fee	\$3,206	\$3,206
ASX fee for New Shares	\$4,931	\$8,820
Total	\$48,137	\$52,026

Note – The expenses above do not include a fee of 5% plus GST to the Broker in respect of the placement of any Shortfall.

6.7 Consents

The following parties have given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Panthea Capital Partners Pty Ltd has consented to being named as the Underwriter and Lead Manager to the Offer and the inclusion in the Prospectus of all statements referring to it.

Tyson Resources Pty Ltd has consented to being named as the sub-underwriter to the Shortfall and the inclusion in the Prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

7. DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 5 November 2019

A handwritten signature in blue ink, appearing to read 'S. Richardson', is positioned above the printed name of the signatory.

Signed for and on behalf of Empire Resources Limited
By Sean Richardson
Managing Director

8. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

Applicant	A person who submits and Entitlement and Acceptance Form.
Application	An application for New Shares under the Rights Issue.
Application Money	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
Board	The Board of Directors.
Broker	Panthea Capital Partners Pty Ltd (ACN 159 381 638).
Closing Date	The time and date at which the Offer expires, being 5.00pm WST, 5 December 2019, subject to the Company varying this date in accordance with the Listing Rules.
Company or Empire	Empire Resources Limited (ACN 092 471 513).
Constitution	The constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth)
Director	A director of the Company for the time being.
Eligible Shareholders	Shareholders with a registered address in Australia or New Zealand at the Record Date.
Entitlement	The entitlement to subscribe for New Shares under the Rights Issue.
Entitlement and Acceptance Form	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
Excluded Shareholders	Shareholders with a registered address outside Australia or New Zealand at the Record Date.
Full Subscription	The maximum amount to be raised under the Offer being \$1,989,807.
JORC Code	2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
Issue Price	0.8 cents per New Share, being the price payable to subscribe for each New Share.
Lead Manager	The Broker.

Listing Rules	The listing rules of ASX.
Minimum Subscription	The minimum amount to be raised under the Offer being \$757,745.
New Shares	The Shares offered under the Rights Issue.
NTM	NTM Gold Limited (ACN 119 494 772).
Offer	The offer to Eligible Shareholders of New Shares under the Rights Issue.
Option	An option to acquire a Share.
Performance Right	The right which entitles the holder to be issued with one Share subject to satisfaction of any service and performance conditions.
Project	A project of the Company.
Prospectus	This Prospectus dated 5 November 2019.
Record Date	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5:00pm WST, 11 November 2019.
Rights Issue	The pro-rata non-renounceable offer to Eligible Shareholders of 2 New Shares for every 5 Shares held by Eligible Shareholders on the Record Date.
Share	A fully paid ordinary share in the issued capital of the Company.
Shareholder	Registered holder of Shares.
Shortfall	New Shares not applied for under the Offer before the Closing Date.
Tyson Resources	Tyson Resources Pty Ltd (ACN 008 739 080), the sub-underwriter to the Shortfall.
Underwriter	The Broker.
Underwriting Agreement	The underwriting agreement between the Company and the Broker.
Underwritten Amount	The sum of \$712,000.
WST	Western Standard Time.
\$	means Australian dollars unless otherwise stated.