

31 May 2018



ACN 092 471 513

Dear Empire shareholder,

Re: Dissident shareholders' requisition to replace entire Empire Board

Your Board advises that on 25 May 2018 Empire Resources Limited received a request from dissident shareholders ostensibly under the provisions of section 249D of the *Corporations Act*, to call a General Meeting of Empire shareholders.

The purpose of the proposed general meeting is to put to you resolutions seeking to replace the current Empire Board, comprising Messrs Lee Christensen, David Sargeant and Adrian Jessup.

The request, was made by 12 shareholders who in total, control approximately 5% or 24 million shares (a 5% shareholding being the minimum requirement for lodging a 249D notice) of the total of 483 million issued ordinary shares in Empire.

The resolutions seek to replace the entire Board and elect 3 new Directors being Mr Stephen Allen, Mr Christopher Banasik and Mr Brett Fraser.

The Company has three weeks from 25 May 2018 (the date of receipt of the notice) to set a date for the General Meeting and is required to hold that meeting within two months of receipt of the notice. As part of this, Empire will prepare and circulate to shareholders a formal Notice of Meeting including the requisitioners' resolutions and typically their reasons, as well as recommendations from your Board as to what voting action to take.

The Company has sought advice from its solicitors as to whether or not the notice and accompanying documents comply with the *Corporations Act* and will respond appropriately depending upon that advice.

As your Directors advised on 29 May 2018, we note that Messrs Paul Williams and Peter McDonald are associated with some of the abovementioned shareholders and are also the directors of Brimstone Resources Ltd, the Company's joint venture participant in the Penny's Find gold mine northeast of Kalgoorlie.

**Brimstone owes ERL approximately \$1.1 million for unfunded contributions and interest relating to development costs for the Penny's Find mine.**

Payment of the debt is due in full on or before 6 June 2018.

***Your Board believes that the requisition is opportunistic for the Brimstone associated interests only, and not in the future interests of ALL Empire shareholders.***

Your Board – which has transparently, confidently and publicly transformed the Company from gold explorer to gold miner – believes this action seeking a new Board, is self-focused and threatens only to erode Empire's share price. We will keep you and the market well informed.

**Lee Christensen**  
**Chairman**

For further information on the Company

Phone: +61 8 9361 3100

[www.resourcesempire.com.au](http://www.resourcesempire.com.au)

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**PRINCIPAL AND REGISTERED OFFICE**

53 Canning Highway  
Victoria Park WA 6100

Tel: +61 (0)8 9361-3100  
Fax: +61 (0)8 9361-3184

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