

EMPIRE RESOURCES LIMITED

ACN 092 471 513



PROSPECTUS

For a non-renounceable entitlement offer of 1 Option for every 2 Shares held by Shareholders on the Record Date at an issue price of 1 cent per Option

The Offer is underwritten by Richmond Resources Pty Ltd.

IMPORTANT NOTICE

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents containing information which is deemed to be incorporated in this Prospectus.

This document (and those documents incorporated by reference) should be read in its entirety. If you are in any doubt as to the contents of this document (and those documents incorporated by reference) you should consult your stockbroker or other professional adviser without delay.

Options offered by this Prospectus are considered speculative in nature.

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| 1. IMPORTANT NOTICE |
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This Prospectus is dated 1 May 2007.

A copy of this Prospectus was lodged with the ASIC on 1 May 2007. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made within 7 days after the date of this Prospectus for permission for the Options offered by this Prospectus to be listed for Quotation.

Applicants should read this document (and those documents incorporated by reference) in their entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Options. There are risks associated with an investment in the Company and the Options offered under this Prospectus must be regarded as a speculative investment. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Options.

Details of the definitions and abbreviations used in this Prospectus are set out in Section 10.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act.

Instead of including this information the Prospectus incorporates all other necessary information by reference to information contained in:

- (a) the November 2006 Prospectus; and
- (b) certain announcements made by the Company to ASX under its continuous disclosure obligations as set out at Section 5,

(collectively referred in this Prospectus to as the "Specified Documents").

In referring to the Specified Documents, the Company:

- (a) identifies the Specified Documents as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 - (A) the Options; and
 - (B) the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers investors and their professional advisers to Section 5 which summarises the information in the Specified Documents;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Specified Documents by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Specified Documents will be primarily of interest to investors and their professional advisers or analysts.

RISKS TO THE INVESTOR

This Prospectus contains a summary of some of the considerations to be taken into account by an investor of the risk factors to which the Company is exposed. While some of the risks can be mitigated many are outside the control of the Company and cannot be mitigated. For further details of the risks that may apply please refer to Section 8 of this Prospectus and to Section 8 of the November 2006 Prospectus.

2. CHAIRMAN'S LETTER

Dear Shareholder,

As indicated in the November 2006 Prospectus your Directors committed to an offer of Options to Shareholders of the Company approximately 3 months after the Company's listing on ASX. This Prospectus contains that offer and I urge all Shareholders to consider this opportunity carefully.

All Shareholders registered as at 5pm WST on 7 May 2007 will be entitled to participate in this non-renounceable entitlement offer of Options on the basis of 1 Option for every 2 Shares held.

Since listing the company has acquired interests in:

- the Yarlaweelor uranium prospect; and
- the Larkin's Find copper gold prospect,

details of which are set out at Section 6.3.

The closing date for acceptance of the Offer is 11 June 2007. The Issue is fully underwritten. However, the Board recommends that all Shareholders take up their entitlements.

Shareholders should review carefully the risks set out at Section 8 of this Prospectus and those in the November 2006 Prospectus.

The Directors take this opportunity to thank Shareholders for their support since the Company's listing on ASX and look forward to your continued support in the future.

Please feel free to contact me if you have any queries.

Yours sincerely

Adrian Griffin
Chairman
1 May 2007

3. CORPORATE DIRECTORY & IMPORTANT DATES

3.1 Corporate Directory

Board of Directors

Adrian Griffin BSc(Hons) – Chairman
David Sargeant BSc – Managing Director
Adrian Jessup BSc(Hons)– Executive
Director

Legal Advisers

Cullen Babington Hughes Pty Ltd
229 Stirling Highway
Claremont, Western Australia 6010

Company Secretary

Simon Storm B.Compt (Hons) CA

Registered and Principal Office

14/16 Twickenham Road
Burswood 6100
Western Australia
Telephone (08) 6250 9414
Facsimile (08) 6250 9449

Independent Accountants and Auditors

RSM Bird Cameron Partners
8 St George's Terrace
Perth 6000
Western Australia

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross 6153
Western Australia
Telephone (08) 9315 0933
Facsimile (08) 9315 2233

ASX Code: ERL

3.2 Important Dates*

| | |
|--|--------------|
| Lodgement of Prospectus and Appendix 3B | 1 May 2007 |
| Notice sent to Shareholders containing information required by Appendix 3B | 2 May 2007 |
| Shares commence trading ex Entitlement basis | 3 May 2007 |
| Record Date for determining Entitlements | 9 May 2007 |
| Prospectus despatch date and Opening Date | 14 May 2007 |
| Closing Date of the Offer | 11 June 2007 |
| Deferred settlement trading commences | 12 June 2007 |
| Issue of Options & despatch of holding statements | 18 June 2007 |

* These dates are indicative only and are subject to change without notice, subject to the provisions of the Corporations Act and the Listing Rules. The Directors may extend the period of the Offer at their discretion. As such, the date the Options are expected to commence trading on ASX may vary.

4. DETAILS OF THE OFFER

4.1 Details of the Offer

This Prospectus is for a pro-rata non-renounceable entitlement offer of Options at an issue price of one cent (\$0.01) each to Shareholders on the basis of one Option for every 2 Shares held at the Record Date. The principal purpose of the Offer is to provide a benefit to Shareholders who have retained their Shares through to the Record Date by enabling them to acquire Options to subscribe for additional Shares in the Company at an exercise price of 25 cents each and an expiry date of 30 June 2009.

Assuming all shareholders accept their full entitlements the Company will raise approximately \$277,000 from the Offer (before costs of the Offer). These funds will be applied initially towards the costs of the Offer with the balance to be applied towards working capital.

The Company has on issue 3,000,000 Corporate Adviser Options. If these are exercised prior to the Record Date then the possible amount raised by the Company under the Offer will increase to \$292,000.

If no funds are raised as a result of this Offer, the Company has sufficient working capital to meet its obligations as set out in the November 2006 Prospectus.

In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

4.2 Acting on your Entitlement

The number of Options to which you are entitled is calculated as at the Record Date and is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

As a Shareholder, you may accept your Entitlement in whole or in part only or do nothing (in which case you will receive no benefit from your Entitlement).

If you wish to take up all or part of your Entitlement, you will need to complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form and lodge it with the appropriate payment no later than 5pm WST on the Closing Date at:

By delivery:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross 6153
Western Australia

By mail:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross 6153
Western Australia

Cheques should be made payable to "Empire Resources Limited - Option Issue Account" and crossed "Not Negotiable".

Your acceptance cannot exceed your Entitlement as shown on the Entitlement and Acceptance Form. If it does, your acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned.

This Offer is non-renounceable and accordingly, Shareholders may not sell or transfer their Entitlements.

Your completed Entitlement and Acceptance Form together with the application monies must be received no later than 5pm WST on the Closing Date, subject to the right of the Company to extend the Offer Period (in accordance with the Corporations Act and Listing Rules).

No interest will be payable to Applicants on application monies and any interest earned thereon will be retained by the Company irrespective of whether any Options are issued pursuant to the Offer.

If the Offer does not proceed, application monies will be refunded as soon as practicable after the Closing Date and in any event, no later than 14 days after the Closing Date.

4.3 **Minimum subscription and over-subscriptions**

There is no minimum subscription and over-subscriptions will not be accepted.

4.4 **Stock Exchange quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for Official Quotation of the Options offered under this Prospectus.

If ASX does not grant permission for Official Quotation of the Options within 3 months after the date of this Prospectus, or such longer period as may be allowed by ASIC, none of the Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies received (without interest).

The fact that ASX may grant Official Quotation of the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.5 **Closing Date of the Offer**

The Closing Date for receipt of acceptances is 5pm WST on 11 June 2007. The Directors reserve the right, in their absolute discretion, to extend the Closing Date, subject to compliance with the Listing Rules which requires the Directors to give at least 6 Business Days notice to ASX prior to the Closing Date to extend the Closing Date.

4.6 **Allotment and Issue of Options**

Allotment and issue of the Options will take place on or 18 June 2007. Application monies will be held in a subscription account until the issue of Options has been made. This account has been established and will be kept by the Company in trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether the issue of Options takes place.

If no issue of Options is made, all application monies paid will be refunded, without interest, as soon as practicable.

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

4.7 **Underwriting**

This Offer is underwritten by Richmond.

4.8 **Placement of Shortfall**

In the event that there is a shortfall in the take up of Entitlements under the Offer, subject to the provisions of the Underwriting Agreement the Directors reserve the right, as allowed within the Listing Rules, to place the shortfall at their absolute discretion within 3 months of the Closing Date to maximise the amount of funds raised from the Offer.

4.9 **Overseas Shareholders**

The Offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders with registered addresses in countries outside of Australia and New Zealand;
- (b) the number and value of the securities to be offered to Shareholders outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the relevant overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to Shareholders outside of Australia and New Zealand.

4.10 **Enquiries**

If you have any queries regarding your Entitlement, or how to apply for Options, please contact the Company on (08) 6250 9414.

5. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

5.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates by reference information contained in the:

- (a) November 2006 Prospectus lodged with the ASIC;
- (b) Supplementary Prospectus lodged with the ASIC; and
- (c) Company's announcements to ASX found at Section 6.6.

The information to be incorporated by reference into this Prospectus is that contained in the Specified Documents and summarised below in Section 5.2 and will primarily be of interest to investors and their professional advisers or analysts.

Investors and their professional advisers are able to obtain a copy of the Specified Documents free of charge by contacting the Company at its registered office during normal business hours during the Offer Period. These documents are also available by searching ASIC's records in relation to the Company, or by visiting the Company's website at www.resourcesempire.com.au.

5.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the Specified Documents that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether they need to obtain a copy of those documents for the purposes of making an informed investment decision in relation to the Options offered pursuant to this Prospectus.

- (a) The November 2006 Prospectus

The Sections referred to in this Section 5.2(a) are references to sections in the November 2006 Prospectus.

Section 1 – Details of the Issue

Section 1 contains an overview of the investment opportunity, details of the number of Shares offered, use of funds, proforma capital structure of the Company and other matters of an administrative nature.

Section 2 – Company Overview

Section 2 contains a brief history of the Company, the corporate governance policy adopted by the Company and summary information about the Company's mineral interests.

Section 3 – Directors and Management

Section 3 contains information relating to each of the Directors of the Company as at the date of the November 2006 Prospectus.

Section 4 – Project and Technical Overview

Section 4 contains a summary of the Company's interests in each of the Australian exploration projects held by the Company at the date of the November 2006 prospectus.

Section 5 – Independent Consulting Geologist's Report

Section 5 contains a report by Al Maynard and Associates on the geological properties of the mineral exploration properties held by the Company.

The report provides details in respect of project location and access, the geology and mineralisation of the project areas, past exploration on the project areas, mining activity in the regions, and exploration potential and the proposed explorations and expenditure programs.

The report concludes that Empire has in place satisfactory and clearly defined exploration and expenditure programs, which are reasonable, having regard to the stated objectives of the Company, and also that sufficient exploration work has taken place within the past 2 years including research and data review to justify the budgeted exploration and expenditure program.

Section 6 – Solicitor's Report

Section 6 contains a report by an independent solicitor on the ownership and title to the mineral exploration properties held by the Company.

Section 7 – Investigating Accountant's Report

Section 7 contains a report by RSM Bird Cameron Corporate Pty Ltd, ("**Investigating Accountant's Report**"). The Investigating Accountant's Report was included in the November 2006 Prospectus to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Investigating Accountant's Report contains the unaudited balance sheet and an unaudited pro-forma balance sheet as at 30 June 2006 which reflected the position of the Company on the basis that various transactions, including the issue of the Shares offered under the November 2006 Prospectus, have been completed.

Section 8 – Investment Considerations and Risk Factors

Section 8 sets out a number of factors that may impact on the success and future profitability of the Company. The factors referred to include, amongst others, general securities risks (including share market conditions), risks specific to mineral exploration companies (including exploration and mining risks, infrastructure risks, environmental risks, economic and price risks and competition) and risks specific to the Company (including title, reliance on key personnel, retention of key business relationships, risk of international operations, sovereign risk, foreign exchange risk, exploration costs, insurance, future capital needs and funding, no history of mining operations or profitability, dividend policy, future sales of shares by existing shareholders and the speculative nature of the investment).

Section 9 - Additional Information

Section 9 sets out additional information required to be disclosed in the November 2006 Prospectus including:

- (i) rights attaching to the Shares offered by the November 2006 Prospectus;
- (ii) interests of Directors and experts, including share holdings and remuneration;
- (iii) details of the consents of persons named in the November 2006 Prospectus;
- (iv) expenses of the offer;

- (v) the Corporate Adviser Options; and
- (vi) a statement that the Company is not involved in any legal proceedings, nor are any proceedings pending or threatened against the Company.

(b) Supplementary Prospectus

On 1 December 2006, the Company lodged with ASIC a supplementary prospectus in relation to the November 2006 Prospectus. That document included:

- (i) a summary of the risks relating to the Company and its mineral projects; and
- (ii) further information in relation to the proposed expenditure of funds raised by the Company,

which was deemed to be incorporated into the November 2006 Prospectus.

(c) ASX Announcements

- (i) 30 April 2007, change in company secretary;
- (ii) 27 April 2007, notice advising of participation by a Director in a media broadcast;
- (iii) 27 April 2007, Appendix 5B - the Company's quarterly statement of cash flows and changes in issued capital;
- (iv) 26 April 2007, Quarterly Report - the Company's quarterly report on exploration activities;
- (v) 24 April 2007, notice advising of completion of share escrow period;
- (vi) 27 March 2007, notice advising of change in Director's shareholding;
- (vii) 22 March 2007, notice advising of Larkin's Find agreement;
- (viii) 8 March 2007, notice advising of Yarlaweelor agreement;
- (ix) 27 February 2007, notice advising of drilling results;
- (x) 21 February 2007, notice advising of commencement of drilling;
- (xi) 12 February 2007, notice advising of substantial shareholder;
- (xii) 6 February 2007, notice advising of Director's shareholdings; and
- (xiii) 2 February 2007, notice advising of fundraising under November 2006 Prospectus.

6. ADDITIONAL INFORMATION

6.1 Listing on ASX

Empire was admitted to the Official List on 31 January 2007 with official quotation of its Shares commencing on 1 February 2007 following the issue of 27,500,000 shares at 20 cents each in cash to raise \$5,500,000.

6.2 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

| | Shares | Options |
|---|------------|------------|
| Securities on issue at present | 55,418,192 | |
| Corporate Adviser Options | | 3,000,000 |
| Options offered by this Prospectus | | 29,209,096 |
| Total at completion of the Offer (assuming exercise of the Corporate Adviser Options and all Entitlements are taken up) | 58,418,192 | 29,209,096 |

Options are exercisable at 25 cents each on or before 30 June 2009. Full terms and conditions of the Options are provided elsewhere in this Prospectus. The exact number of Options offered will vary slightly from the number disclosed in the table above, due to rounding down of fractional Entitlements.

6.3 Activities since issue of November 2006 Prospectus

Since the issue of November 2006 Prospectus, the Company has:

- closed the offer and issued a total of 27,500,000 Shares at 20 cents each for a total of \$5,500,000 (prior to costs) pursuant to the November 2006 Prospectus;
- conducted reconnaissance drilling at the Penny's Find site and initial analytical results indicated high grade gold intersections in late February 2007;
- completed the purchase, paid the sum of \$100,000 and issued 5,000,000 Shares under the Torrens Share Sale agreement ;
- exercised the option and paid the sum of \$30,000 under the Penny's Find Option Agreement;
- acquired an option to purchase a 100% interest in the Yarlalweelor Uranium Prospect situated approximately 125km north of Meekatharra in March 2007;
- entered into a farmin and joint venture agreement for the Larkin's Find gold and nickel project situated approximately 155 km north/northeast of Kalgoorlie in March 2007.

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the November 2006 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisers in making an informed assessment of relevant matters.

6.4 Further Material Contracts

The Company has not entered into any material contracts other than those summarised in the November 2006 Prospectus and the following;

(a) Yarlaweelor

By a letter agreement dated 2 March 2007 the Company entered into an option agreement with Zetek Pty Ltd (**Zetek**) for the acquisition of a 100% interest in 2 exploration licence applications (**Zetek Agreement**). The material terms of the agreement are:

- (i) Tenements: ELAs 52/2055 and 52/2070;
- (ii) Reimbursement to Zetek: \$20,733;
- (iii) the Company paying a \$50,000 option fee to Zetek;
- (iv) Purchase Price: \$900,000 satisfied by the issue of 5,000,000 fully paid Shares. If Empire commences a bankable feasibility study in respect of the mining tenements the subject of the Zetek Agreement Empire must issue a further 2,500,000 Shares to Zetek;

Please refer to the stock exchange announcement dated 8 March 2007 for full details. As at the date of this Prospectus the Company and Zetek are negotiating the final terms of the Zetek Agreement. The company cannot give any indication as to when that document will be executed or the date of grant of the tenements.

(b) Larkin's Find

By an agreement dated 21 March 2007 the Company entered into an agreement with Peter Simmonds and Raymond Muskett (**Vendor**) for the acquisition of an 80% interest in one exploration licence application (**Larkin's Agreement**). The material terms of the Larkin's Agreement are:

- (i) Tenement: ELA 39/1248
- (ii) Reimbursement to Vendor: \$7,200;
- (iii) Initial Payment: \$40,000 satisfied by the issue of 200,000 fully paid Shares to the Vendor.
- (iv) Earning of 80% Interest

Empire has the sole and exclusive right and obligation to expend \$150,000 (GST inclusive) on exploration of EL 39/1248 within a 60 month period from April 2007 to earn an 80% interest in the tenement.

(v) Joint Venture and Free Carried Interest

Upon Empire earning its 80% interest:

- (A) the Vendor has a free carried 20% interest until a decision to commence mining is made; and
- (B) a joint venture is formed with the Company holding an 80% participating interest and having the Vendor a 20% participating interest;

(vi) Decision to Mine

Upon completion of the exploration commitment referred to above Empire may decide to commence mining operations at the Tenement. At this time the Vendor must elect to either contribute in proportion to its joint venture interest or retain a 5% free carried interest in the joint venture.

(vii) Other Provisions

The Larkin's Agreement contains usual provisions dealing with approval of the Minister, appointment of the manager, expenditure, confidentiality and the execution of a further complete a formal agreement.

Please refer to the stock exchange announcement dated 22 March 2007 for full details.

6.5 **Underwriting Agreement**

The Underwriting Agreement was entered into by the Company and Richmond on 1 May 2007. Following is a summary of essential terms of the Underwriting Agreement:

- (a) Richmond agrees to underwrite any Shortfall, subject to the Company lodging this Prospectus with ASIC and ASX by 4 May 2007 (or such later date as is approved by Richmond).
- (b) The Company must within 3 Business Days after the lodgement of this Prospectus with ASIC apply for the official quotation of the Options. It must obtain all permissions and approvals for such quotation.
- (c) The Company undertakes that it must:
 - (i) not breach its constitution or applicable law;
 - (ii) not alter its capital structure (except in certain permitted ways) or charging or disposing of its main undertaking;
 - (iii) not make announcements about the Entitlements Issue without the prior written consent of Richmond (except that this obligation is not to prevent the Company from meeting its obligations under the Corporations Act 2001 and Listing Rules);
 - (iv) not lodge a supplementary prospectuses without the approval of Richmond (except that this obligation is not to prevent the Company from meeting its obligations under the Corporations Act and Listing Rules);
 - (v) inform Richmond of certain events, if they take place, in the issue of this Prospectus;
 - (vi) comply with the provisions of the Corporations Act ;
 - (vii) issue copies of this Prospectus as are reasonably required by Richmond; and
 - (viii) ensure that advertising of the Issue is carried out in compliance with the Corporations Act.
- (d) The Company gives certain standard warranties and undertakes to inform Richmond if any warranty ceases to be applicable.
- (e) The Offer must be made in accordance with the terms of the Prospectus. Applications must be made on Application Forms. No valid application may be rejected by the Company without Richmond's approval.
- (f) The Company indemnifies Richmond and its officers and employees out of any loss arising out of a breach of applicable law in relation to the Issue, except where it involves fraud or such misconduct by Richmond or where Richmond has waived the relevant breach.

- (g) Richmond receives an underwriting fee of 1.5 % of the amount raised by the Issue.
- (h) Richmond may terminate its obligations under the Underwriting Agreement if any one or more of the following events occur:
 - (i) the All Ordinaries Index falls below 5,500 percentage points;
 - (ii) the Dow Jones Industrial Index falls below 11,000;
 - (iii) the buying price (quoted by the National Australia Bank Limited) for A\$1.00 falls below US\$0.70;
 - (iv) the Company defaults (in the reasonable opinion of Richmond) in a material respect in the performance of its obligations under the Underwriting Agreement (including undertakings, representations and warranties);
 - (v) trading of shares on ASX is suspended;
 - (vi) a director of the Company dies or is charged with or convicted of a criminal offence;
 - (vii) the Company fails to comply with provisions under the Constitution, any statute, the ASX Listing Rules or any other requirement of or request by ASIC, the ASX or any government agency, or any agreement entered into;
 - (viii) any of the following occur:
 - (A) a receiver, receiver and manager, trustee or similar is appointed over any assets or undertakings of the Company;
 - (B) the Company ceases or threatens to cease to carry on business or enters into any arrangement with, or assignment for the benefit of, its creditors;
 - (C) an administrator is appointed by the Company or a court; or
 - (D) an application or order is made for the winding up or dissolution of the Company otherwise than for the purpose of an amalgamation or reconstruction which has the consent of Richmond;
 - (E) in the opinion of Richmond, there is a material change to the financial or trading position of the Company, or Richmond's obligations under the Underwriting Agreement become more onerous than what exists at the time of the Underwriting Agreement;
 - (F) any person (other than the Underwriter) who has consented to being named in the Prospectus for the purpose of section 720 of the Corporations Act withdraws that consent;
 - (G) a charge over all or any of the assets of the Company is created or comes into existence without the approval of Richmond; or
 - (H) there is an outbreak of hostilities in certain listed countries (this does not include isolated acts of terrorism).

- (ix) The Company is responsible for stamp duty and other costs associated with the Underwriting Agreement.

Richmond has entered into a Sub-Underwriting Agreement dated 1 May 2007 with each Director. Under the Sub-underwriting agreements each of the Directors has agreed to sub-underwrite one third of the Issue. No sub-underwriting fee is payable to the Directors.

Each Sub-Underwriting Agreement is subject to the same termination events as set out in Section 6.5(h) and contains the same indemnities as set out in Section 6.5(f).

6.6 **Continuous Disclosure and Documents Available for Inspection**

The Company is listed on ASX and its Shares are quoted on ASX. The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC. This includes the November 2006 Prospectus.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since official quotation on 1 February 2007. As at the time of lodging this Prospectus the only such documents were:

| Date | Description of Announcement |
|-------------|--|
| 01/05/2007 | Appointment of company secretary |
| 27/04/2007 | Boardroom Interview audio broadcast |
| 27/04/2007 | Appendix 5B |
| 26/04/2007 | Third Quarter Activities Report |
| 24/04/2007 | Completion of escrow period |
| 27/03/2007 | Change of Director's Interest Notice |
| 22/03/2007 | Larkin's Find Agreement |
| 08/03/2007 | Yarlarweelor Agreement |
| 27/02/2007 | Penny's Find Drilling Results |
| 21/02/2007 | Commencement of Drilling |
| 12/02/2007 | Becoming a substantial holder |
| 06/02/2007 | Initial Director's Interest Notice x 3 |
| 02/02/2007 | Makes strong ASX debut |

6.7 **Trading History**

Official quotation of the Shares commenced on 1 February 2007. The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were 16 cents on 15 February 2007 and 28 cents on 2 March 2007 respectively.

The last market sale price of the Shares on ASX on the last day that trading took place in these Shares prior to the date of this Prospectus was 20.5 cents on 27 April 2007.

The Company has no options (to subscribe for Shares) that are currently quoted on ASX.

6.8 **Pro-Forma Balance Sheet**

The Pro-Forma Balance Sheet of the Company upon completion of this Offer is essentially the same as the Pro-Forma Balance Sheet included in Section 7 of the November 2006 Prospectus adjusted for the following:

- (a) ongoing normal operating expenditure (including exploration expenditure on the Penny's Find, Troy Creek, Yuimery and Torrens Projects) and corresponding decrease in cash assets; and
- (b) an increase in cash assets of approximately \$277,000 (assuming all Entitlements are taken up other than those arising from exercise of the Corporate Adviser Options), reduced by expenses of the Offer of approximately \$24,000.

As there have been no other material changes since the Pro-Forma Balance Sheet included in the November 2006 Prospectus, the Pro-Forma Balance Sheet of the Company as at 31 March 2007 showing the effects of this Offer included in this Prospectus has not been subject to review by an independent investigating accountant.

| EMPIRE RESOURCES LIMITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007 | Un-audited Consolidated 31-Mar-07 \$ | Un-audited Pro-forma Consolidated 31-Mar-07 \$ |
|--|---|---|
| CURRENT ASSETS | | |
| Cash assets <i>note 1</i> | 4,537,029 | 4,790,120 |
| Receivables | 65,384 | 65,384 |
| TOTAL CURRENT ASSETS | 4,602,413 | 4,855,504 |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 67,171 | 67,171 |
| Mining tenements and deferred exploration, evaluation and development expenditure | 2,859,367 | 2,859,367 |
| TOTAL NON CURRENT ASSETS | 2,926,538 | 2,926,538 |
| TOTAL ASSETS | 7,528,951 | 7,782,042 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 140,702 | 140,702 |
| Provisions | 4,490 | 4,490 |
| TOTAL CURRENT LIABILITIES | 145,192 | 145,192 |
| TOTAL LIABILITIES | 145,192 | 145,192 |
| NET ASSETS | 7,383,759 | 7,636,850 |

**EMPIRE RESOURCES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2007**

| | Un-audited Consolidated 31-Mar-07 \$ | Un-audited Pro-forma Consolidated 31-Mar-07 \$ |
|---------------------|---|--|
| EQUITY | | |
| Contributed equity | 7,821,283 | 8,074,374 |
| Reserves | 232,500 | 232,500 |
| Accumulated losses | (670,024) | (670,024) |
| TOTAL EQUITY | 7,383,759 | 7,636,850 |

Note 1 - assumes 55,418,192 ordinary shares on issue with 27,709,096 options being issued under this Prospectus at 1 cent, net of estimated option issue costs of \$24,000 and no conversion of any Corporate Advisor Options.

6.9 **Terms and Conditions of Options**

The Options offered pursuant to this Prospectus will be issued on the following terms:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share. The exercise price of each Option is \$0.25.
- (b) The Options are exercisable at any time prior to 5.00pm WST on 30 June 2009 (**Expiry Date**) by notice in writing to the Company accompanied by payment of the exercise price as detailed in (a) above.
- (c) The Options are transferable and an application will be made to the ASX for Official Quotation of the Options.
- (d) Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
- (e) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within 3 business days after the date of allotment of those Shares.
- (f) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, the Company will send a notice to each optionholder at least nine business days before the record date for any proposed issue of capital. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (g) There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
- (h) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent

necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.

- (i) The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

6.10 **Rights Attaching to Shares upon Conversion of Options**

The rights attaching to Shares in the Company are:

- (a) set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law.

There is only one class of shares on issue in the Company being fully paid ordinary shares.

The following is a summary of the principal rights of the holders of Shares in the Company.

(a) Voting Rights

Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none), at a general meeting every shareholder present in person or by proxy, attorney or representative will have on a show of hands one vote and, on a poll, one vote for each Share held.

(b) General Meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to shareholders under the Constitution or the Corporations Act and the Listing Rules.

(c) Dividend Rights

Subject to the rights of holders of any Shares created or raised under any special arrangement as to dividends (at present there are none), any dividend declared is payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up in respect of such Shares.

(d) Rights on Winding-up

Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among holders of Shares will be distributed in proportion to the amounts paid up (or which at the commencement of the winding-up ought to have been paid up) on those Shares compared with the total paid-up capital of the Company.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and any other applicable laws of Australia, and subject to any restrictions applicable to Shares which have been designated by the ASX as "restricted securities", Shares are freely transferable.

(f) Shareholder Liability

As the Shares issued on exercise of Options are fully paid shares, they are not subject to any calls for money by the Board and will therefore not become liable for forfeiture.

(g) ASX Listing Rules

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 or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

6.11 **Interests of Directors, Experts and Advisors**

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the November 2006 Prospectus are set out in Section 10 of the November 2006 Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

(a) **Interests of Directors**

As at the date of this Prospectus, the Directors have relevant interests in Shares as set out in the table below:

| Director | Number |
|-----------------|---------------|
| Mr Griffin | - |
| Mr Sargeant | 4,888,895 |
| Mr Jessup | 1,367,555 |

Each of the Directors has entered into a Sub-Underwriting Agreement and is therefore responsible for accepting a Shortfall.

(b) **Interests of Experts and Advisors**

Cullen Babington Hughes Pty Ltd has acted as legal adviser to the Offer pursuant to this Prospectus and in that capacity has provided legal advice to the Company in relation to the Offer. In respect of this work, the Company will pay approximately \$4,000 for these services. Cullen Babington Hughes Pty Ltd has provided other professional services to the Company during the last 2 years totalling approximately \$60,000.

RSM Bird Cameron Partners ("Bird Cameron") are auditors to the Company. During the 24 months preceding lodgement of this Prospectus with ASIC the total fees paid or payable to Bird Cameron and its associated entities for audit and taxation services were approximately \$12,000.

RSM Bird Cameron Corporate Pty Ltd ("RSM") acted as Independent Accountant with respect to the November 2006 Prospectus and was paid a fee of approximately \$7,500 for the provision of the Investigating Accountant's Report contained in the November 2006 Prospectus. There are no other fees paid or payable to RSM for services rendered to the Company during the last 2 years.

Al Maynard & Associates acted as Consulting Geologist with respect to the November 2006 Prospectus and was paid a fee of approximately \$12,500 for the provision of the Independent Consulting Geologist's Report contained in the November 2006 Prospectus. There are no other fees paid or payable to Al Maynard & Associates for services rendered to the Company during the last 2 years.

6.12 **Consents**

Each of the parties referred to in this Section 6.12:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) 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 this or the November 2006 Prospectus with the consent of that party as specified in this section.

Cullen Babington Hughes Pty Ltd has given its written consent to being named as the legal adviser to the Company in this Prospectus and to the inclusion by reference in this Prospectus of its Solicitor's Report set out in Section 6 of the November 2006 Prospectus, and to all statements referring to the Solicitor's Report, in the form and context in which they are included in the November 2006 Prospectus. Cullen Babington Hughes has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM has given its written consent to being named as the independent accountant to the Company in this Prospectus and to the inclusion by reference in this Prospectus of its Investigating Accountant's Report set out in Section 7 of the November 2006 Prospectus, and to all statements referring to the Independent Accountant's Report, in the form and context in which they are included in the November 2006 Prospectus. RSM has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Al Maynard & Associates has given its written consent to the inclusion by reference in this Prospectus of its Independent Consulting Geologist's Report set out in Section 5 of the November 2006 Prospectus, and to all statements referring to the Independent Consulting Geologist's Report, in the form and context in which they are included in the November 2006 Prospectus. Al Maynard & Associates has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Each of the following has also consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Bird Cameron as auditor to the Company;
- (b) Security Transfer Registrars Pty Ltd as the share registry of the Company;
- (c) Richmond as underwriter to the Issue.

6.13 **Legal Proceedings**

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

6.14 **Expenses of the Issue**

The total expenses of the issue are estimated to be \$24,000 comprising legal fees, underwriting fees, printing and other administrative expenses, including ASX quotation fees.

7. COMPANY ACTIVITIES AND NEW PROJECTS

7.1 Overview

a comprehensive overview of the Company is set out in the November 2006 Prospectus. Persons considering subscribing for Options under this Prospectus should refer to Section 5 of this prospectus for a summary of the information deemed to be incorporated in this Prospectus.

7.2 Use of Funds

As set out in Sections 4 and 5 of the November 2006 Prospectus the Company proposed an exploration budget based on the initial public offering being fully subscribed.

The initial public offering raised \$5,500,000.

The company proposes that those funds and the monies raised under this Prospectus now be used as follows:

| Exploration Programs | \$ |
|--|------------------|
| Torrens | 930,000 |
| Penny's Find | 1,250,000 |
| Yuinmery | 430,000 |
| Noondie | 80,000 |
| Troy Creek | 460,000 |
| Paradis | 120,000 |
| Yarlarweelor | 480,000 |
| Larkin's Find | 90,000 |
| | |
| Administration and Issue Expenses | 974,000 |
| | |
| Total | 4,814,000 |

Funds will be allocated to each project to ensure the minimum exploration requirements of that project are met.

The proposed year one exploration activities for each project including drilling as set out in section 5 of the November 2006 Prospectus will be implemented. Once the year one program has been completed and exploration including drilling has been undertaken on all projects available funds will be allocated to the particular project in the following order of priority:

- (a) Torrens;
- (b) Penny's Find;
- (c) Yarlaweelor;
- (d) Yuinmery;
- (e) Troy Creek;
- (f) Larkin's Find;
- (g) Noondie; and
- (h) Paradis,

while ensuring that the minimum exploration requirements of each project are met. At this time the Noondie, Paradis, Yarlaweelor tenements and Larkin's Find tenements have not been granted and the Company is unable to state if and when they may be granted.

Consequently expenditure allocated to those projects may not be incurred in the next 12 months

The exploration programs are dependent upon the:

- (a) success of any particular part of the program; and
- (b) whether the Company seeks to attract other participants in the projects, which participants will undertake or share all or part of the exploration expenditure commitments.

7.3 Exploration Activity

Penny's Find - An initial reconnaissance reverse circulation drilling program was completed on mining lease M27/156 in the vicinity of a previously announced small inferred gold resource. The drilling was designed to test for possible extensions of gold mineralization outside of this resource. 8 holes totalling 521 metres were completed. Several significant mineralized intersections were obtained. These included intersections of 23m assaying 10.02g/t gold and 5m assaying 9.60g/t gold.

Torrens - A detailed gravity survey has been completed in 2 separate areas within the project area. In the southern area this survey was designed to define drill targets and to extend to the east and upgrade the existing gravity coverage using a 200m x 200m grid pattern. Data was collected at 519 new gravity stations in this phase of the survey.

In the northern area the survey completed a first pass assessment of a poorly defined north-westerly striking gravity high previously identified in an AGSO regional gravity survey. Data was collected on a 500m x 500m grid pattern from 558 new gravity stations in this phase of the survey.

The gravity data from this survey is currently being processed and merged with the existing data set. Preliminary data shows in the southern area the extension and clearly defined south eastern limits of the high density domain that has been the focus of interest to date in the Torrens Project. The survey in the northern area has confirmed the presence of a large, complex gravity high within the tenement consisting of north-westerly trending high density unit and at least one large ovoid discrete gravity high. The source of the gravity anomalism is unknown.

Yuinmery - At the Yuinmery copper-gold project detailed aeromagnetic data was acquired. This data is from a survey flown in 1997 totalling 407 line km. The data was collected at a height of 40 metres with a line spacing of 50 metres. It is currently being processed and interpreted.

Following a review of some trial ground EM surveys, an aerial EM survey was flown over the tenements. The data from this survey is currently being processed and interpreted in conjunction with the aeromagnetic survey.

Following a compilation of the aeromagnetic and EM data with the existing exploration database, a number of high priority drill targets are expected to be defined.

Troy Creek - At the Troy Creek copper-gold-PGM project geophysical surveys are being undertaken. These include processing and modelling of existing aeromagnetic data over a number of discrete magnetic anomalies. These anomalies have not been previously drill tested and represent high priority exploration targets. A gravity survey covering selected magnetic anomalies is being undertaken.

7.4 New Tenements

Yarlaweelor

The Company has been granted an option by Zetek Resources Pty Ltd to acquire a 100% interest in the Yarlaweelor uranium project. Details of this option were announced in March 2007.

Previous exploration within the project area between 1978 and 1982 located both primary and secondary uranium mineralization at a number of locations. This mineralization occurs in Palaeoproterozoic quartz-biotite schist units that are folded and faulted into the Archaean Despair Granite. Elsewhere within the project area anomalous radioactivity is associated with older Archaean leucocratic granitic gneisses.

Exploration reports held by the Department of Industry and Resources record many drill intersections with anomalous radioactivity. These include intercepts of 2 metres assaying 630ppm uranium and 24 metres assaying 310ppm uranium. While the true widths of these intersections are not known, the Company is encouraged by the geological setting, the widespread anomalous radioactivity and the presence of potentially economic grades of primary uranium mineralization in drill holes. A major exploration program is planned upon exercise of the option.

Upon the grant of the Yarlaweelor tenements the Company proposes to carry out an airborne radiometric survey, ground radiometric surveys, and to undertake a program of reverse circulation drilling to test radiometric anomalies, zones of previously identified uranium mineralization and zones of potassic alteration.

Larkin's Find

The Company has entered into a farm-in and joint venture of the Larkin's Find gold and nickel project. The project area of approximately 33sq km is the subject of a tenement application and is situated approximately 155 km north-north east of Kalgoorlie in Western Australia. Empire may earn an 80% interest in the tenement.

The Company believes that this area is under explored for both gold and nickel. Exploration for gold will target north east trending splay structures that strike from a regionally extensive north west trending structure known as the Claypan Fault. This fault and structural zone hosts gold mineralization approximately 3 km north of the tenement boundary at Gardner's Find. Past gold exploration on the tenement area is sparse and many drill holes failed to test bedrock.

Most past exploration for nickel was undertaken testing the ultramafic rock units that trend parallel and to the west of the Claypan Fault for shallow laterite hosted nickel-cobalt deposits. This work culminated in the defining of laterite hosted targets by Anaconda Nickel Ltd in 1999 that contain nickel and cobalt at approximately 0.8% and 0.1% respectively in drill holes approximately spaced 100 metres along lines on traverses from 200 to 400 metres apart.

Upon the grant of the exploration licence the Company proposes to undertake a JORC compliant calculation of the resources of lateritic nickel-cobalt mineralization previously identified in the Larkin's Find area. In addition a program of resampling and assaying of old drill holes for gold and base metals is planned. Further reverse circulation drilling will be undertaken to test structural targets identified from aeromagnetic data.

8. INVESTMENT CONSIDERATION AND RISK FACTORS

This section is a summary of some of the considerations to be taken into account by an investor of the risk factors to which the Company is exposed. While some of the risks can be mitigated many are outside the control of the Company and cannot be mitigated. For further details of the risks that may apply please refer to section 8 of the November 2006 Prospectus.

THE COMPANY MAY NOT BE ABLE TO MINE URANIUM

Empire has interests in a number of areas in South and Western Australia that are prospective for uranium.

Uranium exploration and mining in Australia are subject to certain policies and laws unique to this sector of the mining industry.

Uranium mining is subject to extensive regulation by both state and federal governments.

The Western Australian State Government has in place a policy that prohibits the mining of uranium. Unless the Western Australian State Government changes its current policy the Company **cannot mine uranium in Western Australia.**

The South Australian State government has in place a policy that restricts the mining of uranium to existing mines. Unless the South Australian State Government changes its current policy the Company **cannot mine uranium in South Australia.**

There can be no assurance that the policy of either government will change in the future.

The Federal Government currently permits the mining and export of uranium to countries that undertake to use it for peaceful purposes. This may restrict the market for Australian uranium.

OTHER RISKS APPLY

Mining and Exploration Risks

Empire's primary business is exploration for, and the commercial development of, mineral deposits and it is therefore subject to the significant risks inherent in these activities. The Company's operations are still in the exploratory phase. No assurance can be given that exploration will be successful.

Metal Market and Economic Conditions

Resource mining and exploration is highly speculative. The world market for precious metals (gold, silver and PGM), base metals and strategic minerals, including gold, copper and nickel, is subject to many variables and may fluctuate markedly.

Factors beyond the control of the Company such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation all impact on operating costs, commodity prices, the parameters within which the Company may operate, and stock market prices .

Tenement Risks

Exploration tenements are granted subject to various standard conditions, which include but are not limited to prescribed expenditure conditions. Failure to comply with expenditure conditions or other conditions on which the tenements are held exposes the tenements to forfeiture.

Investors should refer to the Solicitor's Report in-section 6 of the November 2006 Prospectus for a report on the tenements in general, legal title and the impact of Native Title on mining tenements.

Capital Requirement Risk

The Issue is not underwritten.

The Company will incur administrative and ongoing overhead costs. Investors should be aware that, while the Company has no substantive income, it must continue to meet its exploration expenditure requirements.

In the future, Empire may require additional exploration funds. There is a risk that the Company may be unable to raise those funds or that the economic climate may be inhospitable with respect to such fund-raising. Until production commences Empire anticipates that it will incur ongoing operating losses.

Share Market Risk

Applicants should be aware of the risks associated with an investment in the stock market. It is important to recognise that share prices and dividends may fall as well as rise, and that the price of the Shares or Options may trade below or above the Offer price. Factors affecting the market price could include the announcement of new products or technology, success in winning contracts, variations in general market conditions, or market conditions specific to a particular industry. In particular, share and option prices for many exploration companies are subject to wide fluctuations that may be unrelated to the operating performance of the relevant company. Such fluctuations may adversely affect the market price of the Shares and Options.

9. - AUTHORITY OF DIRECTORS

Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act.

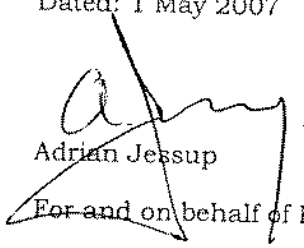
The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that, in respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, and that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or, to the Directors' knowledge, before any issue of Options pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisers.

Each of the Directors of Empire Resources Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act 2001 and has not withdrawn that consent.

This Prospectus is issued by Empire Resources Limited. Its issue was authorized by a resolution of the Directors and it is signed by a Director on behalf of all Directors.

Dated: 1 May 2007



Adrian Jessup

For and on behalf of Empire Resources Ltd

10. DEFINITIONS

In this Prospectus:

- Applicant** means a person who submits an Entitlement and Acceptance Form.
- ASIC** means Australian Securities and Investments Commission.
- ASTC** means ASX Settlement and Transfer Corporation Pty Ltd.
- ASTC Settlement Rules** means the settlement rules of the ASTC (formerly the SCH Business Rules).
- ASX** means ASX Limited (ACN 008 624 691).
- Board** means the board of Directors unless the context indicates otherwise.
- Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.
- Closing Date** means 5.00 pm WST on 11 June 2007 (unless extended).
- Company** or **Empire** means Empire Resources Limited (ACN 092 471 513).
- Constitution** means the constitution of the Company as amended from time to time.
- Corporate Adviser Options** means the options issued to Martin Place Securities Pty Ltd as specified in section 9.3 of the November 2006 Prospectus.
- Corporations Act** means the Corporations Act 2001 (Cth).
- Directors** mean the directors of the Company from time to time.
- Dollars** or **\$** means Australian dollars unless otherwise stated.
- Entitlement** means the non-renounceable entitlement of a Shareholder to subscribe for a particular number of Options calculated on a 1 for 2 basis and on the other terms and conditions of this Prospectus.
- Entitlement and Acceptance Form** means the personalised entitlement and acceptance form for the Offer attached to or accompanying this Prospectus.
- Issue** means the issue of Options pursuant to this Prospectus.
- Listing Rules** or **ASX Listing Rules** means the official Listing Rules of ASX.
- November 2006 Prospectus** means the prospectus lodged by the Company with the ASIC on 7 November 2006 for the offer of 30,000,000 Shares at an issue price of 20 cents each to raise up to \$6,000,000 as amended by and incorporating the Supplementary Prospectus.
- Offer** means the offer of Options pursuant to this Prospectus.
- Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.
- Official List** means the official list of ASX.
- Opening Date** means 11 May 2007.
- Option Holders** means those parties holding Options.

Option means an option to acquire a Share on the terms set out in section 6.9.

Prospectus means this prospectus dated 1 May 2007.

Quotation and Official Quotation means official quotation on ASX.

Record Date means 5.00 pm (WST) on 9 May 2007.

Richmond means Richmond Resources Pty Ltd (ACN 008 646 839).

SCH Business Rules means the business rules of the Securities Clearing House (now the ASTC Settlement Rules).

Section means a section of this Prospectus or a section of the November 2006 Prospectus, as appropriate and as the case may be.

Share means one fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Options (if any) not taken up under the Offer.

Sub-Underwriting Agreement means an agreement between Richmond and a sub-underwriter, under which a specified percentage of the benefit and burden of Richmond (other than the right to receive an underwriting fee) under the Underwriting Agreement are effectively passed on to the sub-underwriter.

Supplementary Prospectus means the prospectus dated 1 December 2006 lodged by the Company in respect to the November 2006 Prospectus.

Underwriting Agreement means the underwriting agreement of 1 May 2007 between the Company and Richmond.

WST means Western Standard Time, Perth, Western Australia.