



ACN 092 471 513

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

18 OCTOBER 2016

11.00 AM

AT

**LEVEL 4
130 STIRLING STREET
PERTH
WESTERN AUSTRALIA 6000**

For personal use only

NOTICE OF ANNUAL GENERAL MEETING

The attached "Explanatory Memorandum" should be read in conjunction with this Notice of Meeting.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Empire Resources Limited ACN 092 471 513 ("**the Company**") will be held at 11 am at Level 4, 130 Stirling Street, Perth WA 6000 on **18 October 2016**, to conduct the following business:

BUSINESS OF THE MEETING

ANNUAL REPORT 2016

To receive and consider the financial report together with the Directors' report (including the remuneration report) and auditor's report for the financial year ended 30 June 2016.

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit to pass, with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Directors' Report in the Annual Report for the year ended 30 June 2016".

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any of the Key Management Personnel listed in the Remuneration Report and any of their closely related parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 1.

RESOLUTION 2 – TO RE-ELECT MR ADRIAN JESSUP AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Adrian Jessup, who retires as a Director in accordance with rule 3.6 of the Company's Constitution and, being eligible, having offered himself for re-election, is hereby re-elected as a Director".

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement Capacity are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

RESOLUTION 4 – RATIFICATION OF PREVIOUS SHARE ISSUE – JUNE 2016

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders of the Company approve and ratify the prior issue of 3,750,000 fully paid ordinary shares at 2.0 cents per share on 22 June 2016 to sophisticated and professional investors, to fund ongoing working capital requirements of the Company."

Voting Exclusion

The Company will disregard any votes cast by or on behalf of a person who participated in the placement and any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE – JULY 2016

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders of the Company approve and ratify the prior issue of 63,000,000 fully paid ordinary shares at 2.0 cents per share on 18 July 2016 to sophisticated and professional investors, to fund the Company's share of development work at the Penny's Find Joint Venture and ongoing working capital requirements of the Company."

Voting Exclusion

The Company will disregard any votes cast by or on behalf of a person who participated in the placement and any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF PREVIOUS OPTION ISSUE – JUNE AND JULY 2016

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders of the Company approve and ratify the prior issue of 10,000,000 Options (ASX code ERLAA) over fully paid ordinary shares, with 1,000,000 issued on 22 June 2016 and 9,000,000 issued on 18 July 2016, with an exercise price 4.0 cents per Option and an expiry date three years from the date of issue, to Proserpine Capital Partners Pty Ltd and sophisticated and professional investors."

Voting Exclusion

The Company will disregard any votes cast by or on behalf of a person who participated in the option issue and any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board



Simon Storm
Company Secretary
12 September 2016

PROXIES

1. A Proxy Form is enclosed with this Notice.
2. A member may appoint not more than 2 proxies. A proxy need not be a member.
3. Where a member appoints 2 proxies and does not specify the proportion or number of the member's votes each proxy may exercise half of the member's rights.
4. An instrument appointing a proxy or a power of attorney may not be treated as valid unless:
 - (a) in the case of a proxy, the Proxy Form, and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
 - (b) in the case of an attorney, the power of attorney or a certified copy of it, to the satisfaction of the Directors is or are deposited at the Company's registered office at 53 Canning Highway, Victoria Park, Western Australia or on fax number (08) 9361-3184 by no later than 48 hours before the time fixed for holding the meeting.
5. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or, if the appointor is a body corporate, either under its common seal if it has a common seal, or under the hand of an officer or duly authorised attorney or duly authorised representative.
6. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11 am (WST) on 16 October 2016. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

OTHER

Words, which are defined in the Explanatory Memorandum, have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting and the Explanatory Memorandum, the following words are defined here:

"ASX" means Australian Securities Exchange Limited (ACN 008 624 691).

"Board" means the board of directors of the Company.

"Company" means Empire Resources Limited ACN 092 471 513.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Director" means a director of the Company.

"Dollar" or "\$" means Australian Dollars.

"Employee" includes an officer, employee or contractor of, or consultant to, the Company.

"Equity Security" - as defined in the Listing Rules, being a share, unit, right to a share or unit or option, a convertible security, any security that ASX decides is an equity security but not a security ASX decides to classify as a debt security.

"Explanatory Memorandum" means the explanatory memorandum set out and attached to this Notice of Meeting.

"Key Management Personnel" is a member of the key management personnel as disclosed in the Remuneration Report.

"Listing Rules" means the listing rules of ASX.

"Notice of Meeting" or "Notice" means this notice of annual general meeting.

"Option" - means an unlisted option to acquire a Share.

"Proxy Form" means the proxy form accompanying this Notice of Meeting.

"Remuneration Report" as set out in the Directors' Report in the Annual Report for the year ended 30 June 2016.

"Resolution" means a resolution set out in this Notice of Meeting.

"Shareholder" means a holder of Shares.

"Shares" means fully paid ordinary shares in the capital of the Company.

"WST" means Western Standard Time.

**EMPIRE RESOURCES LIMITED
EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the annual general meeting of Shareholders to be held on **18 October 2016** (“the Meeting”).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

BUSINESS OF THE MEETING

Annual Report 2016

Section 317 of the Corporations Act requires the Directors to lay before the annual general meeting the financial report, Directors’ report (including the remuneration report) and the auditor’s report for the last financial year that ended before the annual general meeting.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders at the annual general meeting (save for Resolution 1 for the adoption of the remuneration report).

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to a non-binding vote of Shareholders. The Annual Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director and non-executive Directors. The Annual Report is available on the Company’s website at www.resourceempire.com.au.

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the directors. However, in addition, the Corporations Act provides that if the Company’s Remuneration Report resolution receives a “no” vote of 25 per cent or more of votes cast at the Meeting, the Company’s subsequent remuneration report must explain the Board’s proposed action in response or, if the Board does not propose any action, the Board’s reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% “no” vote.

In addition, the Corporations Act now sets out a ‘two strikes’ re-election process. Under the ‘two strikes’ re-election process, if the Company’s remuneration report receives a ‘no’ vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, ‘two strikes’), a resolution (the ‘spill resolution’) must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the ‘spill meeting’) to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the ‘spill meeting’ must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment). Further information will be provided on the ‘spill resolution’ and ‘spill meeting’ for any annual general meeting at which the Company may face a ‘second strike’.

The remuneration levels for directors, officer and senior managers are competitively set to attract and retain appropriate directors and key management personnel.

The chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

RESOLUTION 2 – TO RE-ELECT MR ADRIAN JESSUP AS A DIRECTOR

In accordance with rule 3.6 of the Company's Constitution, at each annual general meeting of the Company one third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3 need to retire from office by rotation, but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the Directors retiring from office.

Accordingly, Mr Jessup is required to retire by rotation at the forthcoming annual general meeting, and being eligible, offers himself for re-election as a Director.

All Directors, with the exception of Mr Jessup, recommend Shareholders approve this Resolution concerning his re-appointment.

Other Information:

Mr Jessup holds a Bachelor of Science degree (with honours) in economic geology from the University of Sydney and has more than 40 years continuous experience as a geologist, company director and consultant involved in mineral exploration, ore deposit evaluation and mining. He is a member of AusIMM, the Geological Society of Australia and the Australian Institute of Geoscientists.

For the last 18 years, Mr Jessup has operated a geological consulting company. During that time, he was a founding director of Sylvania Resources Limited and remained on the board for two years. Prior to that, Mr Jessup was managing director of Giralia Resources NL for eight years, from the company's inception in 1987. Previously, he had worked for AMAX Exploration Inc., as a senior geologist and as regional manager in charge of that company's mineral exploration in Western Australia.

Mr Jessup has been a director of the following listed companies during the past three years.

Company	Position	Appointed
FYI Resources Ltd	Non-executive Director	30/11/2009

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

1.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (*Additional 10% Placement Facility*). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 3 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 1.2 (b) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility as it provides additional flexibility and capacity to the fund raising alternatives that would otherwise normally be available to the Company.

1.2 Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Minimum Issue Price

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Dilution

As at the date of this Notice of Annual General Meeting, the Company has 387,201,475 Shares on issue. Accordingly, if Shareholders approve Resolution 3 the Company will have the capacity to issue approximately 38.720 million Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

(A x D) – E

A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- a) *plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;*
- b) *plus the number of partly paid shares that became fully paid in the 12 months;*
- c) *plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;*
- d) *less the number of fully paid shares cancelled in the 12 months.*

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not participate in the issue. There is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

(i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

(ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		50% decrease in issue price (cents)	Issue price (cents)	50% increase in issue price (cents)
		1.85	3.70	5.55
Current Variable A	Voting Dilution	10%	10%	10%
387,201,475	Number of Shares	38,720,148	38,720,148	38,720,148
	Funds raised (\$)	\$716,323	\$1,432,645	\$2,148,968
50% increase in current Variable A	Voting Dilution	10%	10%	10%
580,802,213	Number of Shares	58,080,221	58,080,221	58,080,221
	Funds raised (\$)	\$1,074,484	\$2,148,968	\$3,223,452
100% increase in current Variable A	Voting Dilution	10%	10%	10%
774,402,950	Number of Shares	77,440,295	77,440,295	77,440,295
	Funds raised (\$)	\$1,432,645	\$2,865,291	\$4,297,936

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options (including any Options issued under the Additional 10% Placement Facility) are exercised into Shares before the date of issue of the Equity Securities;
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares.
7. The issue price is 3.7 cents, being the closing price of the Shares on ASX on 9 September 2016.

(c) Issue Period

If Shareholders approve Resolution 3, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), (the Additional 10% Placement Period). The approval will cease to be valid in the event that holders of the Company's shares approve a transaction under rule 11.1.2 or rule 11.2.

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(d) Purpose of Issues

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and development expenditure on the Company's interest in the Penny's Find Gold Project Joint Venture in Western Australia, maintaining its tenement holdings in good standing and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) Previous issues of Equity Securities under Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting on 27 November 2015. ("Previous Approval"). The Company has issued on 18 July 2016, 28,682,279 Equity Securities pursuant to this Previous Approval, which comprised 8.85% of the pre-placement share capital.

The total number of equity securities issued in the past 12 months was 160,102,000 of which 83,352,000 were ratified at a meeting held 3 May 2016 and 76,750,000 are the subject of resolutions 4, 5 and 6 and their percentage of total equity securities on issue at the start of the 12 month period was 32.2% and 29.6% respectively. Further details of the issue of Equity Securities are set out under 1.2(g).

(g) Previous issues of Equity Securities

The following table provides details regarding the total number of equity securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of securities on issue at the commencement of the 12 month period under Listing Rule 7.1:

Equity securities issued in prior 12 months	10,000,000	10,000,000	5,000,000	30,000,000	10,000,000	63,000,000
Percentage of the total number of equity securities on issue at the commencement of that 12 month period.	3.9%	3.9%	1.9%	11.6%	3.9%	24.3%

Specific details for these issues:

Date of Issue	19-Nov-15	29-Feb-16	31-Mar-16	05-May-16	22-Jun-16	18-Jul-16
Number Issued	10,000,000	10,000,000	5,000,000	30,000,000	10,000,000	63,000,000
Approval process	Ratified 3 May 16	Ratified 3 May 16	Ratified 3 May 16	Ratified 3 May 16	6,250,000 Ratified 3/5/16 3,750,000 (Resolution 4)	See Resolution 5
Class/Type of Security Issued	Ordinary shares					
Summary of the Terms						
Names of the Allottees or basis on which they were determined	Sophisticated and professional investors					
Price (cents)	1.00	1.00	1.00	1.25	2.00	2.00
Premium/(Discount) to Market Price at issue date	(29)%	(44)%	(33)%	(50)%	(9)%	(20)%
For cash issues:						
Cash consideration received (\$)	100,000	100,000	50,000	375,000	200,000	1,260,000
Amount of that cash that has been spent (\$)	100,000	100,000	50,000	375,000	200,000	935,000
Use of cash consideration	For development of the Penny's Find Gold Project and to provide working capital.	For development of the Penny's Find Gold Project and to provide working capital.	For development of the Penny's Find Gold Project and to provide working capital.	For development of the Penny's Find Gold Project and to provide working capital.	For development of the Penny's Find Gold Project and to provide working capital.	For development of the Penny's Find Gold Project and to provide working capital.
Intended use for remaining amount of cash	N/A	N/A	N/A	N/A	N/A	\$35,000 - Administration \$50,000 - Consulting fees \$240,000 - Penny's Find JV
For non-cash issues:						
Non-cash consideration paid (\$)	N/A	N/A	N/A	N/A	N/A	N/A
Current value of that non-cash consideration	N/A	N/A	N/A	N/A	N/A	N/A

Equity securities issued in prior 12 months	22,102,000	1,000,000	9,000,000
Percentage of the total number of equity securities on issue at the commencement of that 12 month period.	8.5%	0.4%	3.5%

Specific details for this issue:

Date of Issue	03-May-16	22-Jun-16	18-Jul-16
Number Issued	22,102,000	1,000,000	9,000,000
Class/Type of Security Issued	Options	Options	Options
Approval process	Approved 3 May 16	See Resolution 6	See Resolution 6
Summary of the Terms			
Names of the Allottees or basis on which they were determined	Directors and Employee in lieu of fees and wages	Proserpine Capital - issued pursuant to a capital raising mandate for introduction of new investors.	Proserpine Capital and sophisticated investor clients
Exercise Price (cents)	2.50	4.00	4.00
Expiry Date	03-May-19	22-Jun-19	18-Jul-19
Premium/(Discount) to Market Price	N/A	N/A	N/A
For cash issues:			
Cash consideration received (\$)	N/A	N/A	N/A
Amount of that cash that has been spent (\$)	N/A	N/A	N/A
Use of cash consideration	N/A	N/A	N/A
Intended use for remaining amount of cash	N/A	N/A	N/A
For non-cash issues:			
Non-cash consideration paid (\$)	Nil	Nil	Nil
Current value (using Black-Scholes) of that non-cash consideration booked as a share based payment at 30 June 2016 (\$)	337,526	15,569	140,120

(h) Voting exclusion statement

A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

1.3 Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

RESOLUTION 4 – RATIFICATION OF PREVIOUS SHARE ISSUE – JUNE 2016

On 22 June 2016 the Company issued 3,750,000 fully paid ordinary shares at a price of 2.0 cents per Share.

Whilst the issue made on 22 June 2016 did not require the prior approval of Shareholders as it was within the Company's existing 15% placement capacity, the purpose of this resolution is to give approval to the allotment of these Shares in accordance with the requirements of Listing Rule 7.4 to provide the Company with the flexibility to issue further securities in accordance with the limits under the Listing Rules should the need arise in the future.

The following information is provided to Shareholders in accordance with the requirements of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 3,750,000;
- (b) the Shares were issued at an issue price of 2.0 cents per Share;
- (c) the Shares were fully paid ordinary shares in the capital of the Company;
- (d) the allottees of the Shares were sophisticated and professional investors; and
- (e) the funds raised from the issue of the Shares were used to fund development of the Penny's Find Gold Project and to provide working capital.

The approval given under this resolution is not given for any other purpose other than to provide the Company with the flexibility to issue further securities.

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE – JULY 2016

As announced on 11 July 2016, the Company conducted a placement to sophisticated and professional investors (as defined in sections 708(8) and 708(11) of the Corporations Act respectively) ("Placement"). By way of background, the Company has issued 63,000,000 Placement Shares, under the Company's placement capacity under listing rules 7.1 and 7.1A, at the issue price of 2.0 cents per Placement Share, raising approximately \$1.260 million (before costs).

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to an additional 10% under Listing Rule 7.1A if shareholders ratify the previous issue of securities.

Accordingly, under Resolution 5, the Company seeks from Shareholders approval for, and ratification of, the issue of a total of 63,000,000 Placement Shares, comprising the following:

- (a) 34,317,721 Placement Shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months; and
- (b) 28,682,279 Placement Shares so as to restore the capacity of the Company to issue further Equity Securities under Listing Rule 7.1A.

The 63,000,000 Placement Shares issued, for which approval and ratification is sought under Resolution 5, comprise 15.02% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) the number of Placement Shares allotted and issued was 63,000,000;
- (b) the Placement Shares were issued at an issue price of 2.0 cents per Share;
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company applied to ASX for official quotation of the Placement Shares;
- (d) The Placement Shares were issued and allotted to professional and sophisticated investors; and
- (e) The funds raised from the issue of the Placement Shares are to be used by the Company for the development of the Penny's Find Gold Project and to provide working capital.

RESOLUTION 6 – RATIFICATION OF PREVIOUS OPTION ISSUE – JUNE AND JULY 2016

On 22 June 2016 and 18 July 2016, the Company issued 1,000,000 and 9,000,000 Options (ASX code ERLAA) respectively over fully paid ordinary shares to Proserpine Capital Partners Pty Ltd and its clients, pursuant to a capital raising mandate for the introduction of new investors.

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Accordingly, under Resolution 6, the Company seeks from Shareholders approval for, and ratification of, the issue of a total of 10,000,000 Options so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) the number of Options allotted and issued was 10,000,000;
- (b) the Advisory Options were issued for no consideration;
- (c) the Advisory Options have an exercise price of 4.0 cents per share with 1,000,000 expiring on 22 June 2019 and 9,000,000 expiring on 18 July 2019, and they were issued on the terms outlined in Schedule 1;
- (d) the allottees of the Options were Proserpine Capital Partners Pty Ltd and its professional and sophisticated investor clients, none of who are related parties of the Company ; and
- (e) no funds were raised from the issue of the Options, which were issued pursuant to a capital raising mandate for the introduction of new investors.

**TERMS AND CONDITIONS OF UNLISTED OPTIONS
JUNE & JULY 2016**

1. No monies will be payable for the issue of the Unlisted Options ("Options").
2. A certificate will be issued for the Options.
3. The Options will expire three years from the date of issue (1,000,000 on 22 June 2016 and 9,000,000 on 18 July 2016 ("**Expiry Date**"), and may be exercised prior to 22 June 2019 and 18 July 2019 respectively ("**Exercise Period**").
4. Subject to conditions 12 and 13 the Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Shares allotted to Option holders on exercise of the Options will be issued at a price of 4.0 cents each ("**Exercise Price**").
6. The Exercise Price of Shares the subject of the Options will be payable in full on exercise of the Options.
7. Options will be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to:
 - (a) exercise all or a specified number of Options; and
 - (b) pay the subscription monies in full for the exercise of each Option.The notice must be accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.
8. The Company will allot the resultant Shares and deliver the share certificate or holding statement within ten business days of the exercise of the Option.
9. Options will not be listed for official quotation on the Australian Stock Exchange Limited ("**ASX**").
10. The Options will not be transferable.
11. There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to shareholders during the currency of the Options. Prior to any new pro rata issue of securities to shareholders, holders of Options will be notified by the Company in accordance with the requirements of the Listing Rules of the Australian Stock Exchange.
12. In the event of a bonus issue the number of Shares over which the Options are exercisable may be increased by the number of Shares which the option holders would have received if the Options had been exercised before the record date for the bonus issue.
13. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules.
14. Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
15. The Company will in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of Options listed for official quotation provided that the Company is only required to apply for official quotation by the ASX if lots of 500,000 Options are exercised in aggregate.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

EMPIRE RESOURCES LIMITED

REGISTERED OFFICE:
53 CANNING HIGHWAY
VICTORIA PARK WA 6100

ACN: 092 471 513

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
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AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
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T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE
ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am WST on Tuesday 18 October 2016 at Level 4, 130 Stirling Street, Perth WA 6000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies **in FAVOUR** of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*
1. Adoption of Remuneration Report (Non-Binding Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To Re-Elect Mr Adrian Jessup as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Previous Share Issue - June 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Previous Share Issue - July 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of Previous Option Issue - June and July 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder <input style="width: 100%; height: 20px;" type="text"/> Sole Director & Sole Company Secretary	Security Holder 2 <input style="width: 100%; height: 20px;" type="text"/> Director	Security Holder 3 <input style="width: 100%; height: 20px;" type="text"/> Director/Company Secretary
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Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Sunday 16 October 2016.



My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

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Telephone +61 8 9315 2333

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Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



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