

**This is a supplementary prospectus to be read with the Prospectus dated 7 November 2006 issued by Empire Resources Limited.**

**EMPIRE RESOURCES LIMITED**

ACN 092 471 513

**SUPPLEMENTARY PROSPECTUS**

This Supplementary Prospectus is dated 1 December 2006 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 1 December 2006. ASIC and the ASX do not take any responsibility for the contents of this Supplementary Prospectus.

This document is supplementary to the Prospectus dated 7 November 2006 issued by Empire Resources Limited and must be read together with that Prospectus. Pursuant to Section 719(4) of the Corporations Act, the information set out in this Supplementary Prospectus is taken to be included in the Prospectus. Terms defined in the Prospectus have the same meaning in this Supplementary Prospectus except where otherwise defined in this Supplementary Prospectus.

**1. INTRODUCTION**

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On 7 November 2006 Empire Resources Ltd (**Company**) issued the Prospectus offering for subscription up to 30,000,000 shares at an issue price of \$0.20 each.

ASIC has requested that the company provide further information in relation to:

- (a) risks pertaining to the Company. Attached as Annexure A is additional information for inclusion immediately before the section entitled "Chairman's Letter"; and
- (b) the use of funds raised by the Company if the Company raises an amount more than the Minimum Subscription but less than the full subscription. Attached as Annexure B is additional information for inclusion as the fifth paragraph of Section 1.4 of the Prospectus.

**2. OPTIONS FOR INVESTORS**

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Section 724 of the Corporations Act requires the Company to give investors a copy of this Supplementary Prospectus and to give investors the option to withdraw their application and be repaid any money paid to the Company.

Investors have three options:

- (a) Any investor who has submitted an Application to the Company has a period of one month from the date of this Supplementary Prospectus to withdraw their Application by notice in writing to the Company. Any such notice must be received by the Company by no later than 1 January 2007.
- (b) If you do not wish to withdraw your Application you do not have to take any action.
- (c) If you receive this Supplementary Prospectus with the Prospectus and wish to apply for Shares you may do so only on the Application Form attached to this Supplementary Prospectus.

**3. CLOSING DATE**

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The Company has extended the Closing Date of the Prospectus to 31 January 2007.

**4. DIRECTORS' AND OTHER CONSENTS**

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In accordance with Section 720 of the Corporations Act, each Director of the Company has consented in writing to the lodgement of this Supplementary Prospectus.

Dated: 1 December 2006.

Signed for and on behalf of Empire Resources Limited by:

**Adrian Jessup**  
(Director)

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Annexure A

## **RISKS TO THE INVESTOR**

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 Prospectus.

### **THE COMPANY MAY NOT BE ABLE TO MINE URANIUM**

As noted elsewhere in the Prospectus, 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 for a report on the tenements in general and legal title.

Investors should refer to the Solicitor's Report in Section 6 for a report on the impact of Native Title on mining tenements.

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### **Capital Requirement Risk**

The Issue is not underwritten.

Exploration expenditure requirements are set out at Section 1.4 and 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 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, the share 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.

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Annexure B

If less than the full amount of funds are raised the Company proposes to concentrate its exploration efforts and consequent expenditure as set out below.

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 the Independent Consulting Geologist's report at Section 5 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:

1. Torrens;
2. Penny's Find;
3. Yuinmery;
4. Troy Creek;
5. Noonie; and
6. Paradis,

while ensuring that the minimum exploration requirements of each project are met.

The exploration programs are dependent upon the:

- success of any particular part of the program; and
- 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.

It is not possible to state with any degree of certainty which component of the exploration program will proceed in the event that the Company obtains encouraging results and needs to expedite exploration on any particular aspect of any particular project.

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## SUPPLEMENTARY APPLICATION FORM

For the issue of up to 30,000,000 fully paid ordinary shares at \$0.20 each.

To: EMPIRE RESOURCES LTD  
C/o Security Transfer Registrars Pty Ltd  
770 Canning Highway,  
Applecross Western Australia 6153

Applications must be for a minimum of \$2,000 and thereafter in multiples of 1,000 Shares.

I/We apply for .....Shares in Empire Resources Ltd at an issue price of 20 cents per Share and attach our cheque (or evidence of direct remittance) for \$..... being the subscription amount for this Application.

### REGISTRATION DETAILS

Applicant's Name:			
ACN			
Address			
Suburb	State	Postcode	
Phone (w)	Contact Name		
Phone	Email Address		

#### Broker Sponsored Application only:

S.B.N./ I.P.N.	HIN:
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#### Cheque details:

Drawer:	Amount: A\$:
Bank:	Branch:

Make cheques payable to "Empire Resources Limited Share Issue Account"

#### Acknowledgement

By lodging this Application form together with attached or accompanying funds, I/We whose name(s) and address appear above:

- hereby apply for the number of Shares in the Company at an issue price of \$0.20 (20 cents) per Share stated in this Application Form;
- agree that this Application is irrevocable;
- acknowledge that the offer of Shares is made pursuant to the Prospectus dated 7 November 2006, and the Supplementary Prospectus Dated 1 December 2006;
- agree to be bound by the Constitution;
- authorise and direct the Company to enter my/our name(s) in the Register of Shareholders of the Company, as the holder/s of the Shares allotted and issued to me/us in respect of this application; and
- declare that all details and statements made by me/us are complete and accurate.

To be received by Empire Resources Ltd no later than 5.00pm (WST) 31 January 2007