SMG Indium Resources Ltd.
Form S-1/A
March 10, 2011

As filed with the Securities and Exchange Commission on March 10, 2011

File No: 333-165930

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 5

TO

FORM S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

SMG INDIUM RESOURCES LTD.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	1090	51-0662991
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

41 University Drive, Suite 400
Newtown, Pennsylvania 18940
(215) 809-2039

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Alan Benjamin, CEO
41 University Drive, Suite 400
Newtown, Pennsylvania 18940
(215) 809-2039

(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of the registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company:

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company x

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CALCULATION OF REGISTRATION FEE

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes 900,000 units, 900,000 shares of the Registrant s Common Stock and 900,000 warrants underlying such units, which may be issued upon exercise of a 45-day option granted to the underwriters to cover over-allotments, if any.

(3) Pursuant to Rule 416, there are also being registered such indeterminable additional securities as may be issued to prevent dilution as a result of stock splits, stock dividends or similar transactions.

(4) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

(5) Offered pursuant to the Registrant s initial public offering.

(6) No fee pursuant to Rule 457(g).

(7) Represents shares of the Registrant s Common Stock being registered for resale that will be issued to the selling security holders upon the automatic conversion of the Class A Common Stock.

(8) $10,301.24 has been previously paid for the registration of 10,000,000 units and such amount deemed fully paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

This registration statement contains two prospectuses. One prospectus (the Prospectus) is to be used in connection with an initial public offering of 6,000,000 units. The other prospectus (the Selling Securityholder Prospectus) is to be used in connection with the potential resale by certain selling securityholders of an aggregate of 1,396,320 shares of our common stock issuable upon conversion of our outstanding Class A Common Stock, the exercise of 1,201,400 warrants issued in a private placement of our securities that closed on January 8, 2010, or the 2009 Private Placement, and the exercise of 232,720 warrants to be issued to investors in the 2009 Private Placement upon closing of this offering. The Prospectus and the Selling Securityholder Prospectus will be identical in all respects except for the alternative pages for the Selling Securityholder Prospectus included herein which are each labeled Alternative Page for Selling Securityholder Prospectus.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION, DATED MARCH 10, 2011**

SMG INDIUM RESOURCES LTD.

6,000,000 Units

This is an initial public offering of our securities. Each unit has an offering price of $5.00 and consists of:

- one share of our common stock; and
- one warrant.

Each warrant entitles the holder to purchase one share of our common stock at a price of $5.75. Each warrant will become exercisable upon the date of this prospectus, and will expire on _______, 2016 **[five years from the date of this prospectus]**, or earlier upon redemption.

We have granted to the underwriters a 45-day option to purchase up to 900,000 additional units solely to cover over-allotments, if any (over and above the 6,000,000 units referred to above). The over-allotment will be used only to cover the net syndicate short position resulting from the initial distribution.

There is presently no public market for our units, common stock or warrants. It is anticipated that our units, common stock and warrants will be quoted on the OTC Bulletin Board and/or the OTCQB marketplace operated by Pink OTC Markets Inc. (OTCQB) under the symbols [TICKER], [TICKER] and [TICKER], respectively, and we anticipate that the units will begin trading on the OTC Bulletin Board and/or the OTCQB promptly after the date of this prospectus. Initially, only the units will trade. Each of the common stock and warrants will begin trading separately beginning on the 90th day after the date of this prospectus unless the representatives of the underwriters determine that an earlier date is acceptable. In no event will the representatives of the underwriters permit separate trading of the common stock and warrants until the business day following the earlier to occur of the expiration of the underwriters over-allotment option or its exercise in full.

We will enter into an amendment to the Management Services Agreement with Specialty Metals Group Advisors LLC (Manager), initially executed on November 24, 2009, upon consummation of this offering regarding management of our company. As of the date of this prospectus, our Manager has purchased on our behalf approximately 9.2 metric tons of indium utilizing the proceeds from the private placement offering completed on January 8, 2010. The price of indium is volatile. In the past ten years, the price of indium has ranged from as low as $70 per kilogram to as high as $1,070 per kilogram. On February 25, 2011, the price of indium was quoted by Metal Bulletin on Bloomberg L.P. at $630 per kilogram.

The Manager expects to fully utilize a minimum of 85% of the net proceeds from this offering to purchase (or contract to purchase) and stockpile indium within 18 months of the date of this prospectus. If we are unable to use all of the

85% of the net proceeds from this offering to purchase and stockpile indium within such 18 month period, then we will return to the shareholders their pro-rata portion of the unused net proceeds designated for the purchase and stockpile of indium. In the event we return the unused proceeds to our shareholders, there will be a direct and materially adverse impact on the possibility that a potential shareholder could receive a positive return on their investment. In addition, for a potential shareholder to receive a return on their investment, the price of indium would need to appreciate substantially to offset the reduction in our Net Market Value associated with the initial offering expenses and our operating expenses, regardless of our ability to purchase indium in a timely manner.

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 8 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

	Per Share	Total Proceeds
Public offering price	$5.00	$30,000,000
Underwriting discounts and commissions(1)(2)	$0.25	$1,125,000
Proceeds to us (before expenses)(3)	$4.75	$28,875,000

(1) Does not include a non-accountable expense allowance in the amount of 1% of gross proceeds, excluding the over-allotment option, or $ 0.05 per share, payable to the representatives of the underwriters or an option to purchase up to 300,000 units, at an exercise price equal to 110% of the offering price of the units sold in this offering, to be issued to the representatives of the underwriters. See Underwriting.

(2) We have requested that the underwriters reserve up to 1,500,000 of the 6,000,000 units offered in this prospectus, in the aggregate, for sale to Raging Capital Fund L.P. and Raging Capital Fund Q.P., L.P. at the initial public offering price. Raging Capital Management, LLC, an entity controlled by William C. Martin, one of our directors and through RCM Indium, LLC, a member of our Manager, is the General Partner of both Raging Capital Fund QP, LP and Raging Capital Fund, LP. The units sold to Raging Capital Fund L.P. and Raging Capital Fund Q.P., L.P. will not be subject to the underwriting discount and commission.

(3) We estimate that the total expenses of this offering, excluding the underwriters discount and the non-accountable expense allowance, will be approximately $550,000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We are offering the units for sale on a firm-commitment basis. The underwriters expect to deliver our securities to investors in the offering on or about April [ ], 2011.

Sunrise Securities Corp. **Rodman & Renshaw, LLC**

The date of this prospectus is March 10, 2011

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from or in addition to that contained in this prospectus. We are offering to sell, and are seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. Our business, financial conditions, results of operations and prospects may have changed since the date of this prospectus.

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For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

Industry and Market Data

In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data.

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PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. As this is a summary, it does not contain all of the information that you should consider in making an investment decision. You should read the entire prospectus carefully, including the information under Risk Factors and our financial statements and the related notes included in this prospectus, before investing. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

Unless otherwise stated in this prospectus:

references to we, us or our company refer to SMG Indium Resources Ltd.;

the term Manager refers to Specialty Metals Group Advisors LLC;

the term Management Services Agreement refers to that certain agreement entered into between us and the Manager, dated as of November 24, 2009, regarding the management of our company, which will be amended and restated immediately prior to the consummation of this offering; and

the term 2009 Private Placement refers to a private placement, which closed on January 8, 2010, in which we sold an aggregate of 1,163,600 units to 61 accredited investors, each unit consisting of (i) one share of Class A common stock, par value $.001 per share, and (ii) one warrant to purchase one share of common stock at an exercise price of $5.75 per share, for gross proceeds of $5,818,000. Under the terms of the 2009 Private Placement, upon the consummation of this offering, the Class A common stock will automatically convert into shares of our common stock and we will issue additional warrants to such investors.

In addition, unless we tell you otherwise, the information in this prospectus assumes that the underwriters will not exercise their over-allotment option and assumes that Raging Capital Fund, LP and Raging Capital Fund QP, LP shall purchase an aggregate of 1,500,000 of the 6,000,000 units in this offering. Raging Capital Management, LLC, an entity controlled by William C. Martin, one of our directors and through RCM Indium, LLC, a member of our Manager, is the General Partner of both Raging Capital Fund QP, LP and Raging Capital Fund, LP.

Overview

We were incorporated under the laws of the State of Delaware on January 7, 2008. On April 2, 2008, we changed our name from Specialty Metals Group Indium Corp. to SMG Indium Resources Ltd. We were formed to purchase and stockpile the metal indium, and we will use at least 85.0% of the net proceeds of this offering to purchase and stockpile already processed and mined indium ingots within 18 months from the date of this prospectus. In the event we are unable to utilize all 85% of the net proceeds from this offering to purchase or contract to purchase and stockpile indium within 18 months from the date of this prospectus, we will return to the shareholders their pro-rata share of the unused proceeds designated for the purchase and stockpile of indium. Indium is an essential raw material for a number of consumer electronics applications. The primary commercial application of indium is in coatings for the flat panel display (FPD) industry and in the liquid crystal display industry (LCD) on electronic devices such as television sets, computers, cell phones and digital cameras. Indium is also increasingly being used as an important raw material in the solar energy industry, where it is mainly used for high-efficiency photovoltaic cells in the form of thin-film photovoltaics. Other uses of indium are in high-speed semiconductors, light emitting diodes (LED), electrical components, alloys and solders. Information regarding the indium industry s largest producers and users is limited and not readily available to the public. Furthermore, we are not aware of the type of information, if any, regarding the indium market that other indium market participants may possess or have access to. Our inability to access this information may place us at a potential competitive disadvantage as compared to the other market participants who may have access to such information.

Our strategy is to achieve long-term appreciation in the value of our indium stockpile, and not to actively speculate with regard to short-term fluctuations in indium prices. We plan to achieve long-term appreciation in the value of our indium stockpile primarily through price appreciation of the physical metal. While it is not our current intention to do so in the short term, at our discretion, we may subsequently lend or sell some or all of our indium stockpile to cover our operating expenses. Although the price of indium has declined substantially since 2005, it is our belief that the long-term industry prospects for indium are attractive and,

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over time, the price of the metal will appreciate. To our knowledge, purchasing shares in our company is currently the only way for investors to participate in the price appreciation of indium other than physical delivery of the metal itself. The purpose of our company is to permit a simple and efficient mechanism by which an investor may benefit from the appreciation in the price of indium. Our indium is and will be physically stored in third-party facilities. Although we will not retain a custodian, the third-party storage facilities will provide services consistent with those typically provided by a custodian, such as storage and safeguarding the indium, insurance, transferring of the indium in and out of the facility, visual inspections, spot checks, arranging and facilitating for independent third-party assays, confirmation of deliveries to supplier packing lists and reporting of transfers of our indium inventory to our company and auditors. Although there can be no assurance that the price of indium or value of our company or our securities will increase over time, our investors will have the ability to invest in a company whose value may be tied to its interest in indium in a manner that does not directly include the risks associated with ownership of companies that explore for, mine or process indium.

Our business model is designed to capture the long-term appreciation of the price of indium. Historically, the price of indium has been extremely volatile and subsequent to periods of price appreciation, the price of indium has suffered substantial price declines. According to Metal Bulletin as posted on Bloomberg L.P., over the last year, the price of indium has appreciated approximately 14.0%, from $553 per kilogram in February 2010 to $630 per kilogram in February 2011. Over the last five years, the price of indium has depreciated approximately 37.2% (8.9% annualized), from $1,003 per kilogram in February 2006 to $630 per kilogram in February 2011. Over the last ten years, the price of indium has appreciated approximately 425.0% (18.0% annualized), from $120 per kilogram in February 2001 to $630 per kilogram in February 2011. Over the last fifteen years, the price of indium has appreciated approximately 27.3% (1.6% annualized) from $495 per kilogram in February 1996 to $630 per kilogram in February 2011. According to the U.S. Geological Survey, over the last twenty-five years, the price of indium has appreciated approximately 650.0% (8.4% annualized), from $84 per kilogram in 1986 to $630 per kilogram in February 2011. Over the last fifty years, the price of indium has appreciated approximately 775.0% (4.4% annualized), from $72 per kilogram in 1961 to $630 per kilogram in February 2011. However, historical prices of indium are not indicative of future prices.

Our stockpile of indium may decrease over time due to sales of indium necessary to pay the expenses of this offering and our annual operating expenses. Without increases in the price of indium sufficient to compensate for such decreases, our net market value (NMV) may also decline. Our NMV is determined by multiplying the number of kilograms of indium held by us by the last spot price for indium published by the Metal Bulletin posted on Bloomberg L.P., plus cash and other assets, less any liabilities. The spot price for indium is published by the Metal Bulletin and posted on Bloomberg L.P. bi-weekly and we intend to publish the updated spot price, the quantity of our indium held in inventory and our NMV on our website on a bi-weekly basis. Regardless of our ability to purchase indium in a timely manner, we will incur initial offering expenses of approximately $550,000 and projected yearly operating expenses of approximately $1,170,000 prior to spending any proceeds from this offering to stockpile indium. We anticipate our yearly operating expenses will increase by approximately $90,000 to approximately $1,260,000 per annum once we are able to fully utilize the net proceeds from this offering allocated to purchase and stockpile indium. The price of indium would need to appreciate substantially to offset the reduction in our NMV due to the expenses listed above. The percentage increase required cannot be accurately determined at this time. It is highly dependent upon several variables including, but not limited to, the exact number of kilograms of indium purchased, the average price paid and the amount of time it takes for us to fully spend the net proceeds from this offering to complete the buildup of our indium stockpile.

Private Placement

On January 8, 2010, we completed a private placement offering of an aggregate of 1,163,600 units to 61 investors for gross proceeds of $5,818,000. Each unit consisted of one share of Class A common stock, par value $.001 per share, and one warrant to purchase one share of common stock at an exercise price of $5.75 per share, which shall become exercisable upon the closing of this offering. In accordance with the terms of the private placement, upon the successful completion of this offering, each share of Class A common stock shall automatically convert into one share of common stock, subject to certain adjustments,

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including the purchase price of the private placement unit compared to the purchase price of the units in this offering, the amount of time elapsed between the private placement and successful completion of this offering, and the change in our NMV between the closing of the private placement and this offering, as more fully discussed elsewhere in this prospectus. We will also issue additional warrants to the investors in the 2009 Private Placement upon completion of this offering based on the same pre-determined formula regarding conversion of the Class A common stock.

Our principal office is located at 41 University Drive, Suite 400, Newtown, Pennsylvania 18940.

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THE OFFERING

Securities offered:

6,000,000 units, at $5.00 per unit, each unit consisting of:

one share of common stock, par value $.001 per share; and

one warrant.

Trading commencement and separation of common stock and warrants:

The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants may trade separately on the 90th day after the date of this prospectus unless the representatives of the underwriters determine that an earlier date is acceptable. In no event will the representatives of the underwriters allow separate trading of the common stock and warrants until the underwriters over-allotment option has either expired or been exercised. The units will continue to trade along with the common stock and warrants after the units are separated. Holders will need to have their brokers contact our transfer agent in order to separate the units into common stock and warrants.

Common stock and Class A common stock:(1)

Number outstanding before this offering

155,000 shares of common stock
1,163,600 shares of Class A common stock

Number to be outstanding after this offering

7,476,320 shares of common stock
0 shares of Class A common stock

Warrants:(1)

Number outstanding before this offering

1,201,400 warrants

Number to be outstanding after this offering

7,434,120 warrants

Exercisability

Each warrant is exercisable for one share of common stock.

Exercise price

$5.75 per share

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances, including in the event of a stock dividend, extraordinary dividend or our recapitalization, reorganization, merger or consolidation.

Exercise period

The warrants are immediately exercisable.

The warrants will expire at 5:00 p.m., New York City time, on [ ], 2016 **[five years from the date of this prospectus]** or earlier upon redemption.

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Redemption

We may redeem the outstanding warrants (except for the warrants included in the unit purchase option issued to the underwriters) at any time after [ ], 2011 **[six months from the date of this prospectus]**:

in whole and not in part,

at a price of $.01 per warrant at any time after the warrants become exercisable,

upon a minimum of 30 days prior written notice of redemption, and

if, and only if, the last sales price of our common stock equals or exceeds $8.00 per share for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption.

In addition, we may not redeem the warrants unless the warrants included in the units sold in this offering and the shares of common stock issuable upon exercise of those warrants are covered by an effective registration statement and a current prospectus is available throughout the 30-day notice of redemption period.

If the foregoing conditions are satisfied and we call the warrants for redemption, each warrant holder shall then be entitled to exercise his, her or its warrants prior to the date scheduled for redemption.

The redemption provisions for our warrants have been established at a price which is intended to provide the warrant holders with a premium to the market price as compared to the initial exercise price. There can be no assurance, however, that the price of the common stock will exceed either the redemption trigger price of $8.00 or the warrant exercise price of $5.75 after we call the warrants for redemption.

Proposed OTC Bulletin Board and/or OTCQB symbols for our:

Units	[TICKER]
Common stock	[TICKER]
Warrants	[TICKER]

Management

We entered into a Management Services Agreement with our Manager, Specialty Metals Group Advisors LLC, on November 24, 2009. Prior to the consummation of this offering, the Management Services Agreement will be amended and restated to provide for a new term of five years to commence upon the completion of this offering and the inclusion of an additional transaction-based fee discussed below. Pursuant to the Management Services Agreement, as amended and restated, the Manager is responsible for: (i) the purchase and sale of indium, (ii) submission of written reports detailing the delivery and payment particulars regarding each purchase and sale to our board of directors, (iii) the arrangement of the storage of the indium at third-party facilities, (iv) prepare bi-weekly reports on the NMV of our common stock, spot price of indium and our company s indium inventory to be published on our company s website, (v) preparing regulatory filing materials, reports to our stockholders and other reports to our board of directors and (vi) generally managing our business and affairs.

The Management Services Agreement, as amended and restated, will have an initial term of five years, with options to renew such Management Services Agreement on terms mutually acceptable to each party, and may be terminated by either party upon 90 days prior written notice, subject to the payment of termination fees in certain circumstances. We are responsible for paying all costs and expenses incurred in connection with our business, except those expressly assumed by the Manager. We pay the Manager a fee equal to 2.0% per annum of our NMV, which fee shall be paid monthly. The members of Specialty Metals Group Advisors LLC are as follows: Ailon Z. Grushkin, our President; Richard A. Biele, our Chief Operating Officer; Alan Benjamin, our Chairman and Chief Executive Officer and RCM Indium LLC, a Delaware limited liability company, whose sole member is Raging Capital Management, LLC, whose sole member is William C. Martin, our director. Specialty Metals Group Advisors LLC is managed by Ailon Z. Grushkin.

Use of Proceeds

Our current estimate of the use of the net proceeds of this offering is as follows: (i) 85.0% to purchase and stockpile already processed and mined indium ingots, and (ii) the remaining 15.0% shall be used for general corporate purposes, including working capital.

Risk Factors

See *Risk Factors* and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock. Persons should not invest unless they can afford to lose their entire investment.

We have been informed that two holders of greater than 5% of our shares of common stock, Raging Capital Fund L.P. and Raging Capital Fund Q.P., L.P. intend to purchase up to an aggregate of $7,500,000, or 1,500,000 units, in this offering. Such 1,500,000 units purchased by Raging Capital Fund L.P. and Raging Capital Fund Q.P., L.P. will not be included as part of the Directed Unit Purchase Program described herein.

Both entities are managed by William C. Martin, our director and the sole member of Raging Capital Management, LLC. Raging Capital Management, LLC is the sole member of RCM Indium, LLC, a Delaware limited liability company that is a member of our Manager.

(1) Unless otherwise stated in this prospectus, information in this prospectus:
Assumes that the underwriters over-allotment option will not be exercised;
Excludes the securities underlying the underwriters unit purchase option;

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Reflects the automatic conversion of the Class A common stock issued in the 2009 Private Placement into an aggregate of 1,396,320 shares of common stock upon closing of this offering, assuming no adjustments are made;
Reflects the automatic conversion of 75,000 shares of common stock owned by the Manager into options to purchase 150,000 shares of common stock at $4.50 per share upon consummation of this offering;
Includes the issuance of 232,720 additional warrants to the investors in the 2009 Private Placement upon completion of this offering;
Excludes shares of common stock issuable upon exercise of the warrants included in the units issued in the 2009 Private Placement;
Excludes 74,999 shares of common stock issuable upon the exercise of outstanding options at a weighted average exercise price of $7.50 per share;
Excludes 420,001 shares of common stock available for issuance under the 2008 Long-Term Incentive Compensation Plan;
Excludes 155,000 shares of common stock issuable upon the exercise of options granted to the Manager in connection with the consummation of the 2009 Private Placement at a weighted average exercise price of $4.50 per share;
Excludes 150,000 shares of common stock issuable upon the exercise of options granted to the Manager in connection with the conversion of a note in the principal amount of $265,000 payable by us to the Manager, at a weighted average exercise price of $4.50 per share, upon consummation of this offering;
Excludes 150,000 shares of common stock issuable upon the exercise of outstanding options granted to the Manager in connection with the conversion of 75,000 shares of common stock by us to the Manager, at a weighted average exercise price of $4.50 per share, upon consummation of this offering;
Excludes 50,000 shares of common stock issuable upon the exercise of outstanding options granted to members of the board of directors and Chief Financial Officer at a weighted average exercise price of $4.50 per share;
Excludes shares of common stock underlying the warrants issued in this offering as part of the units; and
Excludes shares of common stock issuable upon exercise of the additional 232,720 warrants issued to the investors in the 2009 Private Placement upon completion of this offering.

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RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus before making a decision to invest in our units. Additional risks and uncertainties that we are unaware of may become important factors that affect us. If any of the following events occur, our business, financial conditions and operating results may be materially and adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.

Risks Specific to Our Business

We have an unproven business model and it is uncertain whether the purchase, lending or sale of indium will generate sufficient revenues for us to sustain operations.

Our model for conducting business is still new and unproven. The proceeds from this offering designated for general corporate purposes, including working capital, will generate enough cash for us to sustain operations for approximately 45 months after the completion of this offering. After such 45 months, our ability to support ongoing annual operational expenses may depend upon our ability to either raise capital or our ability to generate revenue streams from purchasing, lending and selling indium. However, it is uncertain whether we will be able to raise additional capital or that the purchase, lending and sale of indium can generate sufficient revenues for us to survive. Accordingly, we are not certain that our business model will be viable.

We address a new market which may not develop as we predict or in a way that will justify our purchase of indium.

There is no public market for the sale of indium. Since indium is primarily a byproduct of zinc mining, the supply does not vary directly with market price. Currently, primary indium production increases only if zinc miners increase zinc production. We may not, and our Manager may not, be able to acquire indium, or once acquired, lend or sell indium for a number of years. The pool of potential purchasers and sellers is limited and each transaction may require the negotiation of specific provisions. In addition, the supply of indium is limited. World refinery production of indium was estimated by the U.S. Geological Survey, or USGS at 582 metric tons in 2006, 563 metric tons in 2007, 573 metric tons in 2008, 546 metric tons in 2009 and 574 metric tons in 2010. The total size of the primary indium market was approximately $217.1 million in 2009 based on the USGS s revised estimated production figure and Metal Bulletin s average price for indium of $397.55 per kilogram in 2009 on Bloomberg L.P. The total size of the primary indium market was approximately $325.5 million in 2010 based on the USGS s estimated production figure and Metal Bulletin s average price for indium of $567.13 per kilogram in 2010 on Bloomberg L.P. We will utilize at least 85.0% of the net proceeds of this offering to create a stockpile of indium within 18 months from the date of this prospectus, which may require us to acquire indium from several sources and at wide ranging prices. Based on the spot indium price of $630 per kilogram on February 25, 2011, we would need to purchase approximately 37.8 metric tons to utilize 85.0% of the net proceeds of this offering. We may experience additional difficulties purchasing indium in the event that we are a significant buyer. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the share price of our common stock.

We may distribute unused proceeds of this offering to our stockholders as a return of capital and, in such event, our stock price and NMV may decrease.

If the Manager has not, within 18 months from the date of this prospectus, purchased or contracted to purchase indium in sufficient quantity to utilize at least 85% of the net proceeds of this offering or 100% of the proceeds that have been allocated for the purchase of indium, our board of directors will distribute such unused proceeds to our stockholders, pro-rata, as a return of capital. Any such distributions will lower the amount of cash available to purchase additional indium which will, in turn, lower the NMV of our company. Such unused proceeds will be calculated based upon the sum of (i) monies spent by us to acquire the indium during the 18 month period and (ii) monies contracted to be spent by our company on acquiring indium over the ensuing 12 months from the end of such 18 month period. In the event such proceeds are returned to the stockholders, the stockholders may not recover their initial investment due to the fact that a portion of such proceeds will be used to pay expenses related to this offering and other operational fees and expenses.

Information regarding the indium industry s largest producers and users, including data regarding exclusive long-term purchase or supply agreements, is limited and not readily available. Such inability to access this information places us at a potential competitive disadvantage, which may adversely affect our ability to purchase and stockpile indium.

Indium industry producers and users do not publicly disclose sufficient information to determine with certainty the largest producers and users of indium. In addition, company-specific indium usage is not information that is typically publicly disclosed by industry participants. This makes it difficult for investors to assess indium industry dynamics, our competition, and various other risks we face.

Industry producers, recyclers, secondary fabs, and end users do not reveal industry data quantifying the amount of indium purchased or sold under long-term exclusive supply contracts. As a result, we may not be able to determine if certain suppliers have long-term supply contracts with other parties, which may adversely affect our ability to obtain indium from such supplier. The lack of industry information could hinder our ability to purchase and stockpile indium.

In addition, we are not aware of any additional information, if any, regarding the indium market, or the type of market information other industry producers, purchasers, suppliers and other market participants may possess. Our inability to access this information, if any, places us at a potential relative competitive disadvantage to other market participants who may have access to such information. This may adversely affect our ability to purchase and stockpile indium.

Investors may face difficulty accessing the quoted price for indium on a daily basis, which may negatively impact an investor s ability to assess the value of their investment.

Indium s market price is infrequently quoted and investors may have to pay for subscriptions to various data service providers to access such information. Metal Bulletin, as posted on Bloomberg L.P., publishes the spot price of indium on a bi-weekly basis. We intend to post on our website, Metal Bulletin s published spot price of indium on a bi-weekly basis as well. Therefore, shareholders will not be able to access an updated spot price on a daily basis. Accordingly, investors in our common stock may not be able to readily access information regarding the current market price for indium prior to making an investment decision.

We expect to rely on a limited number of potential suppliers and purchasers of indium, which could affect our ability to buy and sell indium in a timely manner and negatively influence market prices.

The indium market is illiquid and considered small compared to the markets for base metals. There are a limited number of suppliers and purchasers of indium. If new companies are formed to purchase and stockpile indium, this would adversely affect our ability to procure sufficient quantities of indium on a timely basis or even at all.

Relying on a limited number of potential suppliers of indium and potential customers who purchase indium could (1) make it difficult to buy and sell indium in a timely manner, (2) negatively influence market prices by potentially having to sell indium to cover our operating expenses, or (3) drive up market prices if we are a large purchaser of indium and there is an indium shortage. As of the date of this prospectus, we have purchased an aggregate of 9.2 tons of indium using the proceeds of the 2009 Private Placement from three regular indium suppliers at an average price of

$500 per kilogram. Except for purchasing the 9.2 tons of indium from three suppliers, we have had limited discussion with other potential suppliers of indium and no other contracts or negotiations have been entered into with any other suppliers or purchasers of indium, and we cannot be certain that we will be able to meet our required purchases of indium.

We purchased 78.2% of our current indium stockpile utilizing the proceeds from the 2009 Private Placement from a current stockholder, Traxys North America LLC, and future purchases may present a conflict of interest.

Traxys Projects LP, 100% owned by Traxys S.a.r.l and its wholly owned subsidiary, Traxys North America LLC, and Traxys Commodity Fund LP each invested $500,000 in our 2009 Placement. This represents beneficial ownership in our Company by entities affiliated with Traxys North America LLC of 15.2% prior to this offering and 3.2%, if we successfully complete the proposed offering. We purchased an

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aggregate 7.2 tons of indium, approximately 78.2% of our current stockpile, from Traxys North America LLC utilizing proceeds from the 2009 Placement in which we spent approximately $4.6 million between December 2009 and March 2010 in 21 separate purchase orders. We believe we paid the fair market price at the time of each particular purchase order. Traxys North America LLC is an established and reputable indium supplier. We did not and do not have any outstanding special agreements or arrangements with Traxys S.a.r.l or any of its affiliates including its wholly owned subsidiary, Traxys North America LLC. Neither Traxys S.a.r.l nor any of its subsidiaries has any capital interest in Traxys Commodity Fund L.P. (the Fund) either as a general partner or as a limited partner; it does however have a portion of the carried interest in the Fund and is entitled to receive management fees from the Fund for providing management services. The Chairman and the CEO of Traxys North America LLC comprise two of the four members of the board of the Fund s general partner and, subject to the Board s approval, are primarily responsible for the Fund s investment decisions. We may attempt to purchase additional indium from Traxys North America LLC in the future and we may not be able to negotiate similar or more favorable pricing terms.

One of our principal stockholders controls a substantial interest in us and thus may influence certain actions requiring a stockholder vote.

As of the date of this prospectus, William C. Martin, a member of our board of directors, beneficially owns approximately 18.58% of our capital stock with voting rights through wholly owned entities Raging Capital Fund L.P, Raging Capital Fund Q.P., L.P and his Individual Retirement Account. Assuming the 6,000,000 units are sold in this offering and the purchase by an entity that Mr. Martin controls of 1,500,000 units in this offering, Mr. Martin will beneficially own 24.00% of our capital stock. In this case, Mr. Martin will be able to influence the outcome of all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions, and he will have significant influence over our management and policies. The interests of Mr. Martin and your interests may not always align and taking actions which require stockholder approval, such as selling the company, may be more difficult to accomplish.

The substitution of other materials for indium may decrease demand for indium and adversely affect the price of indium and, thus, our stock price.

Indium has substitutes in many, perhaps most, of its uses. Silicon has largely replaced indium in transistors. Gallium can be used in some applications as a substitute for indium in several alloys. In glass-coating applications, silver-zinc oxides or tin-oxides can be used. Zinc-tin oxides can be used in liquid crystal displays (LCDs). Other possible substitutes for indium glass coating are transparent carbon nanotubes and graphene. Indium phosphide can be substituted by gallium arsenide in solar cells and in many semiconductor applications. Hafnium can replace indium alloys in nuclear reactor control rods. The substitutions of such materials for indium may decrease the overall demand for indium, thereby lowering the price of indium and our common stock.

It will take time to acquire our supply of indium and during such time the price of indium may fluctuate and we may not purchase our stockpile at favorable prices.

We will expend 85% of the net proceeds of this offering to purchase our stockpile of indium within 18 months from the date of this prospectus. The price we pay for 99.99% purity indium ingots will fluctuate with the spot price of indium. Therefore the price per kilogram of indium may increase and we may not be able to purchase indium at favorable prices.

Our operating results are subject to fluctuation in the price of indium, which is subject to macroeconomic conditions that are largely outside of our control.

Our activities almost entirely will involve purchasing and stockpiling the metal indium. Therefore, the principal factors affecting the price of our securities are factors which affect the price of indium and are thus beyond our control. We may engage in lending transactions or sell portions of our indium stockpile if we need additional capital to cover annual operating expenses, so the value of our securities will depend upon, and typically fluctuate with, fluctuations in the price of indium. The market prices of indium are affected by rates

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of reclaiming and recycling of indium, rates of production of indium from mining, demand from end users of indium and indium-tin-oxide, and may be affected by a variety of unpredictable international economic, monetary and political considerations.

Macroeconomic considerations that may affect the price of indium include expectations of future rates of inflation, the strength of, and confidence in, the U.S. dollar, the currency in which the price of indium is generally quoted, and other currencies, interest rates and global or regional economic events. In addition to changes in production costs, shifts in political and economic conditions affecting indium producing countries may have a direct impact on their sales of indium. The fluctuation of the prices of indium is illustrated by the following table, which sets forth, for the periods indicated, the highs and lows of the spot price for indium:

Spot Indium Prices(1) 99.99% Purity (U.S.$/KG)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
High	330	910	1070	1025	750	730	550	650	700
Low	80	305	800	680	510	350	300	470	525

(1) Source: Metal Bulletin from Bloomberg L.P.

The price of indium has declined substantially since it peaked in March 2005. The price for indium has declined 41.1% from its high of $1,070 per kilogram in March 2005 to $630 per kilogram as of February 25, 2011. If we began operations in March 2005, and we purchased our stockpile at peak prices, the value of our stockpile would have decreased by more than 41.1% in approximately six years.

There may be a lack of correlation between indium prices, our NMV and our stock price.

Given the fee structure with our Manager and our operational expenses, the trading price of our common stock as listed on the OTC Bulletin Board, the OTCQB marketplace operated by Pink OTC Markets, Inc., or other quoted exchange, may not correlate with the trading price of indium. Regardless of our ability to purchase indium in a timely manner, we will incur initial offering expenses of approximately $550,000 and projected yearly operating expenses of approximately $1,170,000 prior to spending any proceeds from this offering to stockpile indium. We anticipate our yearly operating expenses will increase by approximately $90,000 to approximately $1,260,000 per annum once we are able to fully utilize the net proceeds from this offering allocated to purchase and stockpile indium. The price of indium would need to appreciate substantially to offset the reduction in our NMV due to the expenses listed above. The percentage increase required cannot be accurately determined at this time. It is highly dependent upon various variable factors including, but not limited to, the exact number of kilograms of indium purchased and the average price paid and the amount of time it takes for us to fully spend the allocated net proceeds from this offering to complete the buildup of our indium stockpile. As a result, there may be a lack of correlation between the trading price of indium, our NMV and our stock price.

The amount the price of indium needs to appreciate for us to achieve breakeven results in our NMV is difficult for potential investors to accurately determine because it is highly dependent upon several variables.

Regardless of our ability to purchase indium in a timely manner, we will incur initial offering expenses of approximately $550,000 and projected yearly operating expenses of approximately $1,170,000 prior to spending any proceeds from this offering to stockpile indium. We anticipate our operating expenses will increase by approximately $90,000 to approximately $1,260,000 per annum once we are able to fully utilize the net proceeds from this offering allocated to purchase and stockpile indium. The price of indium would need to appreciate substantially to offset the reduction in our NMV due to the expenses listed above and for us to achieve breakeven results in our NMV. The percentage increase in the price of indium required cannot be accurately determined at this time. It is highly dependent upon several variables including, but not limited to, the exact number of kilograms of indium purchased, the average price paid and the amount of time it takes for us to fully expend the net proceeds from this offering to complete the buildup of our indium stockpile.

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Our NMV is based on the price of 99.99% purity indium as quoted by Metal Bulletin and posted on Bloomberg L.P. Other information service providers may quote indium prices that differ from Metal Bulletin as posted on Bloomberg L.P., which may affect investors ability to determine our NMV.

Metal Bulletin quotes the price of 99.99% (known as 4N) purity indium in US Dollars per kilogram in Rotterdam warehouse, the universally recognized standard for location and industry-wide pricing for physical metals. Other services may quote the price of indium differently from Metal Bulletin s price as quoted on Bloomberg L.P. for a variety of reasons such as variations in purity levels, location of material, and source of origin. This may affect investors ability to accurately determine our NMV.

99.97% purity indium (3N7) may differ in price from 99.99% purity indium (4N) or even 99.999% purity indium (5N) based on market conditions.

There is no fixed price ratio between 3N7, 4N or 5N material in the indium industry. All purchases and sales of indium are individually negotiated. Typically, in a regular indium market, balanced supply and demand, the higher the purity of the indium, the more it costs. 4N indium is slightly more expensive than 3N7. 5N is slightly more expensive than 4N. In a declining indium market, the price of 3N7 purity indium is often quoted at an even greater discount to indium with purities of 4N or 5N. In some cases, the prices may be as much as 2.0% to 5.0% lower. Typically, when the price of indium is appreciating, there is often no difference in the price of 3N7 purity indium compared to 4N or 5N purity metal. These variations in indium prices may affect investors ability to accurately determine our NMV.

New York dealer price quotations may differ from European price quotations and Far East price quotations due to a variety of factors, which differences may affect investors ability to accurately determine our NMV.

At any given time, there are varying price quotations between different regions in the world. Some factors that may influence price variability include regional natural disasters that may drive up the price within that certain region because a local shortage of material may develop. At times, a surplus of indium may develop in certain regions that drive down prices locally as compared to the rest of the world. We will publish on our website our NMV bi-weekly. These changes in market conditions could negatively affect an investor s ability to accurately determine our NMV on a daily basis.

There has been no prior market for our units, our unit price may experience extreme price and volume fluctuations and any volatility in our unit price could result in claims against us.

Prior to this offering, investors could not buy or sell our units publicly. An active public market for our units may not develop or be sustained after the offering. The initial public offering price will be determined by negotiations between the underwriters representatives and us. The market price of our units may decline below the initial public offering price after this offering.

The market price of our units may fluctuate significantly in response to the following factors, some of which are beyond our control:

- fluctuations in the spot price of indium;
- supply and demand for indium;
- variations in our quarterly operating results;
- changes in market valuations of specialty metals companies;
- our announcements of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- future sales of securities; and
- changes in financial estimates by securities analysts.

In the past, securities class action litigation has been brought against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and divert management s attention and resources.

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Due to our size and the illiquid nature of the indium market, we may have a direct impact on the price of indium.

We may have a direct impact on the price of indium. Due to our size and the illiquid nature of the indium market, we may inadvertently push prices up when deploying our cash to build our stockpile or conversely negatively impact the price of indium when and if we sell indium from our stockpile. This could have a substantial negative impact on our NMV and would be expected to cause a decrease in our stock price.

Approximately 50% of the world s refined indium production is controlled by China, which may adversely affect our ability to purchase indium.

China controls over 50% of the world s refined indium production. There are a number of major producers in China, but also numerous smaller producers, relying on purchasing the concentrates, or unrefined ore, from the larger base-metal refiners. China produces approximately 250 to 350 metric tons of indium per year. The Chinese government restricts indium s export with taxes. In October 2010, the Chinese Ministry of Commerce issued a quota allowing China to export 233 metric tons of indium in 2011, unchanged from 2010. Most of China s indium output is exported, with domestic demand unable to currently sustain production. If the Chinese government reduces export quotas or ceases all of its exports of indium, it may affect the availability of indium and our ability to purchase indium in a timely manner and may limit us to purchasing primary indium production from countries outside of China.

Any disruptions in the operations of mining for zinc, including earthquakes or other natural disasters, would have a direct impact on the production and availability of indium, which may adversely affect our ability to purchase indium.

Indium is a byproduct of zinc mining. Zinc mines by their nature are subject to many operational risks and factors that are completely outside of our control and could impact our business, operating results and ability to purchase indium. These operational risks and factors include, but are not limited to:

- unanticipated ground and water conditions and adverse claims to water rights;
- geological problems, including earthquakes and other natural disasters;
- metallurgical and other processing problems;
- lower than expected ore grades or recovery rates;
- accidents;
- delays in the receipt of or failure to receive necessary government permits;
- the results of litigation, including appeals of agency decisions;
- uncertainty of exploration and development;
- delays in transportation;
- labor disputes;
- inability to obtain satisfactory insurance coverage;
- unavailability of materials and equipment;
- the failure of equipment or processes to operate in accordance with specifications or expectations; and
- the results of financing efforts and financial market conditions.

In May 2008, an earthquake in China completely halted ten zinc smelters in Sichuan province s Deyang, Hanyuan and Ganzi regions, as well as in nearby southern regions of Shaanxi province and Gansu Province, due to damaged facilities and power supply failures. It was estimated that 510,000 metric tons of zinc smelting capacity was affected, or approximately 7.0% of China s national total. If those zinc smelters were refining indium and were shut down for one full year, it is estimated that as much as 21.7 metric tons, or

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Any disruptions in the operations of mining for zinc, including earthquakes orother natural disasters, would have a c

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3.8% of primary indium production would have been lost. The lack of availability of indium could hinder our ability to purchase and stockpile indium.

Any cessation in production by zinc metallurgical plants capable of processing indium would have a direct impact on the availability of indium, which may adversely affect our ability to purchase indium.

Indium is a byproduct of zinc mining. Indium is processed in metallurgical plants that specifically smelt, refine and extract indium from zinc. Metallurgical plants by their nature are subject to many operational risks and economic factors that are completely outside of our control and could impact our business, operating results and ability to purchase indium. In December 2009, Xstrata Plc announced that on May 1, 2010 it will permanently cease operation of its copper and zinc metallurgical plants at the Kidd Metallurgical site in Timmins, Ontario, Canada. According to Roskill, a service provider of information on international metals and minerals markets, in its report titled The Economics of Indium, 2003, the Kidd Metallurgical Division was capable of refining up to 40 tons per year of indium. According to the USGS, Xstrata produced 11 tons of refined indium at Kidd Creek in 2007 and eight tons in 2008. Although the exact volume of lost output is still unclear, the American Metal Market reported on May 13, 2010 that Xstrata confirmed the smelter produced 11.5 tons in 2009. If the Kidd Metallurgical plant was operating at full capacity and is subsequently shutdown, it is estimated that there will be a 7.0% decrease in the primary supply of indium based on the USGS s 2010 yearly production figures. If global indium production remains flat in 2011, based on Xstrata s confirmed 2009 production rate of 11.5 tons of refined indium, the closure of Kidd Creek will reduce primary output of global indium production by 2.0%. This reduction in the supply of indium could hinder our ability to purchase and stockpile indium.

The shutdown of smelters due to excessive environmental pollution may hinder our ability to purchase indium in a timely manner.

The smelting process used to extract indium from zinc ore and to refine indium to higher purities uses highly toxic chemicals like sulfuric acid. Heightened global environmental concerns may lead to the closure of smelters that excessively pollute the environment. The closure of smelters that extract and refine indium may affect our ability to purchase indium in a timely manner.

Technological obsolescence may reduce demand for indium which would adversely impact our NMV and our stock price.

It is possible that the next generation TV or portable device market (PDA) screens may render the use of indium-tin-oxide obsolete. Considering 84.0% of indium demand currently comes from the FPD market, this would drastically reduce demand for indium and cause a precipitous drop in the price of indium. This would have a substantially negative impact on our NMV and our stock price.

Recycling of indium has increased in recent years which may reduce the demand for newly refined indium.

The recycling of indium has increased in recent years. The indium recycling market is now larger than primary refinery production. The USGS does not provide specific data for the recycling market but stated in their 2008 indium summary that global secondary indium production increased significantly during the past several years and now accounts for a greater share of indium production than primary production. The USGS also stated in their 2008 indium summary that this trend is expected to continue in the future and several major secondary indium producers in Japan and the Republic of Korea announced plans to further increase their recycling capacity. It is not known when the supply of recycled material from end products such as FPDs, LCDs or PDAs will re-circulate back into the recycling market, which may increase indium supply and negatively affect indium prices. If recycling activity continues to grow and becomes more efficient, this may adversely impact the price of indium and therefore the value of our stock.

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We may not be able to stockpile indium in a timely manner because we cannot purchase indium from recyclers.

There is little firm data provided by any of the indium recyclers. We do not expect that we will be able to purchase any indium directly from the recycling market. Industry insiders consider the recycling market a closed loop. End users (i.e., FPD manufacturers) recapture residual indium scrap from Indium-Tin-Oxide in an unusable form during the manufacturing process. The end user then contracts with an indium recycler to specially reprocess and refine the scrap indium back into 3N7 minimum purity indium metal ingot. The process is extremely complex and can take in excess of 12 weeks from collection to re-fabrication back into purified usable indium. This closed loop, from end user to recycler back to end user, is performed under contract and will operate to limit our purchases of indium to the primary refinery market, which is smaller than the recycled market. Our inability to purchase indium from recyclers may impact our ability to stockpile indium in a timely manner.

Our stockpile of indium may decrease over time due to sales of indium necessary to pay our annual operating expenses. Without increases in the price of indium sufficient to compensate for such decreases, the price of our stock and our NMV may also decline.

The quantity of indium held in our stockpile may decrease over time due to sales of indium necessary to pay our annual expenses. Without increases in the price of indium sufficient to compensate for that decrease, the price of our stock and our NMV will decline. Since we do not have any income, we need to sell indium to cover our yearly operating expenses. We may also be subject to other liabilities (for example, as a result of litigation) which have not been calculated into our business plan. Our only current source of funds to cover those liabilities will be sales of indium held in our stockpile. An increase in our annual operating expenses, or the existence of unexpected liabilities affecting us without any additional capital raising activities, will force us to sell larger amounts of our indium stockpile, and will result in a more rapid decrease in our NMV.

Potential recessionary economic conditions may decrease demand for indium-based products and therefore adversely affect the price of indium and lower our NMV and stock price.

There is a direct correlation between the price of indium and the NMV of our company. Potential recessionary economic conditions in the United States and/or globally could result in decreased demand for the products that are manufactured using indium, such as FPDs, LCDs, and PDAs. This could cause the price of indium to drop and reduce our NMV, negatively affecting our stock price.

The Manager might have a conflict of interest insofar as the management fee to be paid by us to our Manager will increase as we sell more stock in subsequent offerings thereby increasing the NMV of the indium stockpile on which the management fee is based.

The management fee to be paid by us to the Manager is dependent on our NMV. Therefore, if we raise additional capital, we will have more cash available for the purchase of indium. In making the decision to raise additional capital and negotiate the terms of future offerings, there is a risk that the Manager may value its own interest in the management fee more than the interests of our public stockholders, resulting in a conflict of interest, which may not necessarily be resolved in the best interests of our public stockholders (including that it may be more likely that we conclude to pursue subsequent issuances of stock and increase our stockpile of indium, and therefore make an effort to increase our NMV).

We will issue a minimum of 7,476,320 additional shares of our common stock upon the effectiveness of this offering, which would result in a dilution of our stockholders.

Immediately prior to the consummation of this offering, our certificate of incorporation, as amended, will authorize the issuance of up to 40,000,000 shares of common stock, par value $0.001 per share, and 1,000,000 shares of preferred stock, par value $0.001 per share. Immediately after this offering (assuming conversion of the shares of Class A common stock offered in the 2009 Private Placement reflecting the 20% adjustment feature, not reflecting the NMV adjustment feature (not determined until immediately preceding the closing of this offering) and no exercise of the underwriters over-allotment option), there will be 23,909,561 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares of common stock upon full exercise of 7,201,400 outstanding warrants resulting from this offering and the 2009 Private Placement, the exercise of an additional 232,720 warrants to be issued to the investors in the 2009 Private Placement, the unit purchase option granted to the representatives of the underwriters, 155,000 options granted to the Manager in connection with the 2009 Private Placement, 150,000 options granted to the Manager for conversion of the promissory note payable by us to the Manager in the aggregate amount of $265,000 plus interest, 150,000 options granted to the Manager for conversion of 75,000 common shares by the Manager, an aggregate of 124,999 options granted to members of our board of directors and Chief Financial Officer pursuant to our 2008 Long-Term Incentive Compensation Plan) and all of the 1,000,000 shares of preferred stock available for issuance. Although we have no commitment as of the date of this prospectus, we may issue a substantial number of additional shares of our common or preferred stock, or a combination of common and preferred stock, to obtain future financing. The issuance of additional shares of our common stock or any number of shares of our preferred stock:

- may significantly reduce the equity interest of our stockholders;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded to the holders of our common stock;
- will likely cause a change in control if a substantial number of our shares of common stock are issued, which may, among other things, result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our common stock.

Immediately after successful completion of this offering, our Private Placement's Class A Shareholders are entitled to an adjustment reflecting: (i) the 20% increase in units associated with the failure to complete an IPO within a certain timeframe; plus (ii) the NMV adjustment which is computed by multiplying the number of kilograms of indium held by us by the last spot price for indium published by Metal Bulletin posted on Bloomberg L.P., plus cash and other assets, less any liabilities. Assuming the NMV approximates $4.49 (assumes that the indium value approximates the book value at such date) upon successfully completing this offering, we will record a preferential dividend charge to the Common Shareholders of approximately $1,045,000 relating to the additional 232,720 shares issued to the Class A Shareholders.

The NMV is determined by multiplying the number of kilograms of indium held by us by the last spot price for indium published by the Metal Bulletin posted on Bloomberg L.P., plus cash and other assets, less any liabilities. The spot price for indium is published by the Metal Bulletin and posted on Bloomberg L.P. on a bi-weekly basis. Assuming the Indium value approximates the book value at such date; then the NMV would thus approximate the Net Tangible Book Value Per Share at the IPO date which as noted in the Form S-1 is approximately $4.49 per share

Our NMV may be negatively impacted by the number of common shares issued to the 2009 Private Placement shareholders which includes an adjustment factor determined by the change in our NMV.

The number of common shares to be issued to the 2009 Private Placement shareholders in connection with this offering is determined based on an adjustment factor that reflects the change in the NMV of our company from the closing of the 2009 Private Placement to the consummation of this offering. To determine the final adjustment factor, the closing NMV of our company is calculated based on the valuation of our stockpile of indium held in inventory prior to this offering plus cash and any other assets, less any and all of our outstanding payables, indebtedness and any other liabilities. If the price of indium at the closing of this offering is lower than the average price for indium in the previous three month period, this may be dilutive to the NMV at the time of this offering and result in the issuance of additional shares of our common stock to the 2009 Private Placement shareholders, which dilution will negatively impact new shareholders.

We will issue a minimum of 7,476,320 additional shares of our common stockupon the effectiveness of this offering

If our NMV substantially decreases, the Manager may have an increased incentive to liquidate our stockpile and return the proceeds to the stockholders.

Pursuant to the Management Services Agreement, as amended and restated, our Manager is entitled to a 2.0% management fee per annum based on our NMV. Since some members of our board of directors are also members of our Manager, our board of directors may elect to liquidate our business in the event there is a substantial reduction to our NMV in accordance with the Manager s wishes. Such liquidation may occur at an inopportune time, when the disposition of indium could result in a loss to our stockholders.

Our officers and directors have limited experience in purchasing, stockpiling, selling, storing, insuring and lending indium and our officers and directors have limited experience in purchasing, selling, storing, insuring and lending minor metals.

Our officers and directors have only limited experience purchasing storing, and insuring the metal indium. Our officers and directors have only limited experience in purchasing, selling, storing, insuring and lending minor metals. Only our Chief Executive Officer has experience purchasing, selling, storing, insuring and lending precious metals, minor metals, base metals, non-exchange metals and illiquid metals, but not indium. As a result they may not be able to effectively manage our business.

We may lend some of the indium that we acquire and the inability of the borrower to return to us equivalent quantity and purity indium so loaned could have a material adverse effect on the share price of our common stock.

We may engage in lending indium from time to time if we need additional capital to cover operating expenses. In such lending transaction, we will physically deliver indium to the borrower. At the end of the loan term, the borrower is required to return an equivalent quantity and purity level of physical indium to us and pay us a fee based upon the value of the metal loaned and the time duration of the loan. If the borrower is unable to return to us an equivalent quantity and level of purity of indium, we may not be able to replace the indium loaned from other sources at favorable prices. In such instances, we may not be able to recoup our losses through litigation and we would incur a loss which could have a material adverse effect on the share price of our common stock.

We will depend upon third parties to provide us with warehousing services, and system failures or other problems at these third-party warehousing facilities could cause us to lose revenues.

We currently and will continue to store indium in secure facilities owned and operated by third-party warehousing providers. If we are unable to continue to rely on third parties to provide us with these services and warehousing space in a timely fashion or if these services or warehousing space become impaired, whether through labor shortage, slow down or stoppage, deteriorating financial or business condition or other system failures, or if we face competition for these services, or for any other reason, we would not be able, at least temporarily or at competitive prices, to store or acquire indium. We also may be unable to engage alternative warehousing services on a timely basis, which could have a material adverse effect on our business.

We will not engage a custodian to safeguard the indium held in third-party storage facilities.

We have not and will not retain a custodian to oversee our indium holdings stored at third-party facilities. A custodian is responsible for safekeeping of the metal and selecting direct subcustodians, if any. A custodian facilitates the transfer of the metal in and out of the trust account, allocates specific bars of metal to the trust allocated account and provides the trustee with regular reports detailing the metal transfers in and out of the trust. The custodian is also a market maker, clearer and approved weigher of such metal. The third-party storage facilities we use to store our indium provide services similar to those provided by a custodian, such as storage and safeguarding of the indium stockpile, visual inspections, spot checks, arranging and facilitating for independent third-party assays, confirmation of deliveries to supplier packing lists, and reporting of transfers and inventory status to our company and auditors. If the third-party storage facilities we engage cannot adequately provide such similar services as provided by a custodian, then this could adversely affect the value, the security, the quantity and our ability to keep track of our indium holdings.

Potential additional regulation of the purchase, sale or storage of indium may adversely affect our operations and may increase our costs.

We may be affected by changes in regulatory requirements, customs, duties or other taxes regarding indium. Although we are not currently aware of any potential changes in the regulatory requirements regarding indium, such changes could, depending on their nature, adversely affect us by increasing our costs.

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The proceeds of this offering will not be held in an escrow account.

The net proceeds of this offering will not be held in an escrow account. Except for the requirement to spend 85% of the net proceeds from this offering on the purchase and stockpile of indium, there are no other restrictions on our ability to use such funds for any corporate purpose we deem necessary to accomplish our corporate objectives as described herein. In the event we distribute unused proceeds to our stockholders, there can be no assurance as to the amount of proceeds which will then be available for such distribution resulting from losses, third-party claims, damages, liabilities and any and all other costs and expenses associated with the operation of our business.

Our Manager and the contracted third-party storage facilities it utilizes will not be responsible for hiring independent labs to perform assay tests on every ingot of indium delivered to us to verify that such indium meets the minimum 99.99% purity requirements referred to in our prospectus. If the indium purchased is below spec grade of 99.99% purity, the value of our indium stockpile will be worth less than stated.

Our Manager will be responsible for ensuring that the contracted third-party storage facilities it utilizes conducts visual inspections, spot checks and hires independent labs to randomly assay, at our expense, the indium delivered to us. Our Manager and contracted third-party storage facilities will not be responsible for conducting chemical assays or other tests designed to verify that every indium ingot delivered meets the minimum 99.99% purity requirements referred to in our prospectus. Our Manager will rely on the good faith of its suppliers to provide indium that meets our requirements. If the indium purchased is below spec grade of 99.99% purity, the value of our indium stockpile will be worth less than stated, we would therefore incur a write down, which would negatively impact the NMV of our company and harm our reputation. If indium is purchased from or loaned to a third-party supplier that is not known to be a regular industry supplier, our Manager, at its discretion, may hire, at our expense, an independent lab to perform random assay tests using glow-discharge mass spectrometry (GDMS) to verify the purity of the indium. The Manager anticipates purchasing indium with a minimum purity of 99.99%. We do not intend to brand specific companies and assayers. We consider the miners, refiners, suppliers and trading houses listed in our Competition section to be a partial list of known regular indium industry suppliers. The contracted third-party facilities we utilize will only use, at our expense, reputable independent assayers to randomly test indium delivered to us. It is possible that our indium stockpile will contain ingots of a purity level below 99.99%, which would decrease our NMV and negatively impact our share price.

We are a development stage company with a limited operating history and, accordingly, you will have a limited basis on which to evaluate our ability to achieve our business objective.

We are a development stage company with a limited operating history. Therefore, our ability to scale operations is dependent upon obtaining financing through a public offering of our securities. Since we have only limited operations and a limited operating history, you will have a limited basis upon which to evaluate our ability to achieve our business objective, which is to acquire and stockpile indium. We will not generate any revenues or income until, at the earliest, after lending or selling some or all of the indium that we acquired with the proceeds from the 2009 Private Placement and/or with the proceeds from this offering.

Potential additional regulation of the purchase, sale or storage of indium mayadversely affect our operations and ma

We have no present revenue and have an accumulated deficit and our ability to continue as a going concern is dependent on us raising funds in this offering.

We have no present revenue and will not generate any revenue until, at the earliest, after the sale or lending of indium that we acquire with the offering proceeds. Since our inception, we have incurred losses and, as of December 31, 2010, we had an accumulated deficit of $408,298. We have a limited amount of available cash and working capital. The report of our independent registered public accountants on our financial statements includes an explanatory paragraph referring to conditions that raise substantial doubt about our ability to continue as a going concern. Our ability to commence operations and realize our business plan is dependent upon our ability to complete this offering. There is no assurance that we will be able to complete this offering or that the completion of this offering will lead to the successful execution of our business plan. Further, should we be unable to complete this offering by November 24, 2011, our corporate charter states that our existence shall be terminated, our affairs shall be wound up and we shall liquidate. In the event we are able to complete this offering prior to November 24, 2011, our corporate charter will be amended to extend the life of our Company to perpetuity immediately prior to completion of the offering. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern.

We may suffer from losses as a result of our inability to obtain insurance to cover loss or theft of our inventory.

We currently store and expect to continue to store our inventory at third-party warehouse facilities and require the third-party facilities to maintain an adequate level of insurance to protect us from loss due to theft, damage or other events. We may, in the alternative, seek our own insurance coverage for such potential losses. We may not be able to obtain such insurance, or that the level of coverage will keep us fully insured due to the fluctuating value of indium. Further, the cost of such insurance may impact our operating expenses, whether obtained by us or through the third-party facility.

We may need to raise additional capital and may encounter unforeseen costs. If the terms on which the additional capital is available are unsatisfactory or if the additional capital is not available at all, we may not be able to pursue our objective and strategy.

Our expenses will be funded from cash on hand from the proceeds of the offering not otherwise utilized for the purchase of indium. Once such cash available has been spent, we will be required to generate cash resources from the sale or lending of indium, debt incurrence or the sale of additional equity securities. Our ability to obtain additional financing in the future will depend in part upon the prevailing capital market conditions, as well as our business performance and the value of indium. We may not be successful in our efforts to arrange additional financing on terms satisfactory to us or at all. If additional financing is raised by the issuance of common stock you may suffer additional dilution and if additional financing is raised through debt financing, it may involve significant restrictive covenants which could affect our ability to operate our business. If adequate funds are not available, or are not available on acceptable terms, we may not be able to continue our operations, grow our business or take advantage of opportunities in connection with the operation of our business.

We may choose to redeem our outstanding warrants at a time that is disadvantageous to our warrant holders.

Subject to there being a current prospectus with respect to the common stock issuable upon exercise of the warrants, we may redeem the warrants included in our units at any time after six months following the effective date of this prospectus in whole and not in part, at a price of $.01 per warrant, upon a minimum of 30 days prior written notice of redemption, if and only if, the last sales price of our common stock equals or exceeds $8.00 per share for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption. In addition, we may not redeem the warrants unless the warrants comprising the units sold in this offering and the shares of common stock underlying those warrants are covered by an effective registration statement from the beginning of the measurement period through the date fixed for the redemption. Redemption of the warrants could force the warrant holders (i) to exercise the warrants and pay the exercise price at a time when it may be disadvantageous for the holders to do so, (ii) to sell the warrants at the then current market price when they might otherwise wish to hold the warrants, or (iii) to accept the nominal redemption price which, at the time the warrants are called for redemption, is likely to be substantially less than the market value of the warrants. We expect most purchasers of our warrants will hold their securities through one or more intermediaries and consequently you are unlikely to receive notice directly from us that the warrants are being redeemed. If you fail to receive notice of redemption from a third-party and your warrants are redeemed for nominal value, you will not have recourse to us.

We are required to use our best efforts to have an effective registration statement covering the issuance of the shares of common stock underlying the warrants at the time that our warrant holders exercise their warrants. We cannot guarantee that a registration statement will be effective, in which case our warrant holders may not be able to exercise our warrants.

Holders of our warrants will be able to exercise the warrants only if (i) a current registration statement under the Securities Act of 1933 relating to the shares of our common stock underlying the warrants is then effective and (ii) such shares of common stock are qualified for sale or exempt from qualification under the

We may choose to redeem our outstanding warrants at a time that isdisadvantageous to our warrant holders.

applicable securities laws of the states in which the various holders of warrants reside. We will undertake in the underwriting agreement to be executed between us and the underwriters, and therefore will have a contractual obligation, to use our best efforts to maintain a current registration statement covering the shares of common stock underlying the warrants following completion of this offering to the extent required by federal securities laws, and we intend to comply with our undertaking. We may not be able to comply with such undertaking. In addition, we will agree to use our reasonable efforts to register the shares of common stock underlying the warrants under the blue sky laws of the states of residence of the existing warrant holders, to the extent an exemption is not available. The value of the warrants may be greatly reduced if a registration statement covering the shares of common stock issuable upon the exercise of the warrants is not kept current or if the securities are not qualified, or exempt from qualification, in the states in which the holders of warrants reside. Holders of warrants who reside in jurisdictions in which the shares of common stock underlying the warrants are not qualified and in which there is no exemption will be unable to exercise their warrants and would either have to sell their warrants in the open market or allow them to expire unexercised. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to qualify the underlying securities for sale under all applicable state securities laws.

We depend upon our senior management and their loss or unavailability could put us at a competitive disadvantage.

We currently depend upon the efforts and abilities of our senior executive officers, particularly Alan Benjamin, our Chairman and Chief Executive Officer, Ailon Grushkin, our President, and Richard Biele, our Chief Operating Officer, each of whom is also a member of our Manager. The loss or unavailability of the services of any of these individuals for any significant period of time would have a material adverse effect on our business, prospects, financial condition and results of operations. Further, we have not purchased any key-man insurance for our executive officers and directors or any members of the Manager.

Our Manager may terminate the Management Services Agreement, as amended and restated, after the initial term in accordance with the terms thereof. We may not be able to readily secure similar services as those to be provided under the Management Services Agreement and our operations will therefore be adversely affected if our Management Services Agreement is terminated.

Members of our Board of Directors have not worked together as a group for a significant period of time and they each have only some or no experience as a director of a public company. As a result, they may not be able to effectively manage our business.

Our board of directors consists of four executive directors and three independent directors. Only one of our current independent directors has experience as a director of a public company. As a result, our board of directors will lack a history of working together as a group and currently lacks significant experience in operating a public company. The lack of shared experience and lack of significant experience of our board of directors in operating a public company could have an adverse effect on its ability to quickly and efficiently respond to problems and effectively manage our business and deal effectively with the issues surrounding the operation of a public company.

Our officers and directors may allocate their time to other businesses, thereby causing conflicts of interest regarding the amount of time such officers and directors will devote to our affairs, which could affect our business.

Our officers and directors are not required to commit their full time to our affairs, which could create a conflict of interest when allocating their time between our operations and their other commitments. Our Manager, officers and board of directors will allocate, in the aggregate, approximately 89 hours per week during the stockpiling phase of the business plan. Once the stockpiling effort is complete, the number of hours allocated by the Manager, officers and board of directors to our affairs in the aggregate will be approximately 49 hours per week. Our executive officers and directors are currently employed by other entities and are not obligated to devote any specific number of hours to our affairs. If other entities require them to devote more substantial amounts of time to their business and affairs, it could limit their ability to devote time to our affairs and could have a negative impact on our operations. These conflicts may not be resolved in our favor.

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We have limited protections in place to prevent our Manager from competing with us, which may adversely affect our business.

We have limited protections in place to prevent our Manager from competing with our company or taking on a potential business opportunity intended for our company for itself. Pursuant to the Management Services Agreement, the Manager may compete with us or take a business opportunity for itself as long as the Manager does not interfere with, disrupt or attempt to disrupt any then existing relationship, contractual or otherwise, between our company or our subsidiaries and any of our customers, suppliers, clients, executives, employees, vendors, licensees or business relations or other persons with whom we or our subsidiaries deal or in any way disparage our company to any of the above. As a result, this would have a material adverse effect on our business, prospects, financial condition and results of operations if such persons were to compete with the company.

Stockholders will not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940, as amended, or the protections afforded by the Commodity Exchange Act of 1936 (Commodity Exchange Act or CEA).

We are not registered as an investment company under the Investment Company Act of 1940, as amended, and are not required to register under such act. Consequently, stockholders will not have the regulatory protections provided to investors in investment companies. We will not hold or trade in commodity futures contracts regulated by the CEA, as administered by the Commodity Futures Trading Commission (CFTC). Furthermore, we are not a commodity pool for purposes of the CEA, and neither we nor the Manager is subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor in connection with our securities. Consequently, stockholders will not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools.

Geopolitical and International Risks

International and political events could adversely affect our results of operations and financial condition.

A significant portion of our revenue may be derived from non-United States operations and our indium will be warehoused at locations outside the United States, including Canada, the United Kingdom and the Netherlands, which exposes us to risks inherent in doing business in each of the countries in which we transact business. The occurrence of any of the risks described below could have a material adverse effect on our results of operations and financial condition.

Operations in countries other than the United States are subject to various risks peculiar to each country. With respect to any particular country, these risks may include:

- expropriation and nationalization of our assets in that country;
- political and economic instability;
- civil unrest, acts of terrorism, force majeure, war, or other armed conflict;
- natural disasters, including those related to earthquakes and flooding;
- inflation;
- currency fluctuations, devaluations, and conversion restrictions;

- confiscatory taxation or other adverse tax policies;
- governmental activities that limit or disrupt markets, restrict payments, or limit the movement of funds;
- governmental activities that may result in the deprivation of contract rights; and
- governmental activities that may result in the inability to obtain or retain licenses required for operation.

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We could be subject to taxation in various jurisdictions with varying tax laws, which could adversely affect our operations.

We may have operations in countries other than the United States. Consequently, we could be subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned, and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties, and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our tax liabilities for a tax year.

Foreign exchange and currency risks could adversely affect our revenues and operating expenses.

A portion of our revenue and operating expenses may be in foreign currencies. If we choose to store indium in Canada, we may be adversely affected by fluctuations in the U.S. dollar relative to the Canadian dollar. If we choose to store indium in the United Kingdom, we may be adversely affected by fluctuations in the U.S. dollar relative to the British Pound. If we chose to store indium in the Netherlands, we may be adversely affected by fluctuations in the U.S. dollar relative to the Euro. As a result, we would be subject to significant risks, including:

- foreign exchange risks resulting from changes in foreign exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

We may conduct business in countries that have non-traded or soft currencies which, because of their restricted or limited trading markets, may be more difficult to exchange for hard currency. We may accumulate cash in soft currencies, and we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries.

We may selectively use hedging transactions to limit our exposure to risks from doing business in foreign currencies. For those currencies that are not readily convertible, our ability to hedge our exposure would be limited because financial hedge instruments for those currencies are nonexistent or limited. Our ability to hedge would also be limited because pricing of hedging instruments, where they exist, is often volatile and not necessarily efficient.

In addition, the value of the derivative instruments could be impacted by:

- adverse movements in foreign exchange rates;
- interest rates;
- commodity prices; or
- the value and time period of the derivative being different than the exposures or cash flows being hedged.

Risks Related to Our Units and This Offering

We do not anticipate paying cash dividends on our common stock in the foreseeable future.

We are not a mutual fund and an investment in our units shall not be redeemable. In addition, our liquidity will rely principally on our ability to lend and sell indium. Accordingly, we are unlikely to have resources to declare any dividends or make other cash distributions unless and until a determination is made to sell a portion of our indium holdings. Since our inception we have not declared any dividends and we have no current intention to declare any dividends.

Determination of the NMV of our securities will materially impact the market price of our securities.

Our reported NMV per share is based on the spot prices of indium published by Metal Bulletin as posted on Bloomberg L.P. The per share NMV shall be determined by (x) multiplying the number of kilograms of our indium holdings by the last spot price for indium published by Metal Bulletin posted on Bloomberg L.P., plus cash and any other assets, less any and all of our outstanding payables, indebtedness and any other liabilities, (y) divided by our total number of outstanding shares of our common stock. Accordingly, the NMV is a market value that may not necessarily reflect the actual realizable value upon the sale of our indium holdings. The market price of our securities is expected to vary based on the NMV. We will post our NMV on our website bi-weekly. We cannot predict whether the units will trade above, at or below our NMV.

Currently there is no liquid market for indium. Indium is often quoted on various data service providers with a price differential in excess of $50 per kilogram among providers. A price posted by one data service provider may be higher or lower than the price at which we can actually sell or purchase all or part of our indium stockpile. This will make it difficult for investors to determine our exact NMV and therefore the value of our stock.

If an active, liquid trading market for our units does not develop, you may not be able to sell your units quickly or at or above the initial offering price.

Prior to this offering, there has not been a public market for our units. An active and liquid trading market for our units may not develop or be sustained following this offering. You may not be able to sell your units quickly or at or above the initial offering price if trading in our units is not active. The initial public offering price may not be indicative of prices that will prevail in the trading market. See Underwriting for more information regarding the factors that will be considered in determining the initial public offering price.

Purchasers in this offering will experience immediate dilution in the book value of their investment.

The initial public offering price of our units is higher than the net tangible book value per share of our units immediately after this offering. Therefore, if you purchase our units in this offering, you will incur an immediate dilution of $0.51 per share (or 10.2%) in net tangible book value per unit from the price you paid, based upon the initial public offering price of $5.00 per unit. Conversion of the Class A common stock into shares of common stock and the exercise of outstanding options, warrants issued in and pursuant to the 2009 Private Placement and warrants underlying the units will result in further dilution of your investment. In addition, if we raise funds by issuing additional securities, the newly issued securities may further dilute your ownership interest.

Our outstanding options, warrants and unit purchase option may have an adverse effect on the market price of common stock and make it more difficult to obtain future financing.

Prior to this offering, as a result of the 2009 Private Placement, we had warrants to purchase up to 1,201,400 shares of common stock issued and outstanding. Upon completion of this offering, we will issue an additional 232,720 warrants to the 2009 Private Placement investors. In connection with this offering, we will be issuing warrants to purchase up to 6,000,000 shares of common stock (6,900,000 shares of common stock if the underwriters over-allotment is exercised in full), and have agreed to issue to the representatives of the underwriters of this offering an option to purchase up to a total of 300,000 units. In connection with the 2008 Long-Term Incentive Compensation Plan, we have agreed to issue options to purchase 124,999 shares of common stock to our chief financial officer and the independent members of our board of directors, which will fully vest and will become exercisable only upon the completion of this offering. Further, upon the closing of this offering, our Manager will hold options to purchase up to an aggregate of 455,000 shares of common stock, at an exercise price of $4.50 per share, resulting from compensation in connection with the 2009 Private Placement, the conversion of promissory notes issued pursuant to a revolving credit line in the principal amount of $265,000 plus interest and the conversion of 75,000 common shares into stock options.

The sale or even the possibility of sale of the shares of common stock underlying the warrants and such options could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent these warrants and options are exercised, you may experience dilution to your holdings.

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The determination for the offering price of our units is more arbitrary compared with the pricing of securities for an operating company in a particular industry.

The public offering price of the units and the terms of the warrants were negotiated between us and the representatives of the underwriters. Factors considered in determining the prices and terms of the units, including the common stock and warrants underlying the units, include:

- the history and prospects of companies whose principal business is the acquisition, storage and sale of specialty metals;
- prior offerings of those companies;
- our prospects for acquiring indium;
- our capital structure;
- an assessment of our management and their experience in specialty metals;
- general conditions of the securities markets at the time of the offering; and
- other factors as were deemed relevant.

However, the determination of our offering price is more arbitrary than the pricing of securities for an operating company in a particular industry since we have no historical operations or financial results to compare them to.

We could issue blank check preferred stock without stockholder approval with the effect of diluting then current stockholder interests and impairing their voting rights.

Our certificate of incorporation, as amended, authorizes the issuance of up to 1,000,000 shares of blank check preferred stock with designations, rights and preferences as may be determined from time to time by our board of directors. Accordingly, our board of directors is empowered, without stockholder approval, to issue a series of preferred stock with dividend, liquidation, conversion, voting or other rights which could dilute the interest of, or impair the voting power of, our common stockholders. The issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control. For example, it would be possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company.

Our securities will be quoted on the OTC Bulletin Board and/or the OTCQB, which will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq Stock Market or another national exchange.

Our units, common stock and warrants will be traded in the over-the-counter market and will be quoted on the OTC Bulletin Board, a FINRA-sponsored and operated inter-dealer automated quotation system for equity securities not included in the Nasdaq Stock Market, and/or the OTCQB, a similar marketplace operated by Pink OTC Markets Inc. Quotation of our securities on the OTC Bulletin Board and/or OTCQB will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq Stock Market or a national exchange. Lack of liquidity will limit the price at which you may be able to sell our securities or your ability to sell our securities at all.

A market for our securities may not develop, which would adversely affect the liquidity and price of our securities.

Although we intend to have our securities quoted on the OTC Bulletin Board and/or the OTCQB, as of the date of this prospectus, there is currently no market for our securities. Prospective stockholders therefore have no access to information about prior trading history on which to base their investment decision. Following this offering, the price of our securities may vary significantly due to our reports of operating losses, one or more potential business transactions, the filing of periodic reports with the SEC and general market and economic conditions. Once quoted on the OTC Bulletin Board and/or OTCQB, an active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of the securities after the offering can vary due to general economic conditions and forecasts, our general

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business condition and the release or our financial reports. You may be unable to sell your securities unless a market can be established or sustained.

If you are not an institutional investor, you may purchase securities in this offering only if you reside within the states in which we will apply to have the securities registered or have received an exemption from registration. Although individual states are preempted from regulating the resales of our securities, state securities regulators who view blank check offerings unfavorably could use or threaten to use their investigative or enforcement powers to hinder resales of our securities in their states.

We have applied, or will apply to register our securities, or have obtained or will seek to obtain an exemption from registration, in California, Connecticut, Florida, Illinois, Massachusetts, New Jersey, New York and Pennsylvania. If you are not an institutional investor, you must be a resident of these jurisdictions to purchase our securities in the offering. The definition of an institutional investor varies from state to state but generally includes financial institutions, broker-dealers, banks, insurance companies and other qualified entities. Institutional investors in every state except in Idaho may purchase the units in this offering pursuant to exemptions provided to such entities under the Blue Sky laws of various states. Under the National Securities Market Improvement Act of 1996, individual states are pre-empted from regulating transactions in covered securities. We will file periodic and current reports under the Exchange Act and our securities will be considered covered securities. Therefore, the states will be pre-empted from regulating the resales of the units, from and after the effective date, and the common stock and warrants comprising the units, once they become separately transferable. However, individual states retain the jurisdiction to investigate and bring enforcement actions with respect to fraud or deceit, or unlawful conduct by a broker or dealer, in connection with the sale of securities. For a more complete discussion of the state securities laws and registrations affecting this offering, please see Underwriting State Blue Sky Information below.

If penny stock regulations impose restrictions on the marketability of our common stock, the ability of our stockholders to sell shares of our common stock could be impaired.

The Securities and Exchange Commission, or the SEC, has adopted regulations that generally define a penny stock to be an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Exceptions include equity securities issued by an issuer that has (i) net tangible assets of at least $2,000,000, if such issuer has been in continuous operation for more than three years, or (ii) net tangible assets of at least $5,000,000, if such issuer has been in continuous operation for less than three years, or (iii) average revenue of at least $6,000,000 for the preceding three years. Unless an exception is available, the regulations require that prior to any transaction involving a penny stock, a risk disclosure schedule must be delivered to the buyer explaining the penny stock market and its risks.

You should be aware that, according to the SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include:

- Control of the market for the security by one or a few broker-dealers;
- Boiler room practices involving high-pressure sales tactics;
- Manipulation of prices through prearranged matching of purchases and sales;