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ASX Release

HIGHER RETURN FOR EMPIRE FROM REVISED SALE

TERMS FOR KALGOORLIE GOLD PROJECT

- **Sale price for a 100% interest increases to \$3million total**
- **Empire now retains a 25% interest in the event of a partial sale**
- **An immediate start to a drilling program**

Perth based explorer, Empire Resources Limited (ASX:"ERL"), has re-negotiated a staged sale agreement for the Penny's Find gold project located 50 km northeast of Kalgoorlie, WA with the unlisted company Brimstone Resources Limited (Brimstone). Previous exploration by Empire at the Penny's Find project identified a high grade near surface gold resource of **314,000 tonnes @ 5.2g/t Au.**

The terms of the agreement have now been changed so at the election of Brimstone, the sale consideration now consists of either:

- A total cash payment of \$3 million by June 2013 (which includes a non-refundable payment of \$500,000 already made) for a 100% interest together with a royalty on any gold produced in excess of 52,500 oz.
- A partial sale of either a 51% or 75% interest by the expenditure of \$750,000 by 30 September 2012 or further expenditure of an additional \$750,000 by June 2013. In either case ERL's costs would be carried and repayable from production. As part of the initial \$750,000 expenditure Brimstone is committed to drilling 4 RC holes prior to the end of March 2012.

Empire's Managing Director, Mr David Sargeant, said: "*These changes to the agreement are positive for both parties. Brimstone will have additional time to devote to the project while Empire will benefit from either an extra \$1million for a total of \$3 million in the event of a full sale or an additional 5% interest to 25% interest in the event of a partial sale.*"

"Exploration activities will now pick up with Brimstone drilling four new RC holes below the proposed pit in the current quarter in an area where we anticipate high gold grades."

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For further information on the Company visit www.resourceempire.com.au

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The information in this report concerning the Mineral Resources for the Penny's Find Deposit has been estimated by Mr Peter Ball B.Sc who is a director of DataGeo Geological Consultants and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Ball has sufficient experience which is relevant to the styles of mineralization and types of deposit under consideration and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ball consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.

Notes on the Penny's Find Resource

An updated resource estimate for the Penny's Find gold mineralisation was completed and announced to the market on 8 August 2007 and 12 October 2007. There has been no change to the resource since that time.

The mineral resource by category is 314,000 tonnes averaging 5.2 g/t gold down to a vertical depth of 150m below surface.

The mineral resource above 0.5 g/t gold is summarised in the following table.

Penny's Find - Classified mineral resources – August 2007

Category	Tonnes	Grade*	Ounces
Measured	79,000	4.40	11,177
Indicated	132,000	3.98	16,893
Inferred	103,000	7.33	24,276
TOTAL	314,000	5.18	52,316

**grades are based on a minimum cut-off of 0.5g/tAu and high assays cut to 25g/tAu*

Resource modelling consultants DataGeo calculated a JORC compliant in situ resource estimate, utilising all drill hole information available on mining lease M27/156 up to the end of June 2007.

The resource grade was estimated using ordinary kriging based on the drill hole data composited downhole to 1m intervals within constraining shapes representing the mineralisation. Assumed specific gravity values used were:- oxide 2.0t/m³; transitional 2.2t/m³; fresh 2.5t/m³.