



ACN 092 471 513

**QUARTERLY REPORT FOR THE PERIOD ENDED
31 DECEMBER 2009**

HIGHLIGHTS

YUINMERY : Copper – gold project – WA (100% interest)

- **Diamond drill hole YD09-01 at the Just Desserts prospect intersects:**

10.40m	@	2.40% Cu and 0.11g/t Au
3.00m	@	3.37% Cu and 0.27g/t Au
5.20m	@	3.30% Cu and 0.43g/t Au
6.45m	@	1.43% Cu and 0.19g/t Au

TROY CREEK : Copper - Gold - PGM Project – WA (100% interest)
(Earning selected 70% interest in adjoining blocks)

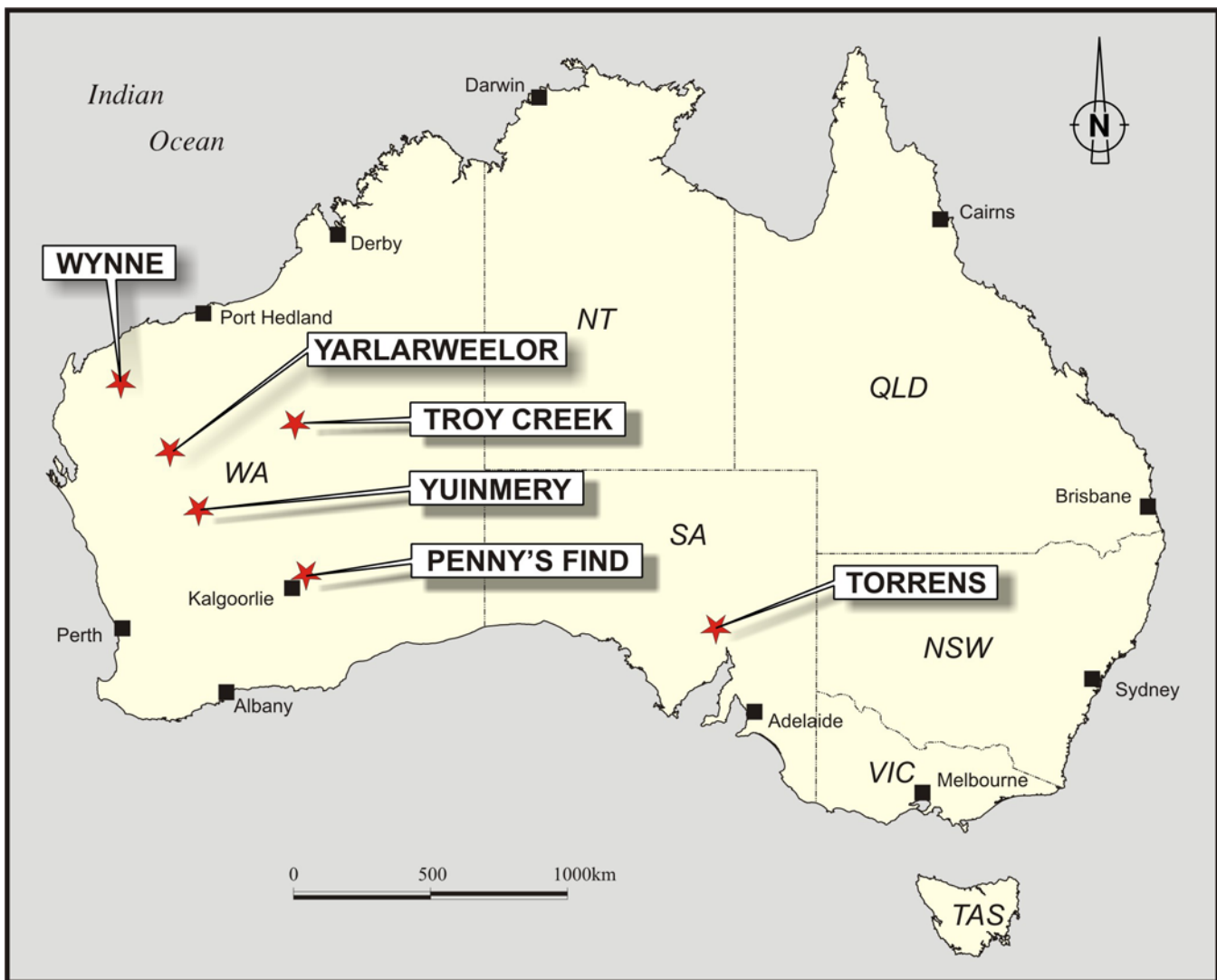
- **A high grade copper sulphide intersection at the Main Gossan prospect with an intersection of**

8m @ 1.47% Cu and 4m @ 3.04% Cu.

YARLARWHEELOR : Uranium project – WA (100% interest)

- **Sale of the Yarlarweelor project to Freedom Eye Ltd is progressing and is expected to be finalised imminently. Empire Resources will hold an approximate 30% stake in Freedom Eye.**

CORPORATE : \$333,750 raised to fund drilling programs.



Project location map

Empire Resources Ltd is a gold and copper focused exploration company.

Since listing in February 2007, the Company has made three significant copper or gold discoveries in Western Australia and announced JORC compliant resources for two of these discoveries.

At the **Penny's Find** project near Kalgoorlie, the Company has located a near surface high grade **gold** deposit which has a JORC compliant resource estimated at **314,000 tonnes @ 5.2g/tAu**. It is likely further drilling will upgrade this resource.

Following exploration success during 2007 and 2008, the Company announced a **copper – gold** resource for the Just Desserts prospect at the **Yuinmery** project. This initial resource has been estimated at **1,070,000 tonnes @ 1.82%Cu and 0.78g/tAu** at a 1 %Cu cut off. It is likely further drilling will upgrade this resource.

During the December 2008 quarter, a discovery of high grade copper sulphide mineralisation was made at the Troy Creek project, 180km northeast of Wiluna in Western Australia. The drill intersections consisted of **2m @ 4.65% Cu and 3m @ 1.97% Cu** - forming part of a **36m** intersection grading **0.76% Cu**.

REVIEW OF OPERATIONS DECEMBER QUARTER 2009

Yuinmery (WA): Copper - Gold Project – 100% interest

The Yuinmery copper-gold project is situated 475 km northeast of Perth, WA. It lies within the Archaean Youanmi Greenstone Belt and covers a synclinal sequence of chloritised felsic tuffaceous rocks, sulphide bearing chert horizons, gabbro, basalt and ultramafics.

Copper-gold mineralisation, previously identified from a number of prospects at Yuinmery, is of volcanogenic massive sulphide (VMS) style similar in nature to orebodies currently being mined at Golden Grove and Jaguar in Western Australia. It occurs as massive sulphides associated with chert exhalite horizons, as matrix sulphides in lapilli tuff, and associated with mafic and ultramafic intrusions.

At one of the Yuinmery prospects, Just Desserts, previous drilling by the Company has intersected high grade copper –gold zones with assays such as **23m @ 2.68% Cu, 1.28g/t Au; 14m @ 2.63% Cu, 1.91g/t Au; 13m @ 2.55% Cu, 1.67g/t Au; 6m @ 3.79% Cu, 12.85g/t Au and 10m @ 4.23% Cu, and 6.01g/t Au.**

Based on the above drilling, an Indicated + Inferred JORC resource of **1,070,000 tonnes @ 1.82%Cu, 0.78g/tAu** was estimated for the Just Desserts prospect and reported on in the March 2009 Quarterly. This resource lies between 50 and 250 metres below surface, is open at depth and along strike to the southeast. Because of the relatively shallow depth of this resource initial access may be possible by open pit mining.

Following the successful finalisation of a Heritage Survey, 2 diamond drill holes totalling 457 metres were completed during the December Quarter. One of these was drilled at the Just Desserts Prospect with the other hole testing a geophysical target at the C Zone prospect. These two holes form part of a larger ongoing drilling program which is extending into the March quarter. The hole at the Just Desserts prospect intersected strong copper mineralization as detailed below. The hole at C Zone intersected banded and stringer sulphide zones consisting mainly of pyrrhotite with generally low copper values.

In addition a 3 hole, 556m reverse circulation (RC) drilling program testing geophysical targets at three other prospects was completed. One of these holes at B Zone intersected 10 metres of up to 20% disseminated sulphides consisting mostly of pyrrhotite with minor chalcopyrite. Based on this result further drilling is planned for B Zone, No significant intersections were obtained from the Augustus or North Magnetic prospects.

YUINMERY RC and DIAMOND DRILLING RESULTS

HOLE ID	NORTH	EAST	PRE-COLLAR	FINAL DEPTH	AZ	DIP	FROM	TO	LENGTH	Cu GRADE	Au GRADE
			(m)	(m)			(m)	(m)	(m)	%Cu	g/t Au
JUST DESSERTS											
YD09-01	6837044	685820	51	154.5	225	-70	66.3	76.7	10.40	2.40	0.11
							105.65	108.65	3.00	3.37	0.27
							115.7	120.9	5.20	3.30	0.43
							136.45	142.9	6.45	1.43	0.19
C ZONE											
YRC09-01D	6836345	686620	199	302.5	180	-75	260.40	260.84	0.44	1.37	0.18
B ZONE											
YRC09-02	6837025	687252	-	202	180	-55	138	140	2	0.77	0.03
							147	148	1	0.76	0.04
NORTH MAGNETIC TARGET											
YRC09-03	6836870	687751	-	189	270	-55				NSA	
AUGUSTUS											
YRC09-04	6837087	687710	-	165	360	-60				NSA	

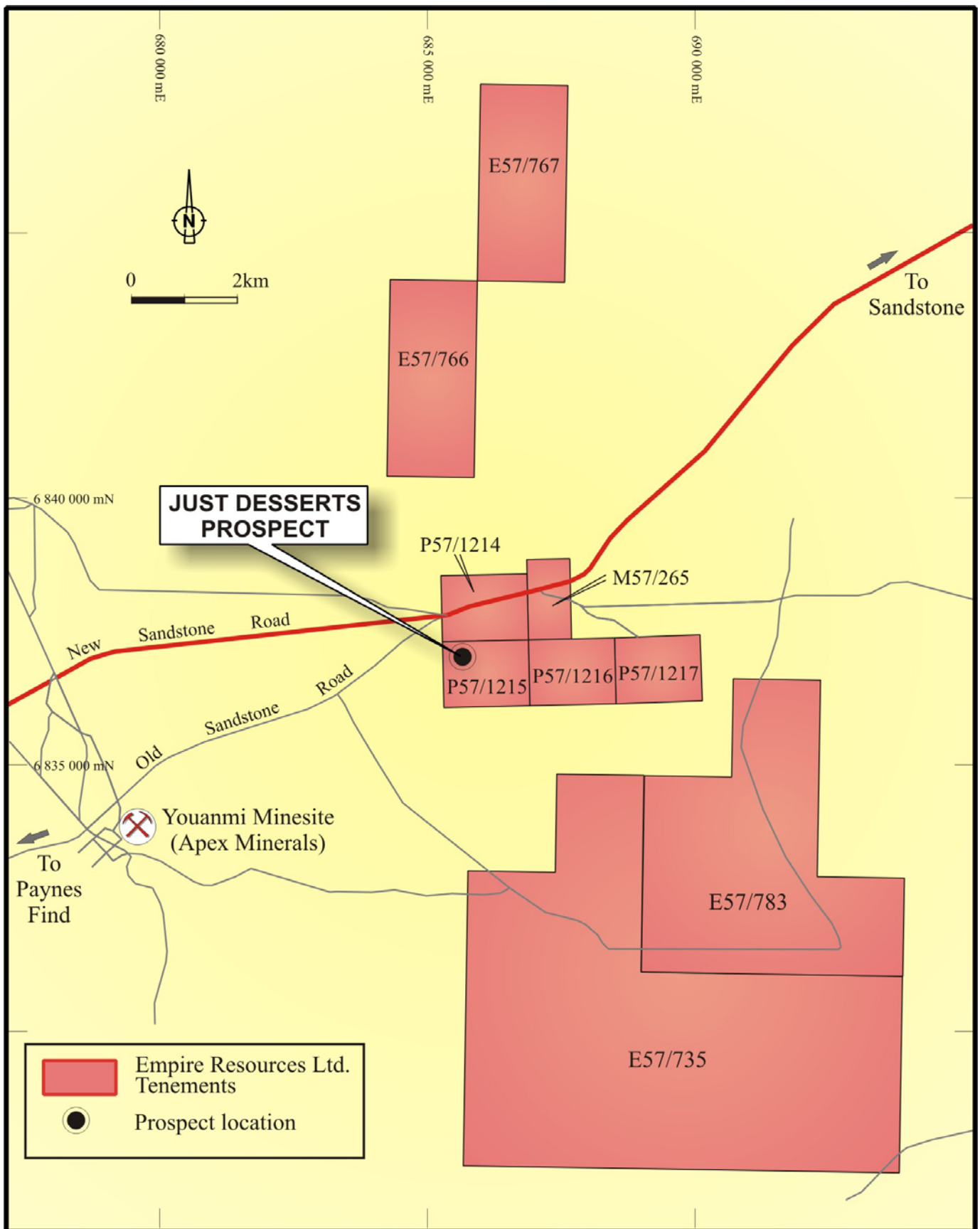
NSA : no assays above 0.5%Cu

Intersections are an arithmetic average calculated using a 0.5%Cu lower cut-off. No high cut has been applied.

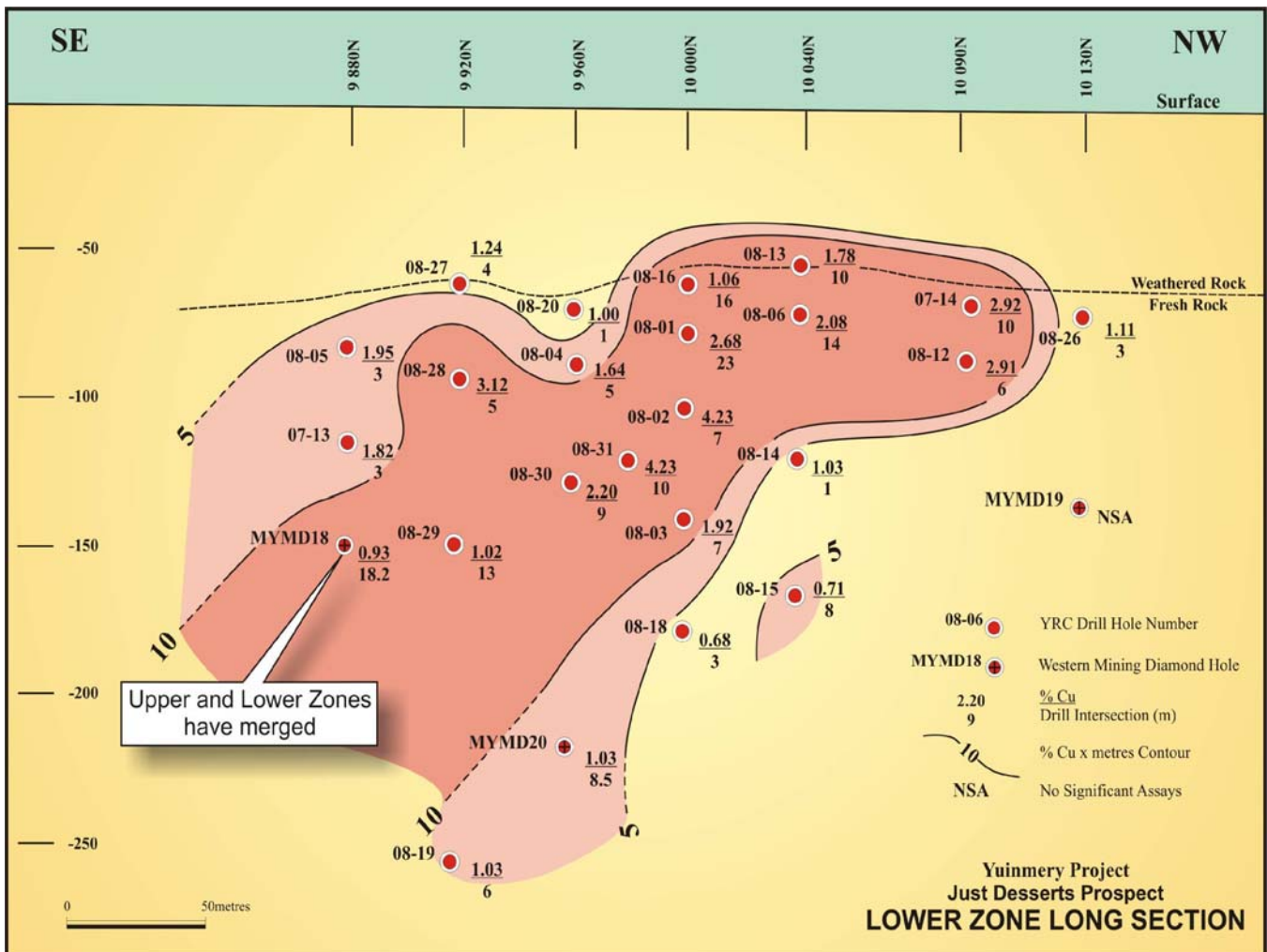
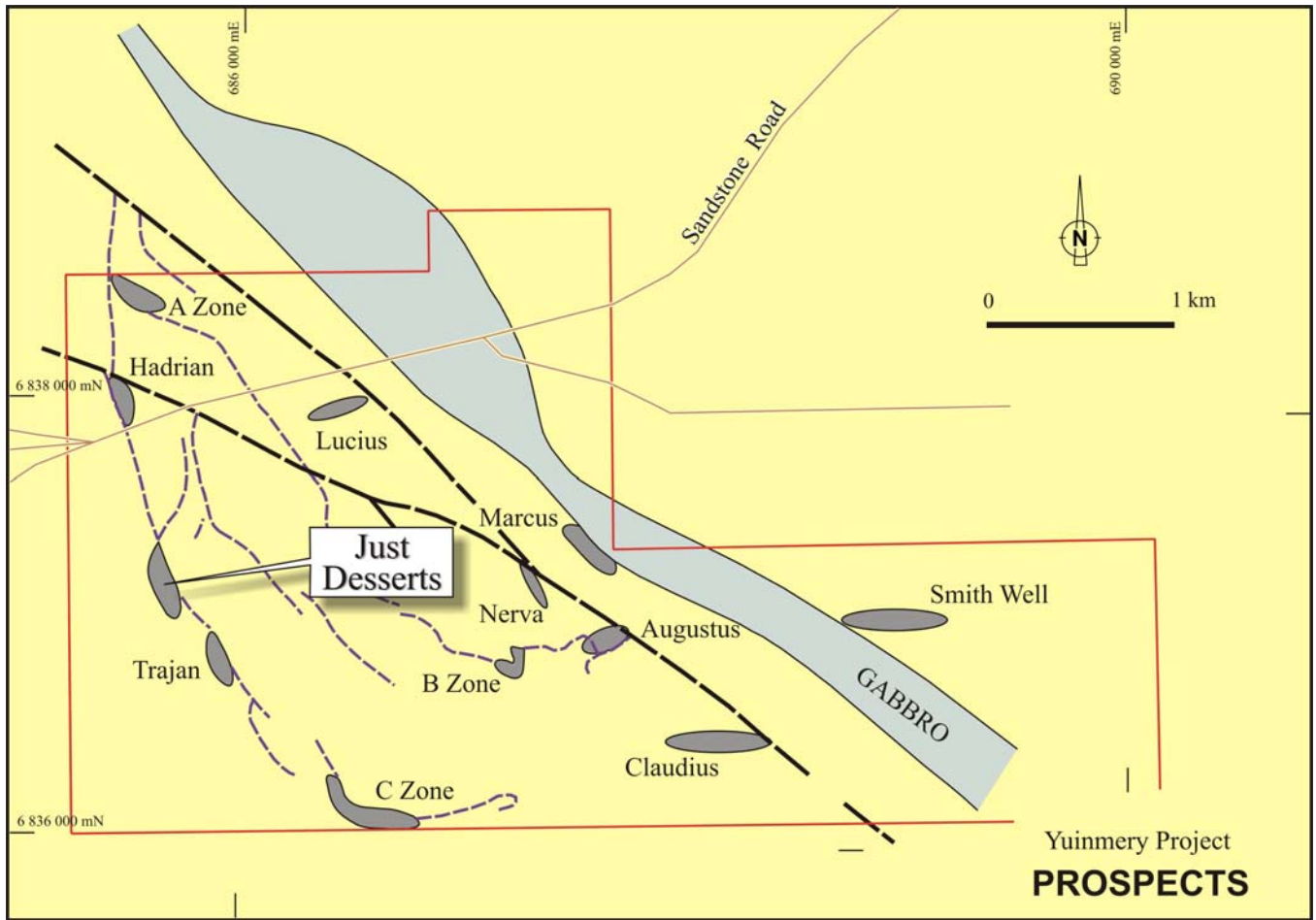
Maximum internal dilution within an intersection is 2m @ less than 0.5%Cu

Assays were done on 1 metre split samples or half core using a 50gm Fire Assay for gold and mixed acid digest and ICP-OES for copper.

Coordinates GDA94 zone 50



YUINMERY TENURE – December 2009



Penny's Find (WA): Gold Project – 100% interest

At the Penny's Find project, the Company has identified a near surface resource of **314,000 tonnes @ 5.2g/t Au**. The proximity of the deposit to Kalgoorlie, the current gold price in Australian dollar terms and the ability to mine a substantial portion of the resource by open pit methods, enhances the value of this resource.

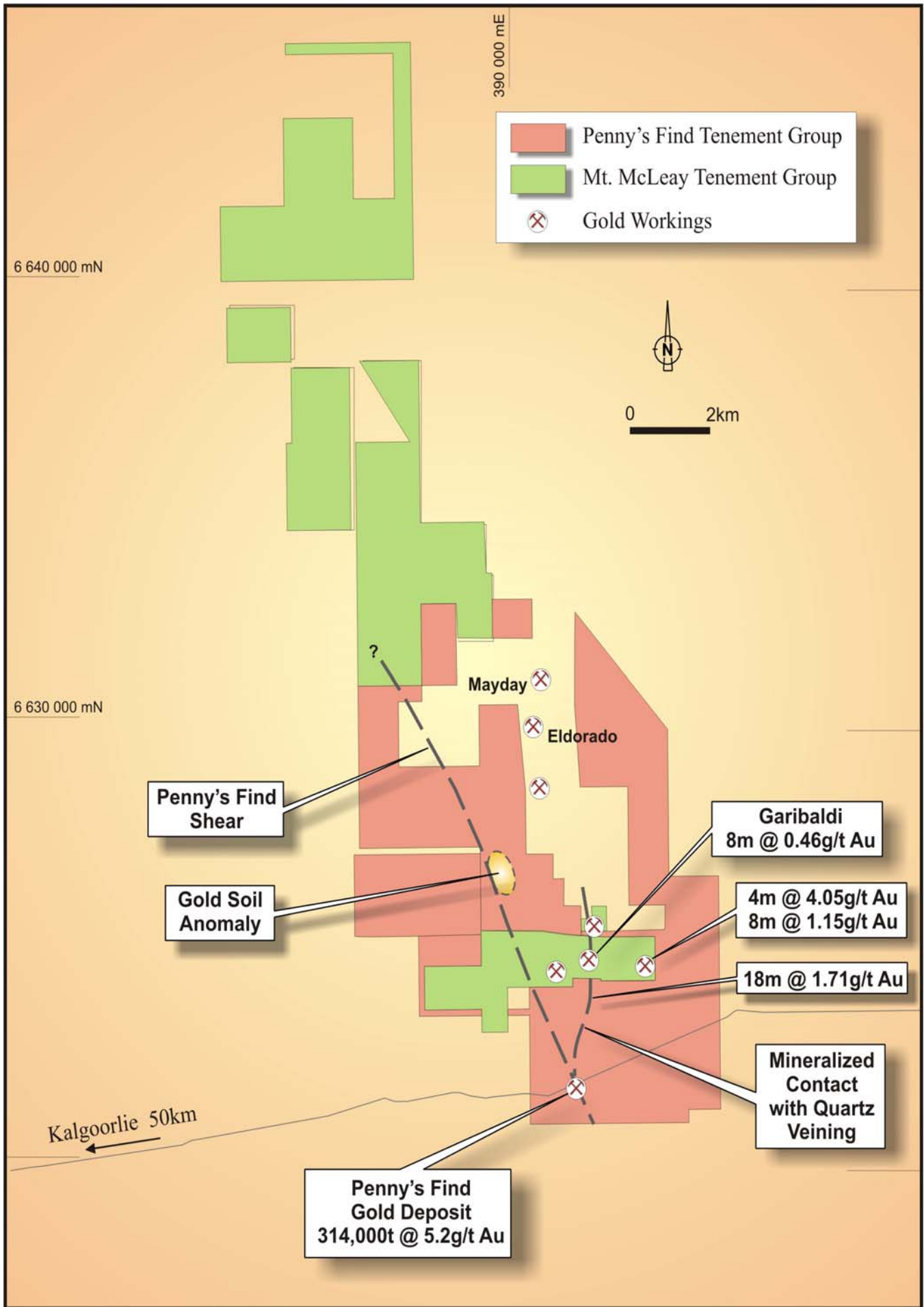
On 13th October 2009, the Company announced to the ASX it had secured an interest in a joint venture with Rubicon Resources Ltd whereby it may earn a 51 % interest in Rubicon's Mt McLeay tenements which lie adjacent to and along strike from Empire's 100% owned Penny's Find gold deposit.

Under the terms of the Mt McLeay Joint Venture, Empire must spend \$220,000 within 18 months to earn a 51% interest in the 40 sq km of tenements that comprise the joint venture. At Rubicon Resources' election, Empire may then earn a further 19% interest by expenditure of an additional \$500,000 over 24 months.

Several historical gold workings occur on the Mt McLeay tenements with previous shallow exploration drilling returning a number of significant intercepts. Intersections such as 4m @ 4.05g/tAu, 8m @ 1.15g/tAu and 8m @ 0.46g/tAu present obvious drill targets for the Company.

During the December quarter, Empire drilled 44 RAB holes totalling 1418metres to meet immediate expenditure requirements on two of the Mt McLeay joint venture tenements. No significant mineralization was intersected.

A larger program of RC drilling targeting old workings and the previous shallow intersections obtained from within the Mt McLeay joint venture area and along strike from the Penny's Find deposit is planned for the March quarter.



Mt McLeay JV Map

Troy Creek (WA): Copper - Gold - PGM Project -100% interest (Earning selected 70% interest in adjoining blocks)

The Troy Creek copper-gold-platinum group metal (PGM) project is situated 900 km northeast of Perth on the northern margin of the Palaeoproterozoic Earahedy Basin and where the Company holds tenements covering an area of 585 sq km. Under the terms of a joint venture deal with United Orogen Ltd, Empire can earn up to a 70% interest in base and precious metal deposits in an additional 645 sq km of tenement applications.

Several prominent geochemical and magnetic targets have been identified in sedimentary rocks within the Company's tenements. These include a large zone of multi-element anomalous geochemistry in sedimentary rocks which extend along strike for a distance of more than 20 km. This zone, defined by rock chip sampling, soil geochemistry and limited drilling, is anomalous in copper, gold, PGM, arsenic, silver and antimony.

Following the intersection of high grade copper sulphide mineralization at the Main Gossan Prospect in the December 2008 Quarter, a further program of RC drilling was undertaken in the current quarter. This program targeted the intersections in hole TCRC08-02 which included 2 metres @ 4.65% copper from 91 metres and 3 metres @ 1.97% copper as well as other targets. Sixteen holes totalling 1,784 metres were drilled on seven separate targets spread over a distance of sixteen kilometres. Considerable difficulty was experienced with this drilling program as four holes were abandoned prior to target depth and another six holes failed to test targets because of geological complexity in areas with little or no outcrop.

As released to the ASX on the 23rd November 2009, another significant high grade copper intersection was obtained in hole TCRC09-06 at the Main Gossan Prospect. This hole was drilled fifty metres east of the 2008 discovery hole and included intersections of:

- **8 metres @ 1.47% copper from 76 metres (composite sample), and**
- **4 metres @ 3.04% copper from 104 metres, and**
- **1 metre @ 1.12% copper from 124 metres.**

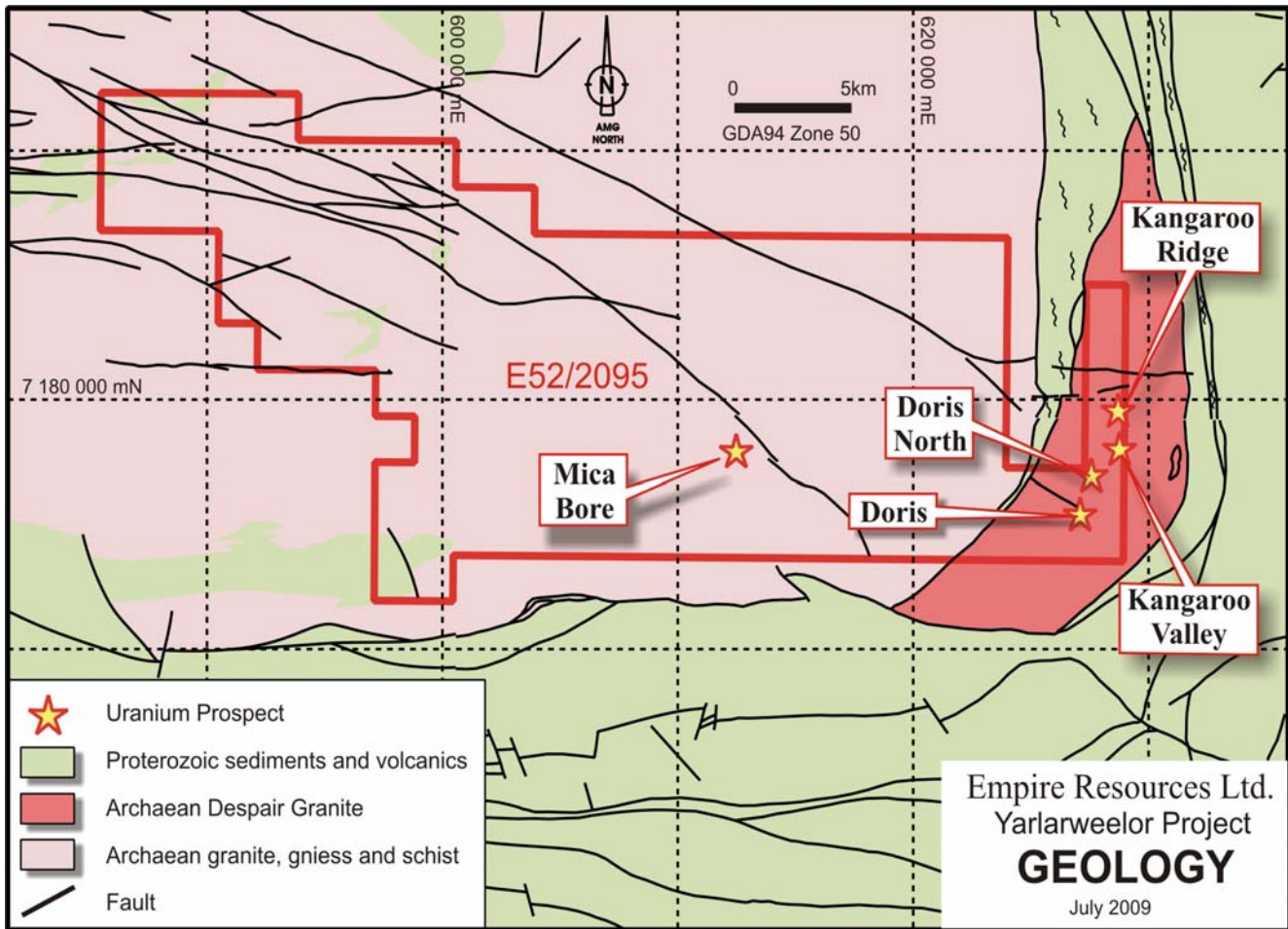
The copper mineralisation consists of fine grained stratiform copper and iron sulphides in graphitic shales. The true width of mineralisation is estimated to be 60% of the intersected width.

Yarlarweelor (WA): Uranium Project – 100% interest

The Yarlarweelor uranium project (E52/2095) is located 125 km north of Meekatharra in Western Australia.

Previous exploration during the early 1980s discovered primary uranium mineralisation in the form of **uraninite** at five locations within the licence area. Four of these occurrences are from within the Archaean Despair Granite where limited drilling showed the **uraninite** mineralisation to be hosted in multiple parallel shear zones and the adjacent granites.

Three locations within the Despair Granite have the potential to host substantial tonnages of primary uranium mineralisation – the Kangaroo Ridge, Kangaroo Valley and Doris prospects. These prospects all occur within a 5 km long zone of anomalous uranium radioactivity in the Despair Granite which has only been subjected to limited drilling in the past.



Shown below are sections from these three prospects which were drilled in the early 1980s. Currently at each prospect, the mineralisation remains open in both directions along strike and at depth with the grades comparable to or better than large tonnage mines elsewhere in the world, eg. Namibia.

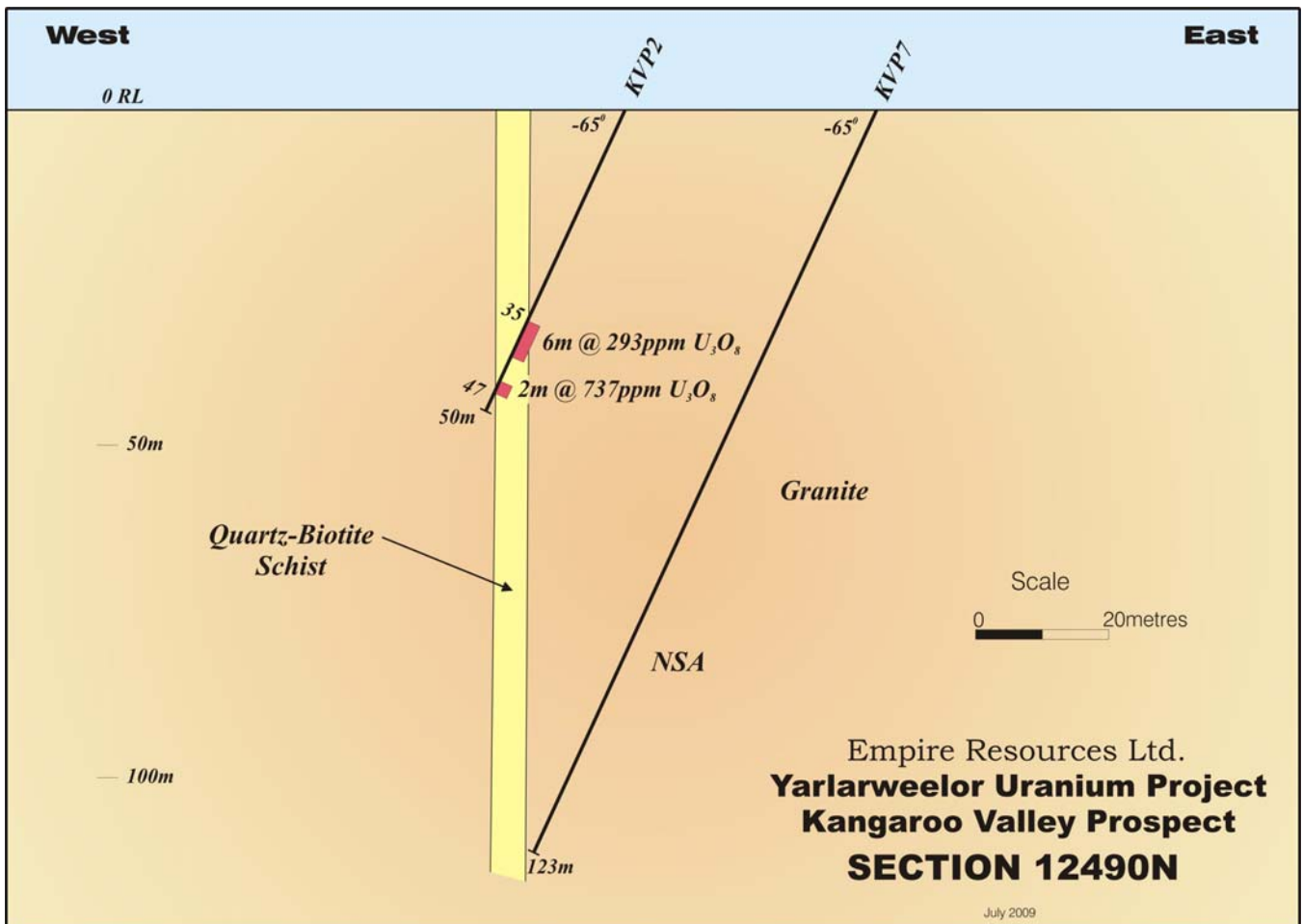
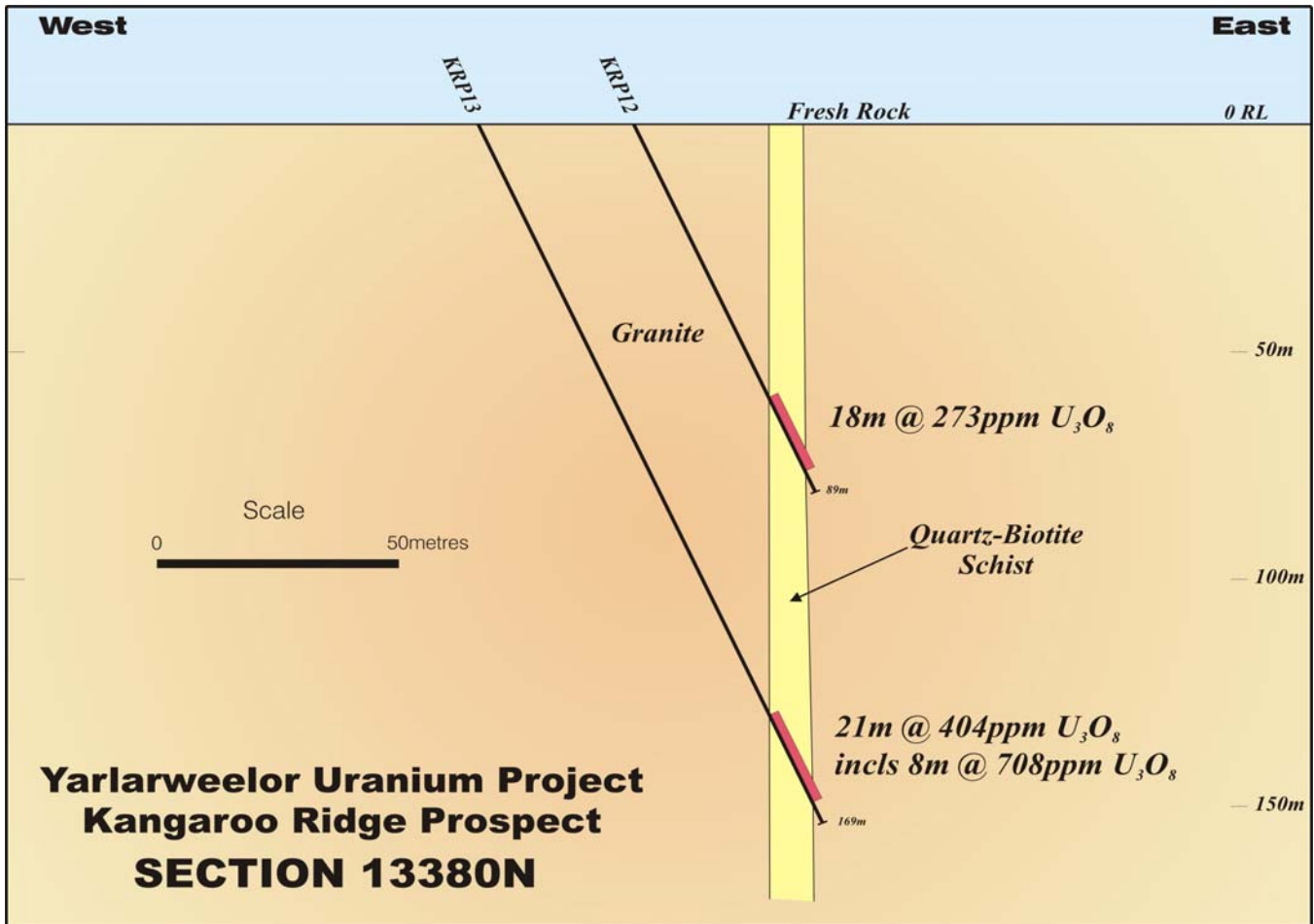
The Kangaroo Ridge and Kangaroo Valley prospects are 1.3 km apart and lie on the same zone of uranium mineralisation which contains values in excess of 700ppm U_3O_8 and appears to be increasing in width and grade with depth.

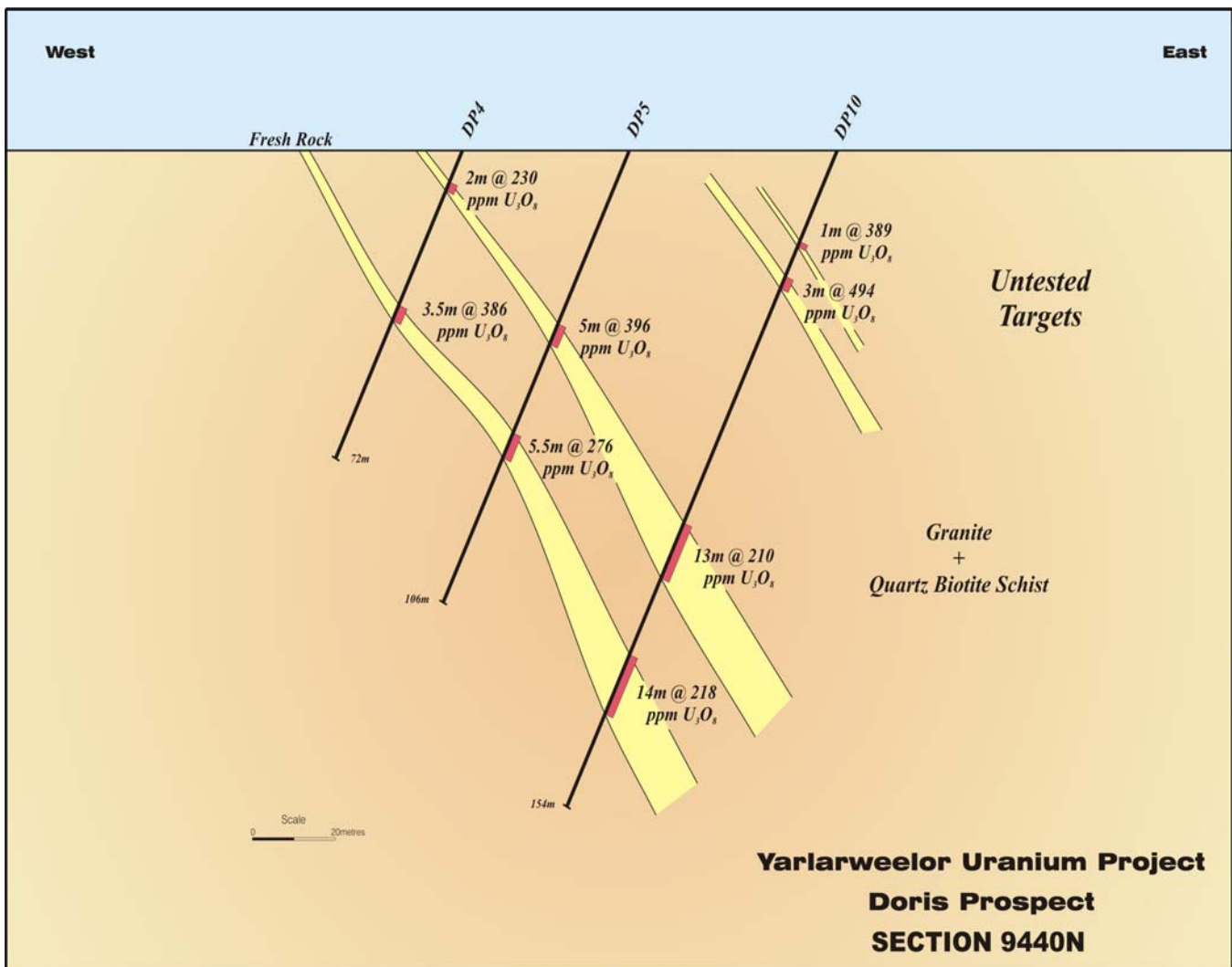
The Doris prospect contains multiple zones of uranium mineralisation with additional parallel zones still untested.

The Company announced to the Australian Stock Exchange on 1st October 2009 that 100% of the Yarlalweelor project would be sold to ASX- listed Freedom Eye Ltd (ASX: "FYI") subject to a capital raising, satisfactory due diligence and that company's shareholder approval. Freedom Eye Ltd (to be renamed FYI Resources Ltd) has subsequently announced the receipt of shareholder approval and the completion of a due diligence study and expects to finalise a capital raising by the end of January.

As part of the sale agreement, Empire Resources will emerge with an approximate direct 30% stake in FYI Resources Ltd and two seats on its Board of Directors.

During the December quarter a site clearance and heritage survey was completed. A drilling rig has been contracted to commence a 6 hole, 1000m diamond drilling program on the Kangaroo Ridge and Doris prospects. This is expected to commence towards the end of the March quarter.





Wynne (WA): Copper – Lead Project- 100% interest

The Wynne prospect consists of an application for an exploration licence covering an area of 90 square kilometres in the northern Gascoyne region of Western Australia. Previous exploration in the area identified extensive ironstones containing highly geochemically anomalous copper and lead values. These ironstones are associated with meta-sedimentary rocks of the Proterozoic Morrissey Metamorphic Suite.

At least three anomalous ironstone horizons are present, each up to 2-3m thick with at least one extending for a distance of over four kilometres. No previous drilling has been undertaken in the prospect area.

Once the exploration licence is granted, an electromagnetic survey will be undertaken to pinpoint any major accumulation of sulphides at depth. This will be followed by a RC drilling program

Torrens (SA): Copper-Gold-Uranium Project – 100% interest

The Torrens Project lies on the eastern margin of the Gawler Craton in South Australia. The Gawler Craton is a recognised world-class Iron Oxide-Copper-Gold (IOCG) province that includes the Olympic Dam, Prominent Hill and Carrapateena deposits. No field work was undertaken during the quarter.

Larkin's Find

During the quarter, the Company relinquished its interest in the Larkin's Find project.

Corporate

As announced to the ASX on 14th and 21st December 2009, the Company raised \$333,750 during the quarter with the placement of 4,450,000 fully paid ordinary shares at A\$0.075 per share to sophisticated investors.

The monies raised will be used to fund drilling programs on the Company's Yuinmery project and to provide working capital.

**DAVID SARGEANT
MANAGING DIRECTOR**

January 2010

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

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The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee of the Company. He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Ross consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.

The information in this report concerning the Mineral Resources for the Penny's Find Deposit and the Just Desserts Deposit at Yuinmery have 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 down hole 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.

Notes on the Yuinmery Resource

A resource estimate for the Just Desserts prospect at Yuinmery was completed and announced to the market on 9 April 2009. There has been no change in the resource since that time.

The mineral resource by category to a depth of 250m below surface is reported below. The resource comprises no oxide mineralization, only transitional and fresh.

Just Desserts Classified Mineral Resources – March 2009

	Category	Tonnes	Grade*	Grade*	Grade*
			Cu%	Au g/t	Ag g/t
1%Cu cutoff	Indicated	104,000	1.65	0.86	1.32
	Inferred	966,000	1.84	0.77	2.12
	TOTAL	1,070,000	1.82	0.78	2.06
1.5%Cu cutoff	Indicated	46,000	2.11	1.14	1.58
	Inferred	536,000	2.34	0.92	2.68
	TOTAL	582,000	2.33	0.93	2.61

**High assays have been cut to 9%Cu, 20g/tAu and 10g/tAg.*

Resource modelling consultants Datageo calculated a JORC compliant in situ resource estimate, utilising all drill hole information available on Prospecting Licence P57/1215 up to the end of June 2008.

The resource grade was estimated using ordinary kriging based on the drill hole data composited down hole to 1m intervals within constraining shapes representing the mineralisation. Assumed specific gravity values used were:- transitional 2.7t/m³; fresh 3.2t/m³.