

**QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2016**

HIGHLIGHTS

PENNY'S FIND GOLD DEPOSIT

- Feasibility Study completed
- High grade reserve of 146,000 tonnes @ 4.62g/t Au for 21,700 ounces
- Mining Proposal & Project Management Plan submitted to the DMP
- Tenders sought for Mining Contract
- On track for first gold production in second half 2016

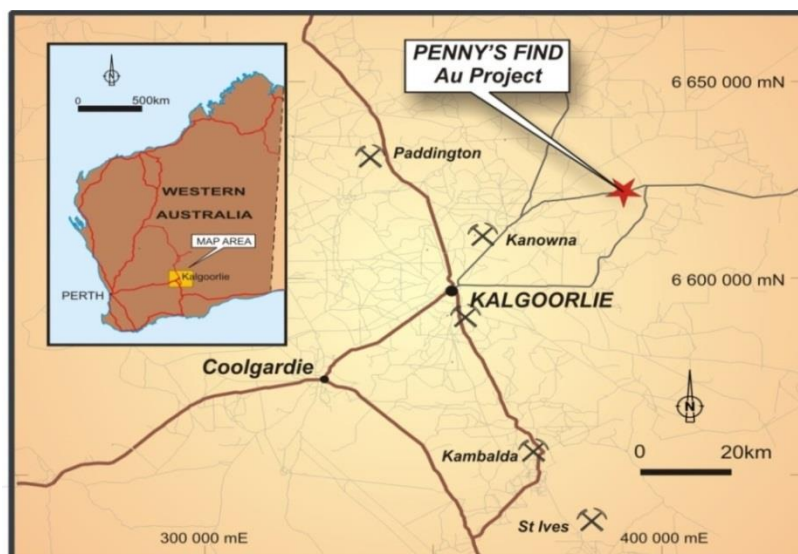


Figure 1 – Location of Penny's Find Project

REVIEW OF OPERATIONS

Penny's Find (WA): Gold Project (60% interest)

Empire Resources Ltd ('Empire', ASX code:ERL) holds a 60% interest in and acts as manager for the Penny's Find gold project located 50km northeast of Kalgoorlie in Western Australia. The remaining 40% interest is held by unlisted Brimstone Resources Ltd.

A Feasibility Study was completed after the quarter, following on from announcement by Empire to the ASX on the 15 February 2016 details of a probable ore reserve for Penny's Find of **146,000 tonnes @ 4.62g/t Au for 21,700 ounces of gold**.

The Feasibility Study is based on the ore reserve being contained within a single open pit mined to a depth of 80m with ore trucked off site for treatment through a toll milling facility using conventional gravity recovery and a CIL circuit.

The ore reserve has been calculated at a gold price of **AUD\$1,500 per ounce** using a lower cut-off grade of 1.41g/t Au.

Table 1

PENNY'S FIND OPEN PIT ORE RESERVE - FEBRUARY 2016			
DESCRIPTION	TONNES	GRADE	GOLD TO
		g/t Au	MILL (ozs)
PROVED	-	-	-
PROBABLE	146,000	4.62	21,700
TOTAL	146,000	4.62	21,700

High grade gold mineralization at Penny Find's extends to at least 250m below surface and remains open at depth. Gold mineralization is hosted by quartz veins at the contact between sediments and basalt.

Both oxide and fresh mineralization are free milling with 98% and 99% recoveries achieved in testwork respectively. There is also a high gravity recoverable gold component, 53% for oxide and 85% for fresh.

The deposit is situated on granted Mining Lease 27/156.

The joint venture partners submitted a Mining Proposal and Project Management Plan to the WA Department of Mines and Petroleum in early March 2016 and are currently awaiting regulatory approvals.

Tenders for the Mining Contract have been sought with strong interest being shown by local contractors. Discussions with financiers regarding project funding are also progressing.

Dialogue with potential toll milling facilities is ongoing in parallel with further outstanding test work to evaluate potential onsite milling options. A decision on the processing route will be made on completion of the onsite milling evaluation.

The project is currently on track for first gold production in the second half of 2016.

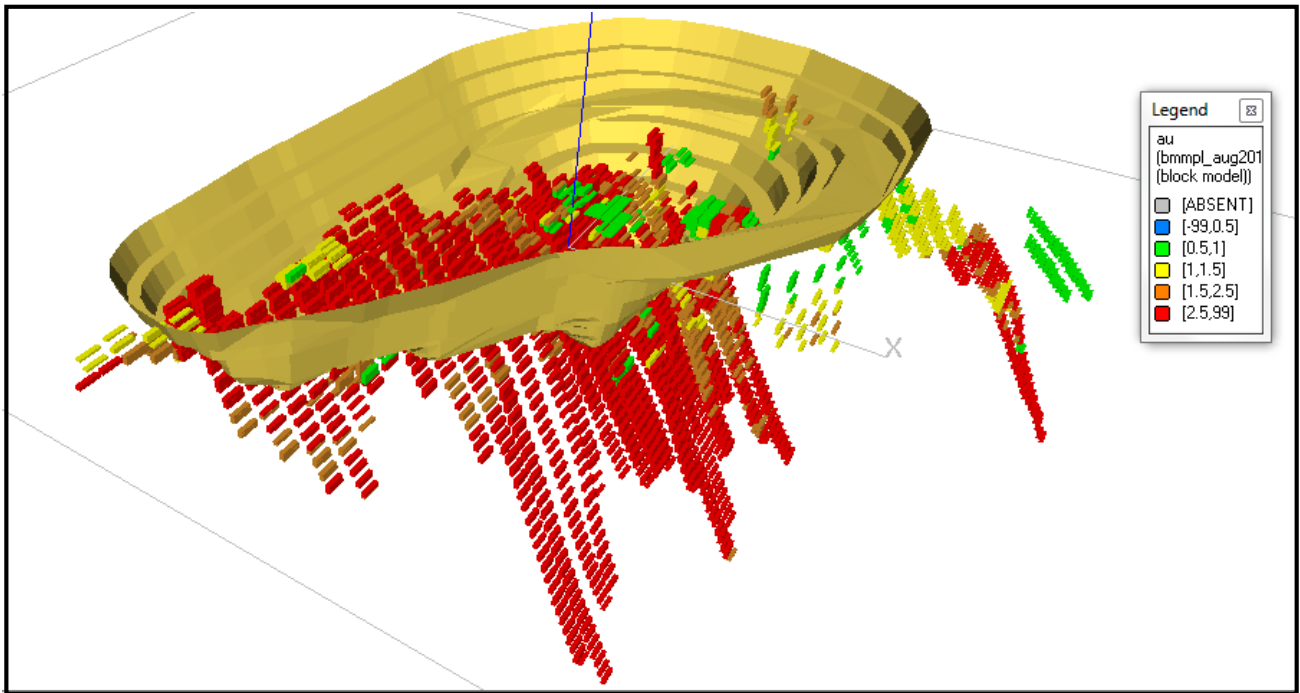


Figure 2 – Penny's Find Resource Model showing blocks above 0.5g/t Au and Planned Open Pit

A scoping study is continuing on gold mineralization located below the planned open pit to confirm assumed underground mining parameters. Table 2 reports an indicated and inferred resource in this area of **170,000t @ 5.40g/t Au**.

Figure 3 is a long section under the proposed open pit showing a preliminary underground mine design based on the previously announced resource block model shown in Figure 2.

A 2012 JORC compliant reportable mineral resource of **470,000 tonnes @ 4.42g/t Au** (Table 2) containing **66,800 ounces** of gold was reported to the ASX on the 1 September 2015.

Table 2: Penny's Find Resources - September 2015
Reportable In Situ Mineral Resource by location and cut-off

Class	Open Cut (0.5g/t)		Underground (1.5g/t)		Combined	
	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	-	-	-	-	-	-
Indicated	218,000	4.64	84,000	4.90	302,000	4.71
Inferred	82,000	1.79	86,000	5.89	168,000	3.89
TOTAL	300,000	3.86	170,000	5.40	470,000	4.42

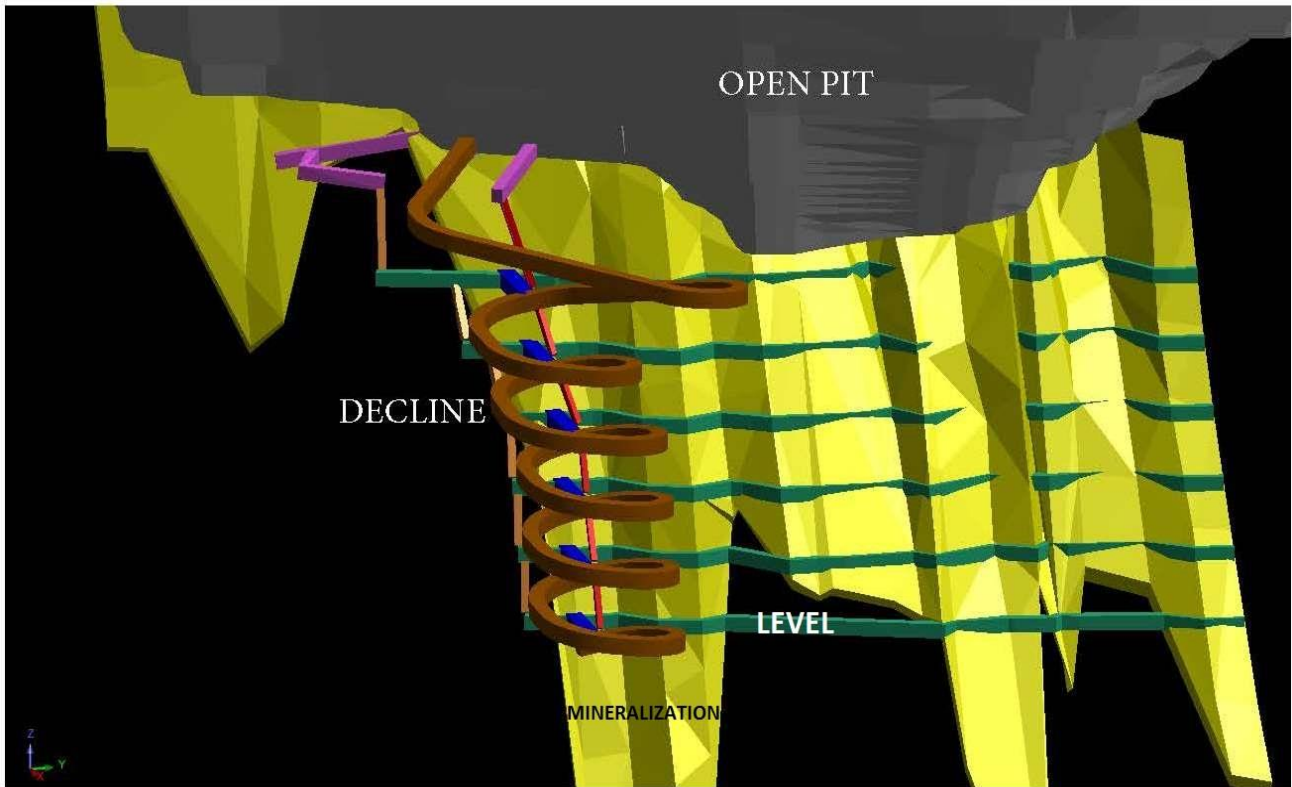


Figure 3 – Penny’s Find Preliminary Underground Mine Design

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

The Yuinmery project is a volcanogenic massive sulphide (VMS) copper - gold project located 80km southwest of Sandstone, WA. The Company has outlined a copper-gold deposit at the **Just Desserts** prospect as reported in previous quarterly reports.

No field work was undertaken during the quarter.

Laverton (WA): Gold Project (100% interest)

No field work was undertaken during the quarter.

Half Way Dam (WA): Base metals - Gold Project (100% interest)

A single exploration licence has been applied for 100km northwest of Kalgoorlie. The application area is considered prospective for base metals and gold.

CORPORATE

FYI Resources Limited (Empire 14.73% interest)

ASX-listed FYI Resources Ltd (ASX Code "FYI") is focused on potash exploration in Southeast Asia where potential exists for the discovery of first tier potash deposits. Empire owns 12 million fully paid ordinary shares or 14.73% of FYI.

FYI Resources is currently in joint venture negotiations with a Chinese group regarding resource development and potential production in Laos.

FYI Resources also has applications pending for potash tenements covering two separate project areas in Thailand. Drill programmes have been finalised and are awaiting grant of tenements.

DAVID SARGEANT MANAGING DIRECTOR

April 2016

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

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The scientific and technical information in this report that relates to Ore Reserve estimates for the Penny's Find Deposit is based on information compiled by Mr Roselt Croeser, an independent consultant to Empire Resources Limited. Mr Croeser is a Member of the Australasian Institute of Mining and Metallurgy. Mr Croeser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Croeser consents to the inclusion in the report of the matters related to the Ore Reserve estimate in the form and context in which it appears.

The information in this release concerning the Mineral Resources for the Penny's Find Deposit 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 style of mineralization and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ball consents to the inclusion in this public release of the matters based on his information in the form and context in which it appears.

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Tenement Holdings at 31 March 2016				
PROJECT	TENEMENT NUMBER	PERCENTAGE INTEREST HELD	PERCENTAGE INTEREST HELD	COMMENTS/ CHANGES SINCE LAST QUARTER
		31 December 2015	31 March 2015	
PENNY'S	E27/410	60	60	
FIND	E27/420	60	60	
	G27/1	60	60	GRANTED
	L27/90	60	60	
	L27/91	60	60	APPLICATION
	L27/92	60	60	APPLICATION
	M27/156	60	60	
	P27/1722	60	0	SURRENDERED
	P27/1723	60	0	SURRENDERED
	P27/1724	60	0	SURRENDERED
	P27/1725	60	0	SURRENDERED
	P27/1726	60	0	SURRENDERED
	P27/1727	60	0	SURRENDERED
	P27/1728	60	0	SURRENDERED
	P27/1729	60	0	SURRENDERED
	P27/1730	60	0	SURRENDERED
	P27/1814	60	0	SURRENDERED
	P27/1922	60	0	SURRENDERED
	P27/1923	60	0	SURRENDERED
	P27/2007	60	60	
	P27/2008	60	60	
YUINMERY	M57/265	100	100	
	P57/1214	100	100	
	P57/1215	100	100	
	P57/1216	100	100	
	P57/1217	100	100	
	E57/1037	100	100	APPLICATION
HALF WAY DAM	E29/968	0	100	APPLICATION
LAVERTON	E38/3075	100	100	APPLICATION