



ACN 092 471 513

**QUARTERLY REPORT FOR THE PERIOD ENDED  
31 MARCH 2010**

**HIGHLIGHTS**

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

- **Diamond drilling confirms depth continuity of Just Desserts resource.**
- **Downhole electromagnetic survey outlines large, deep conductors at the Augustus and B zone prospects.**

**YARLARWEELOR : Uranium project – WA (32% indirect interest)**

- **Sale of the Yarlarweelor project to FYI Resources Ltd (“FYI”) completed.**
- **Empire now holds a 32% stake in FYI (12.8 million shares).** .
- **FYI to commence drilling at the end of April 2010.**

**CORPORATE :**

- **Subsequent to the end of the quarter, the Company was progressing a placement of 8.22 million shares to sophisticated investors to raise \$575,900.**
- **The money raised will be used principally to fund drilling programs at Yuinmery to increase the size of the resource at the Just Desserts prospect and other nearby targets that may contribute to the overall metal inventory at Yuinmery.**

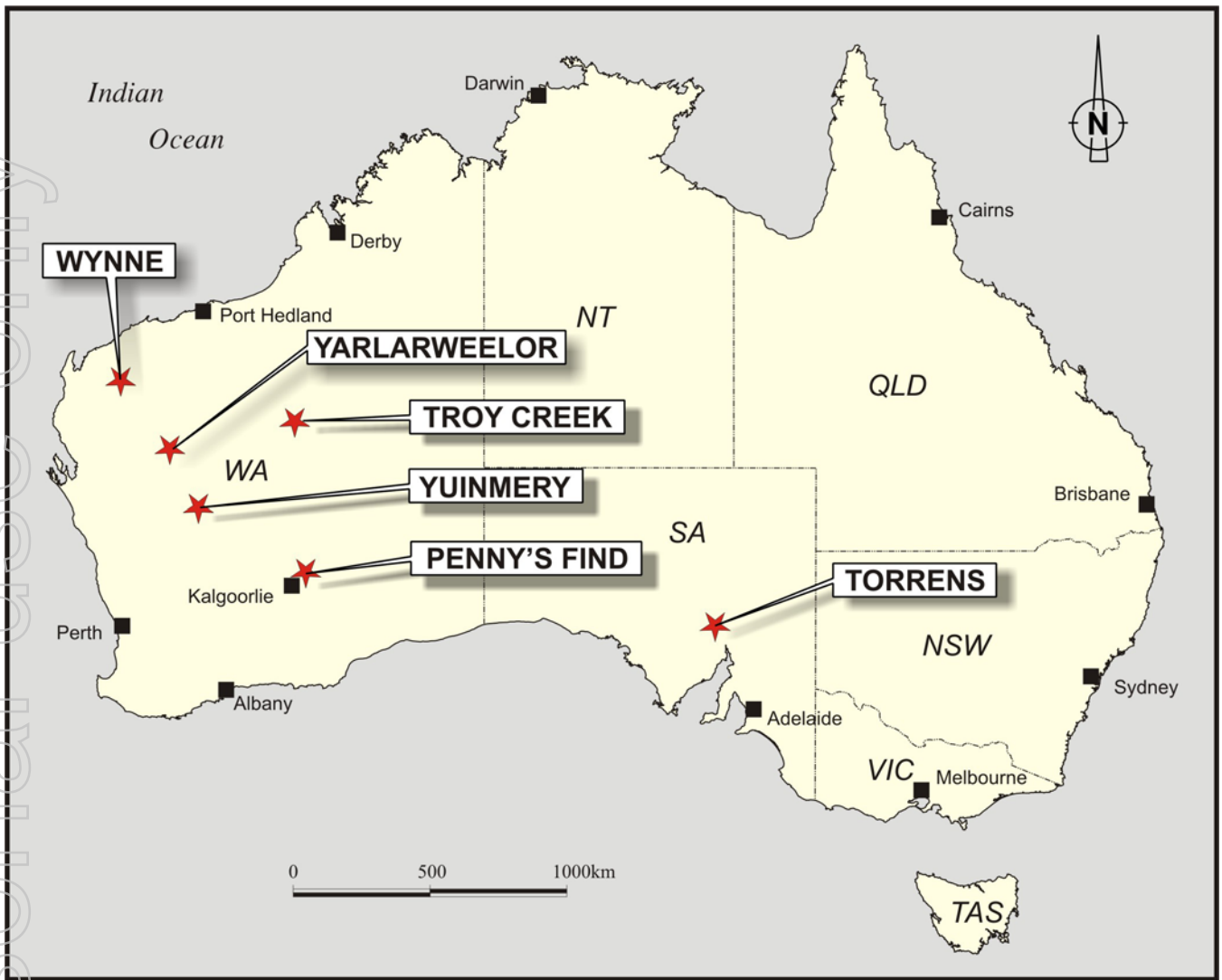


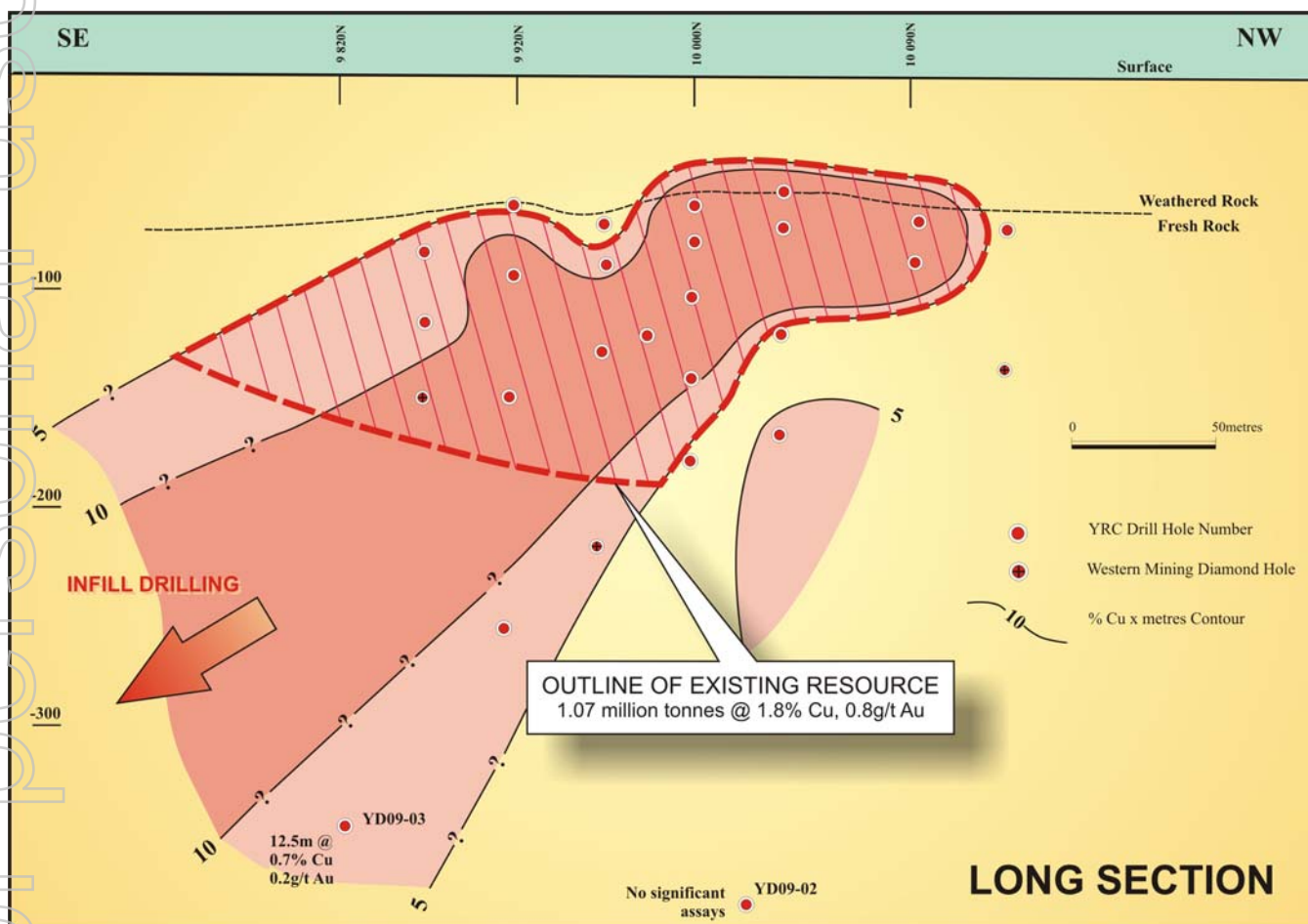
Figure 1 – Project location map

# REVIEW OF OPERATIONS MARCH QUARTER 2010

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

At the Just Desserts prospect, which forms part of the Yuinmery project, previous drilling by the Company intersected high grade copper –gold zones with assays including **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, 6.01g/t Au.**

Based on the above drilling, an Indicated + Inferred JORC resource of **1,070,000 tonnes @ 1.82% Cu, 0.78g/t Au** 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.



**Figure 2 – Outline of JORC standard resource on long section, Just Desserts Prospect.**

During the March quarter two diamond drill holes, totalling 960 metres were completed at the Just Desserts prospect testing for depth extensions to the resource. These holes confirmed the original interpretation of a south easterly plunge to the mineralization with drill hole YD09-03 intersecting 12.5m @ 0.7% Cu from 392.30m downhole, which included 1.9m @ 1.6% Cu from 392.3m. This hole may have intersected the bottom edge of the south easterly plunging copper - gold mineralization (see Figure 2). Further drilling is planned in the June quarter down plunge from the currently defined resource.

Downhole electromagnetic surveys conducted during the quarter outlined large, deep conductors at the Augustus and B zone prospects. A diamond drilling program to test these targets has recently commenced.

## YUINMERY DIAMOND DRILLING RESULTS

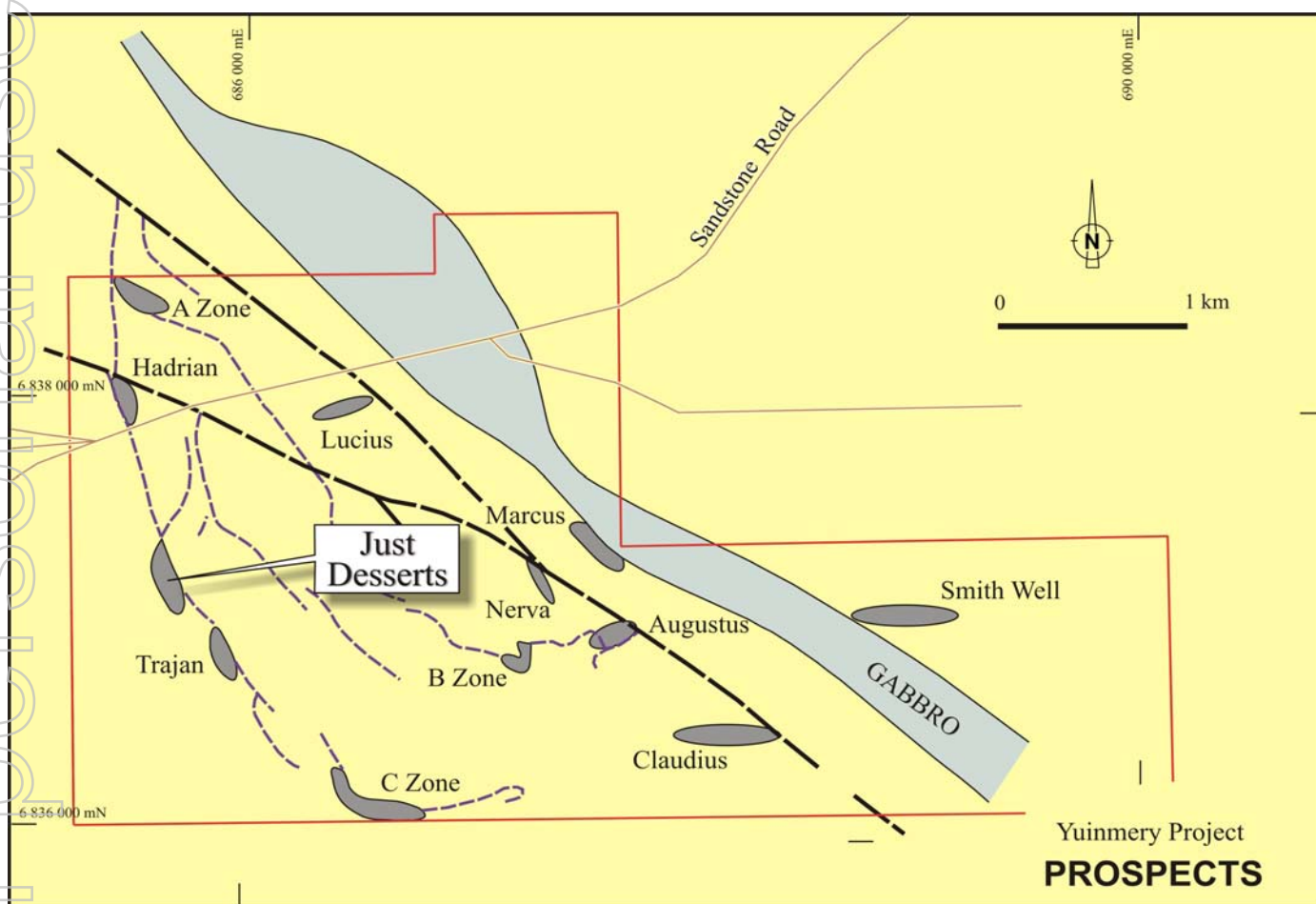
HOLE ID	NORTH	EAST	PRE-COLLAR	FINAL DEPTH	AZ	DIP	FROM	TO	LENGTH	Cu GRADE	Au GRADE
			(m)	(m)			(m)	(m)	(m)	%Cu	g/t Au
<b>JUST DESSERTS</b>											
YD09-02	6837256	686028	90.5	482.5	225	-70	-	-	-	No significant assays	
YD09-03	6837095	686143	88.5	477.6	225	-60	392.3	404.8	12.5	0.7	0.2
							392.3	394.2	1.9	1.6	0.2

Intersections are an arithmetic average calculated using a 0.25% Cu lower cut-off. No high cut has been applied.

Maximum internal dilution within an intersection is 1m @ less than 0.25% Cu

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

Coordinates GDA94 zone 50



**Figure 3 – Location map of prospects at Yuinmery Project**

The Yuinmery copper-gold project is situated 475 km northeast of Perth, WA and straddles the Sandstone to Paynes Find Road.

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.

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

At the Penny's Find project, the Company has outlined a near surface resource of **314,000 tonnes @ 5.2g/t Au**. The proximity of the deposit to established processing infrastructure near Kalgoorlie, the current gold price and the possibility of mining a substantial portion of the deposit by open pit methods, enhances the strategic value of this resource.

In 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.

During the March quarter Empire drilled 10 RC holes totalling 1069 metres, testing the mineralized contact which extends northwards from the Penny's Find deposit for over two kilometres. Samples from this program have been submitted for analysis.

As part of this RC program, 3 RC holes, totalling 384m, were drilled on the Mt McLeay tenements testing beneath historic gold workings and a black shale horizon containing anomalous copper values. Assay results are pending.

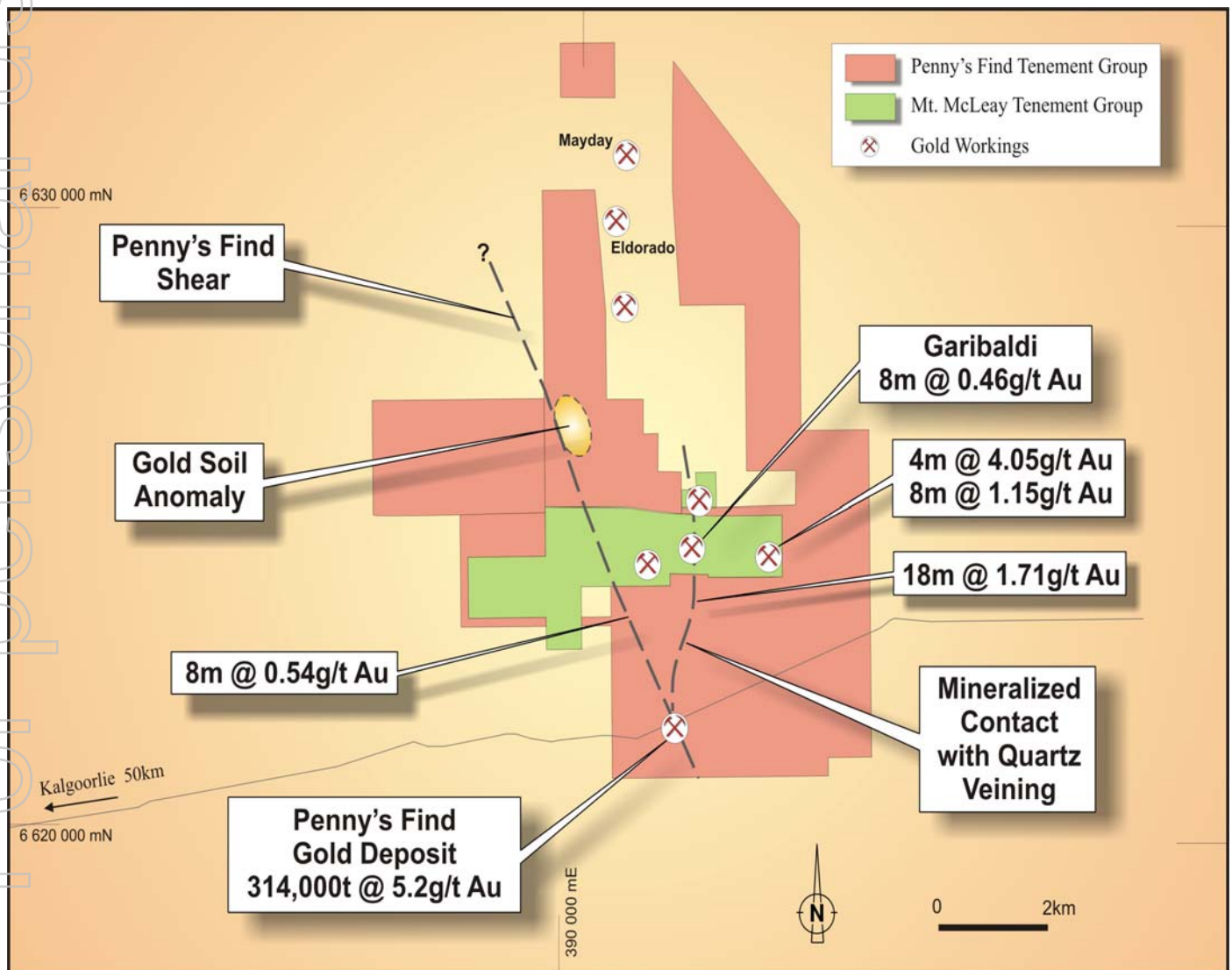


Figure 4 – Tenements and location map, Penny's Find Project.

## Yarlarweelor (WA): Uranium Project – 32% indirect interest

The Company announced to the Australian Stock Exchange on 1<sup>st</sup> October 2009 that 100% of the Yarlarweelor 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.

The sale of Yarlarweelor to Freedom Eye Ltd, renamed FYI Resources Ltd, has now been finalised as announced to the ASX on the 1 April 2010. As part of the sale agreement, Empire Resources Ltd emerged with a direct 32% stake in FYI Resources Ltd and two seats on its Board of Directors.

A drilling rig commenced an initial 4 hole, 500m diamond drilling program on the Kangaroo Ridge and Doris prospects in April.

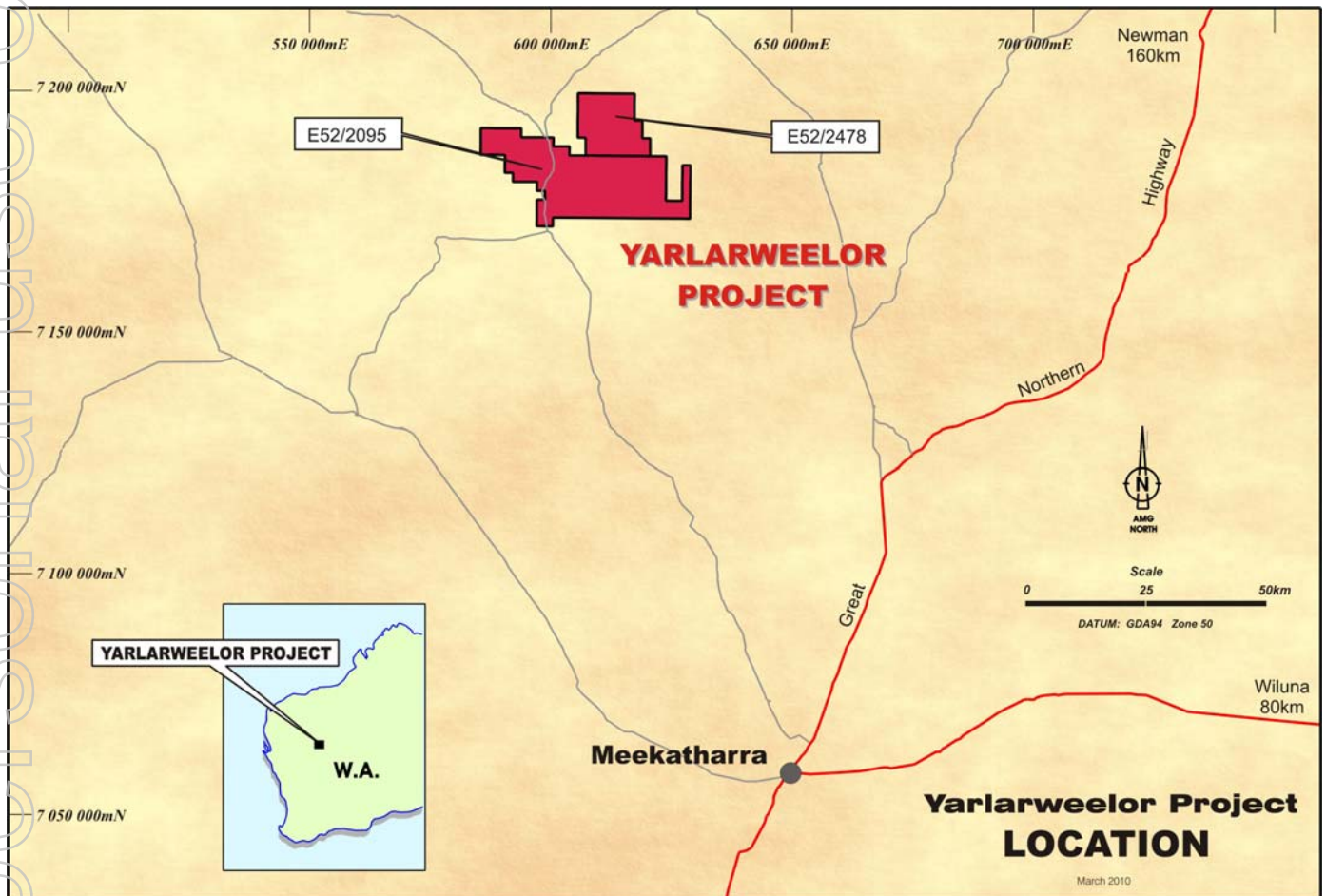


Figure 5 – Location map, Yarlarweelor Project

Previous exploration at Yarlarweelor project 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. At this time, 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.

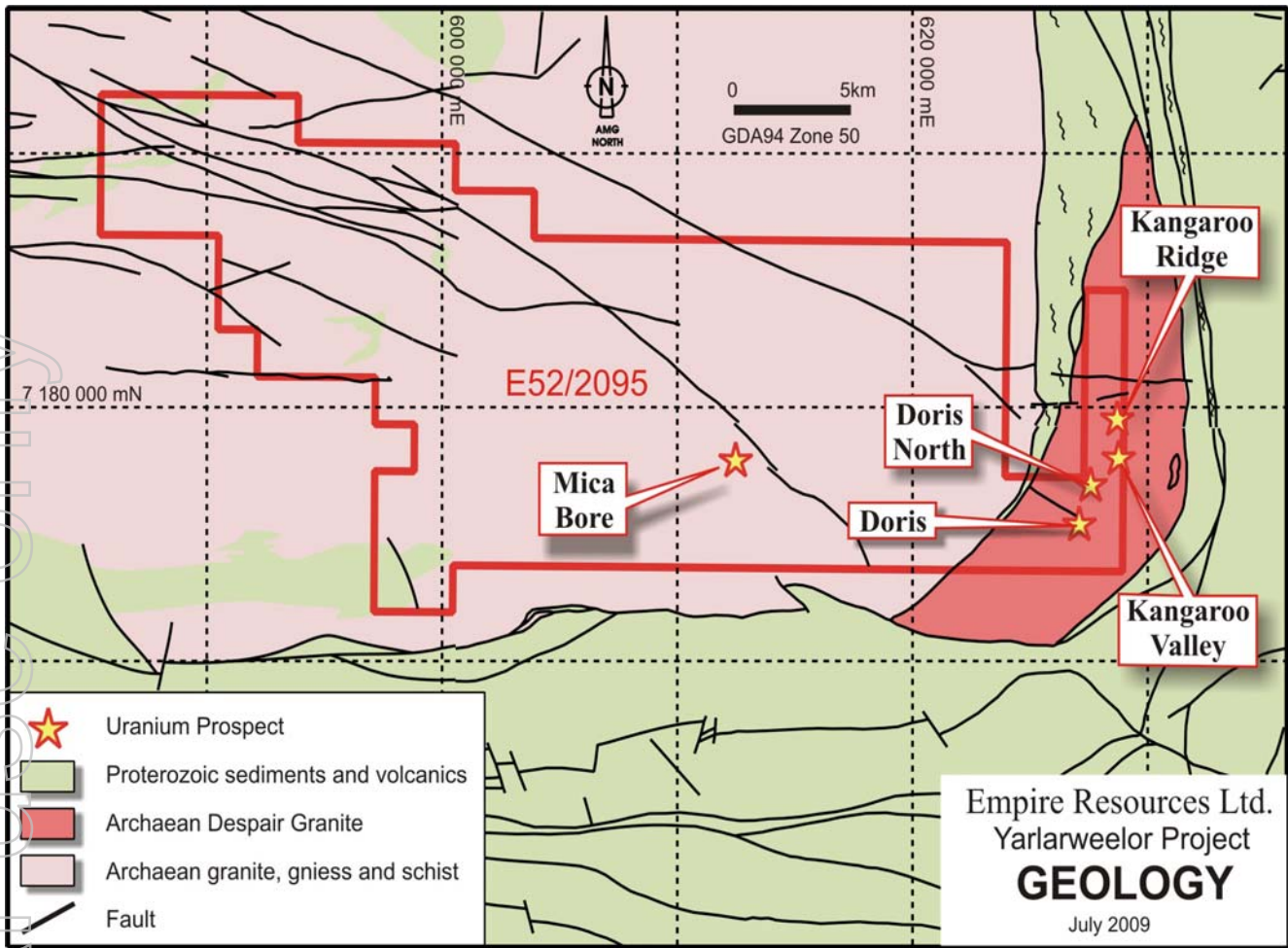


Figure 6 – Geology and prospects, Yarlarweelor project

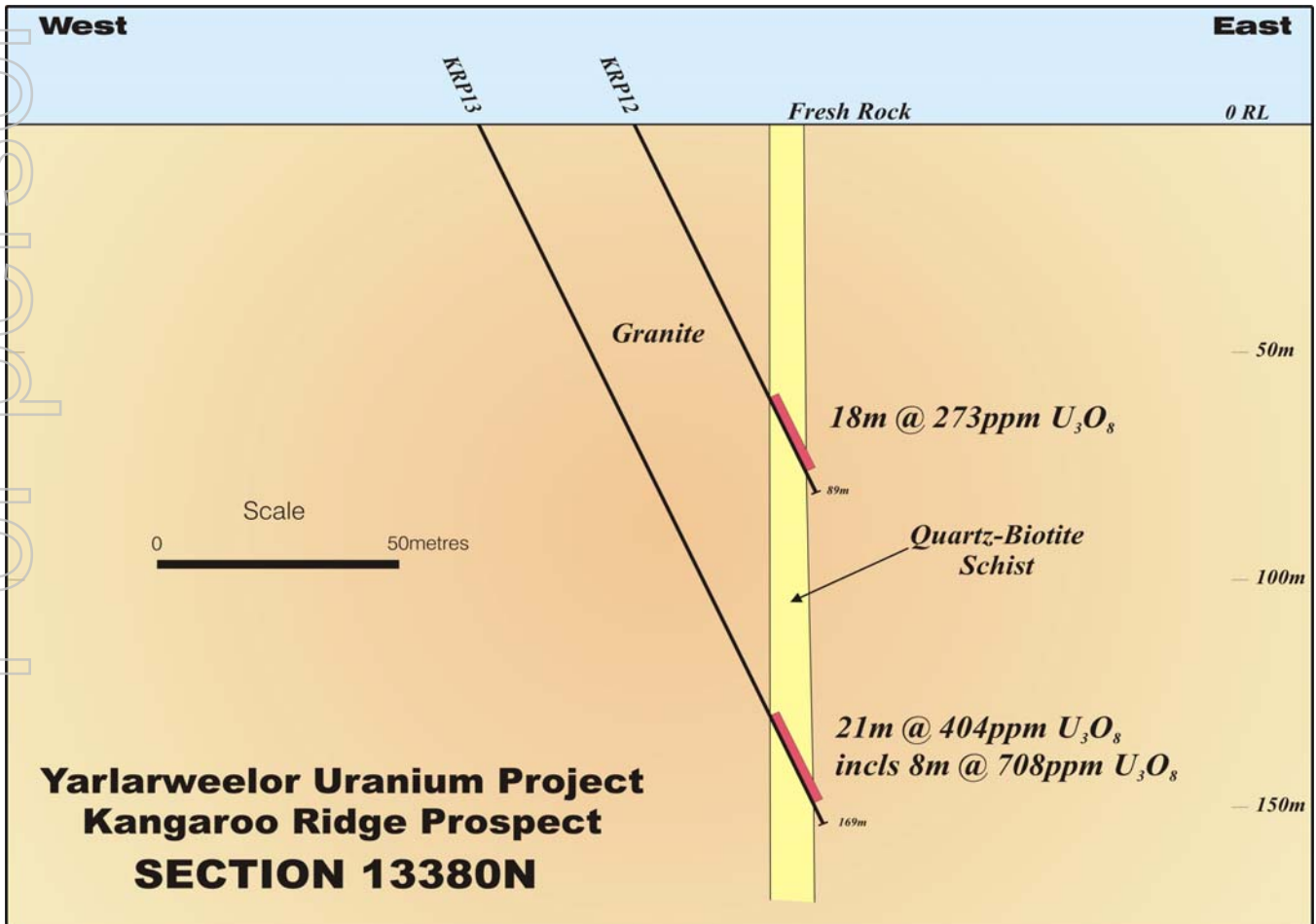
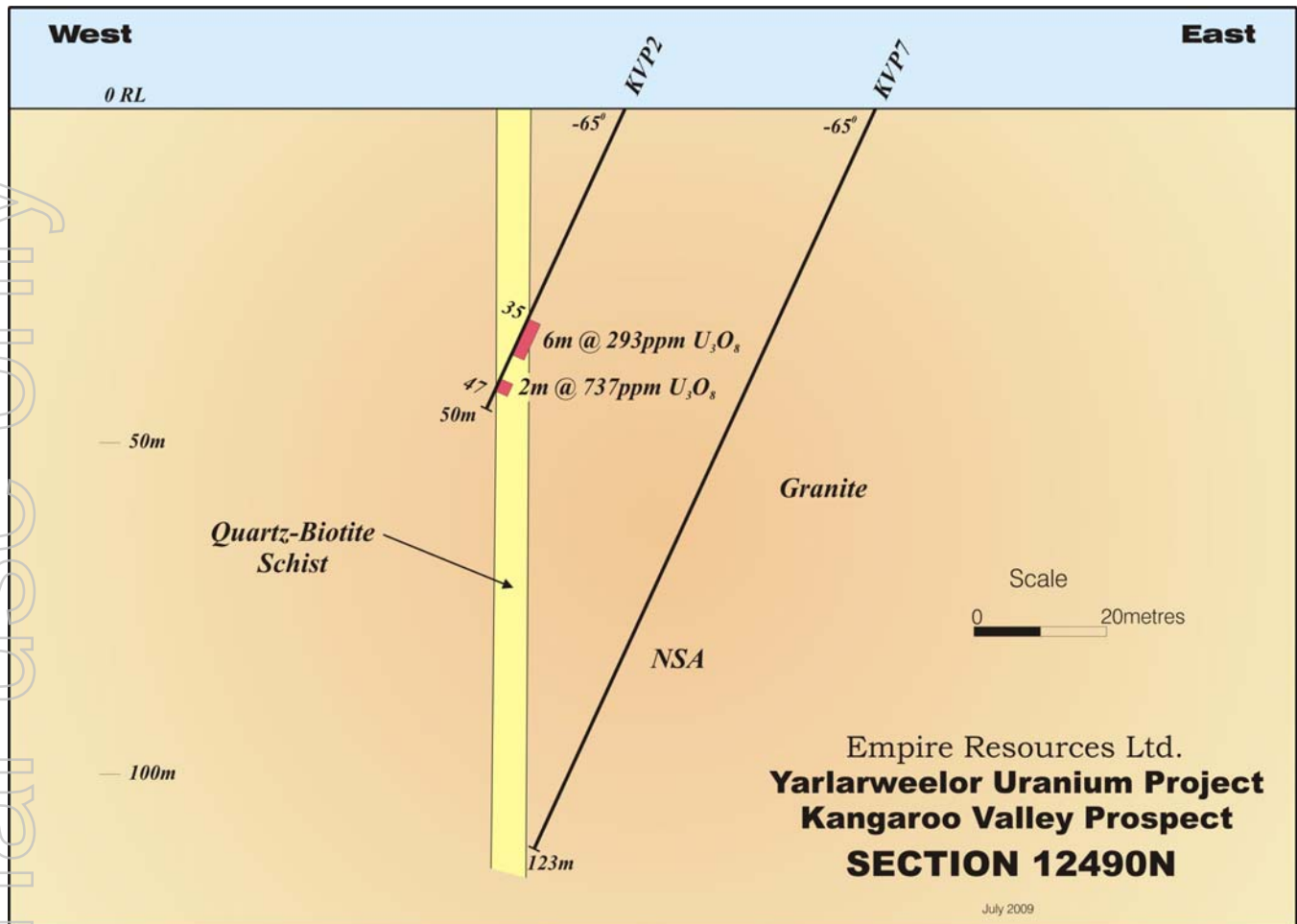


Figure 7 – Drill Section 13380N, Kangaroo Ridge Prospect.

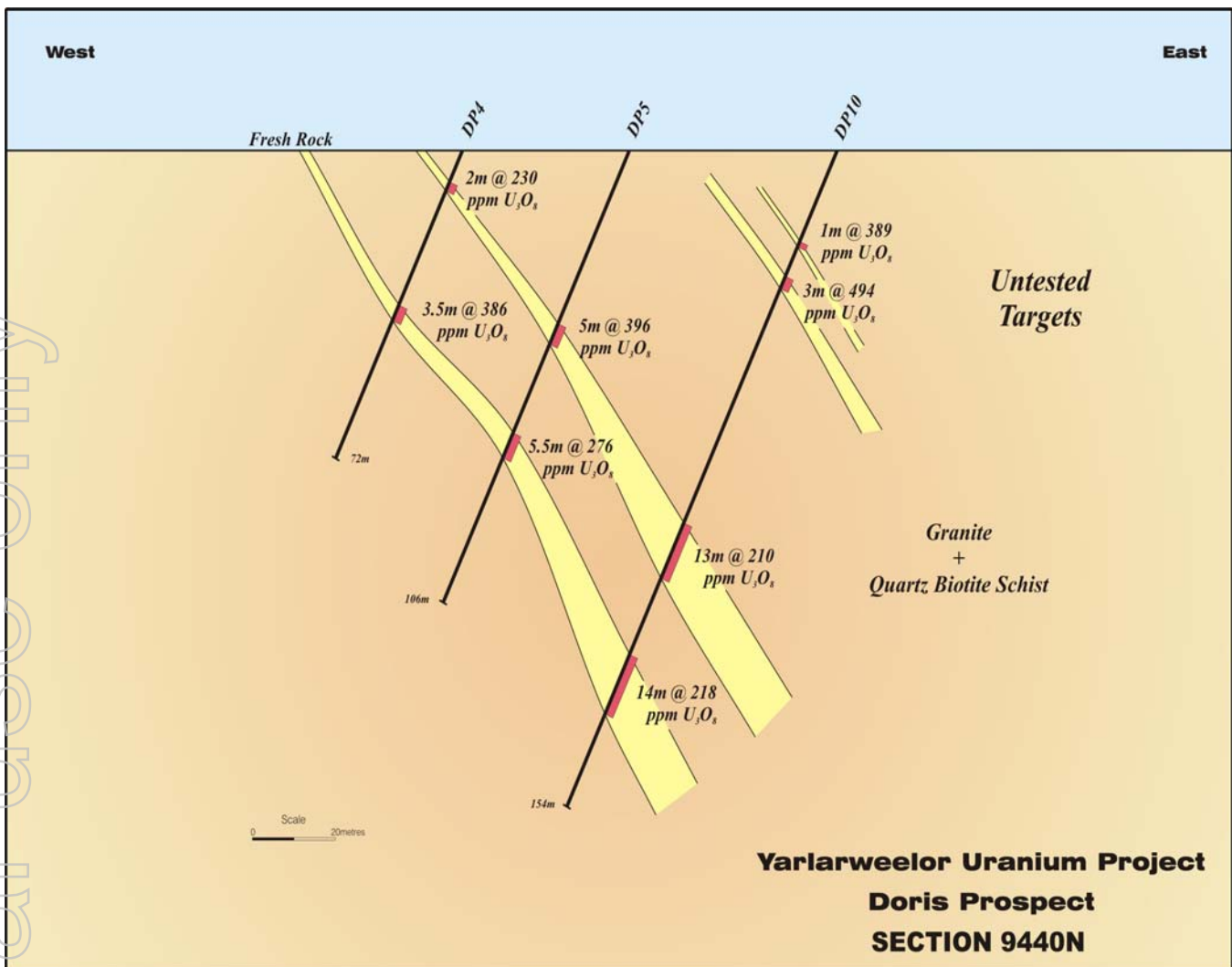
The Kangaroo Ridge and Kangaroo Valley prospects are 1.3 km apart and lie on the same zone of uranium mineralisation which contains values in excess of 700ppm  $U_3O_8$  and appears to be increasing in width and grade with depth.



**Figure 8 – Drill Section 12490N, Kangaroo Valley Prospect.**

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





**Figure 9 – Drill Section 9440N, Doris Prospect**

## **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.

High grade copper sulphide drill intersections have previously been announced for the Main Gossan prospect in the December 2008 and December 2009 quarterly reports. These intersections included 2 metres @ 4.65% Cu from 91 metres; and 8 metres @ 1.47% Cu from 76 metres and 4 metres @ 3.04% Cu from 104 metres, in two holes 50m apart along strike.

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.

No field work was undertaken during the quarter.

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

The Wynne prospect consists of an application for an exploration licence covering an area of 90 sq km 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.

No field work was undertaken during the quarter.

## **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.

## **Corporate**

The Company appointed New Holland Capital Pty Limited as Lead Manager to a capital raising of \$575,900 to sophisticated investors during April.

The money raised will be used principally to fund drilling programs at Yuinmery to increase the size of the Just Desserts prospect resource and other nearby targets that may contribute to the overall metal inventory at Yuinmery.

**DAVID SARGEANT**  
**MANAGING DIRECTOR**

**April 2010**

For further information on the Company, visit [www.resourceempire.com.au](http://www.resourceempire.com.au)

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## Notes on Empire Resources Ltd - a copper and gold focused 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/t Au**. 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/t Au** at a 1% Cu cutoff. 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. Drill intersections from two holes 50m apart along strike included **2m @ 4.65% Cu** in one hole and **8m @ 1.47% Cu plus 4m @ 3.04% Cu** in the other hole

*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
<b>TOTAL</b>	<b>314,000</b>	<b>5.18</b>	<b>52,316</b>

*\*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/m<sup>3</sup>; transitional 2.2t/m<sup>3</sup>; fresh 2.5t/m<sup>3</sup>.

## 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
<b>1%Cu cutoff</b>	Indicated	104,000	1.65	0.86	1.32
	Inferred	966,000	1.84	0.77	2.12
<b>TOTAL</b>	<b>1,070,000</b>	<b>1.82</b>	<b>0.78</b>	<b>2.06</b>	
<b>1.5%Cu cutoff</b>	Indicated	46,000	2.11	1.14	1.58
	Inferred	536,000	2.34	0.92	2.68
<b>TOTAL</b>	<b>582,000</b>	<b>2.33</b>	<b>0.93</b>	<b>2.61</b>	

*\*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/m<sup>3</sup>; fresh 3.2t/m<sup>3</sup>.