



ACN 092 471 513

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

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

Since listing in February 2007 the Company has discovered a new **gold** resource near Kalgoorlie at the Penny's Find project, which has a defined insitu resource of 314,000 tonnes @ 5.2g/tAu. Further targets to be drilled were defined during the quarter.

High grade **copper-gold** zones were intersected at the Yuinmery project. Intercepts such as **3.64%Cu**, **4.46%Cu** and **5.53%Cu**, and **12.85g/tAu** were announced during the quarter (see details below). Six of seven targets drilled intersected copper-gold mineralization. Follow-up ground and down-hole geophysical surveys preparatory to drilling during the next quarter had commenced early in January 2008, and a drill rig is scheduled to arrive during February.

Since listing, the Company has outlined a good quality open pittable gold resource, and high grade copper-gold mineralisation. The Company is continuing its active exploration. The Board and senior management have extensive experience in mineral exploration and project development.

HIGHLIGHTS

- **Yuinmery : Copper-gold project**

Significant copper-gold intersections obtained from the first round of RC drilling :

Hole No.	Prospect	Intersection
YRC07-02	A Zone	1m @ 1.54%Cu, 0.16g/tAu from 214m 7m @ 1.81%Cu, 0.48g/tAu from 218m to e.o.h.
YRC07-05	Just Desserts	14m @ 2.63%Cu, 1.91g/tAu from 80m 8m @ 3.64%Cu, 1.13g/tAu from 97m 6m @ 3.79%Cu, 12.85g/tAu from 111m 2m @ 2.47%Cu, 0.34g/tAu from 128m
YRC07-13	Just Desserts	3m @ 5.53%Cu, 0.98g/tAu from 117m 2m @ 2.37%Cu, 0.05g/tAu from 133m
YRC07-14	Just Desserts	6m @ 4.46%Cu, 0.30g/tAu from 68m

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- **Penny's Find : Gold project**

Wide spaced diamond core drilling confirms high grade gold mineralization continues at depth below the current resource but with narrower widths. The best intersection was :

Hole PFD002 0.60m @ 10.30g/tAu from 272.50m

- **Troy Creek : Copper – Gold - PGM project**

Semi-massive sulphides (pyrrhotite and pyrite) containing weakly anomalous gold and palladium were intersected at the bottom of hole while testing a large circular magnetic anomaly.

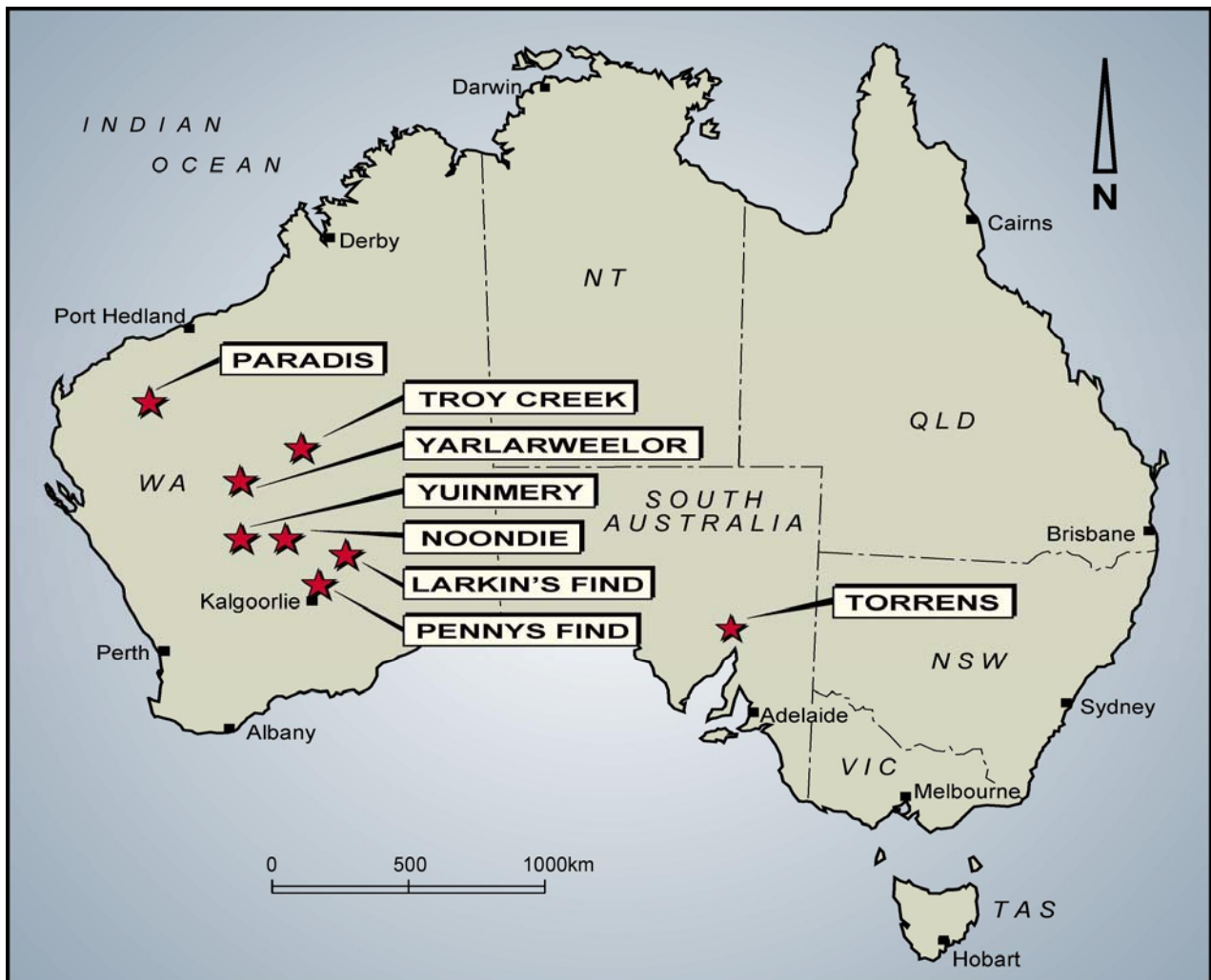


Figure 1 : Project location map

Figure 2 : Location of the Yuinmery project, 80km southwest of Sandstone, WA

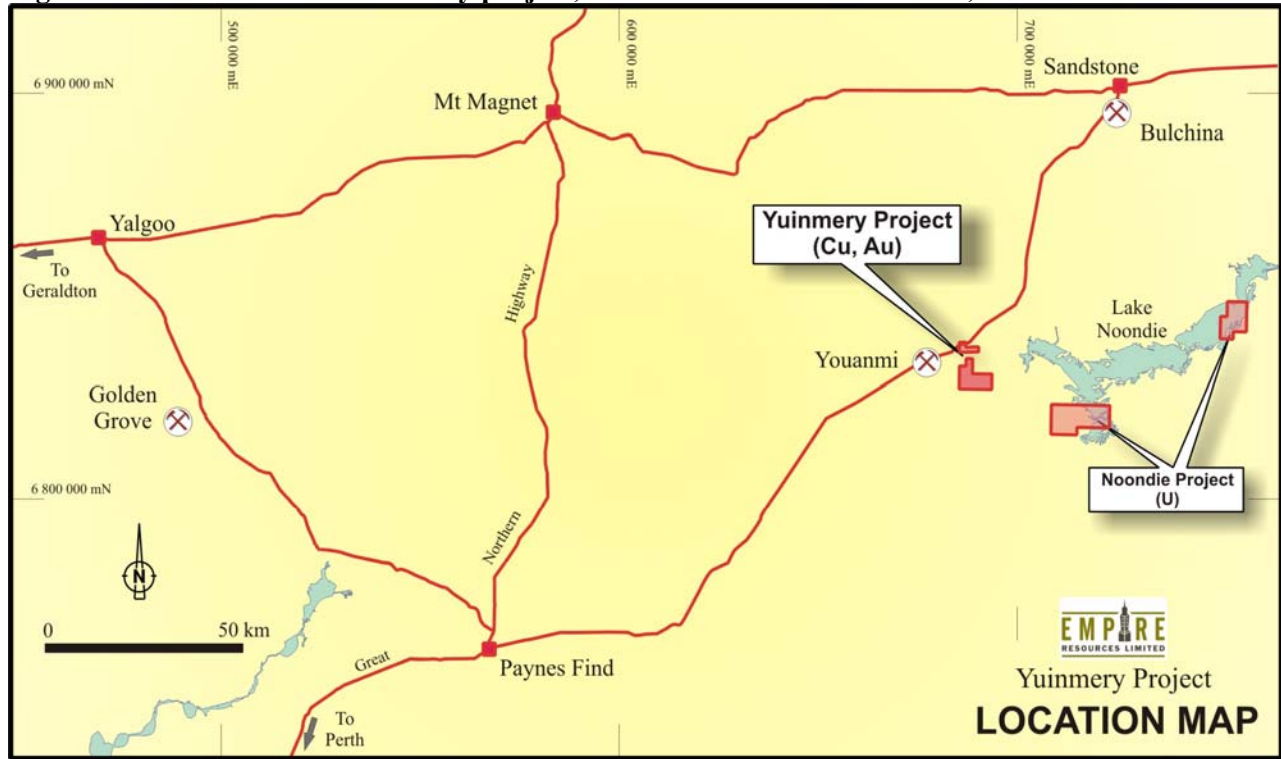
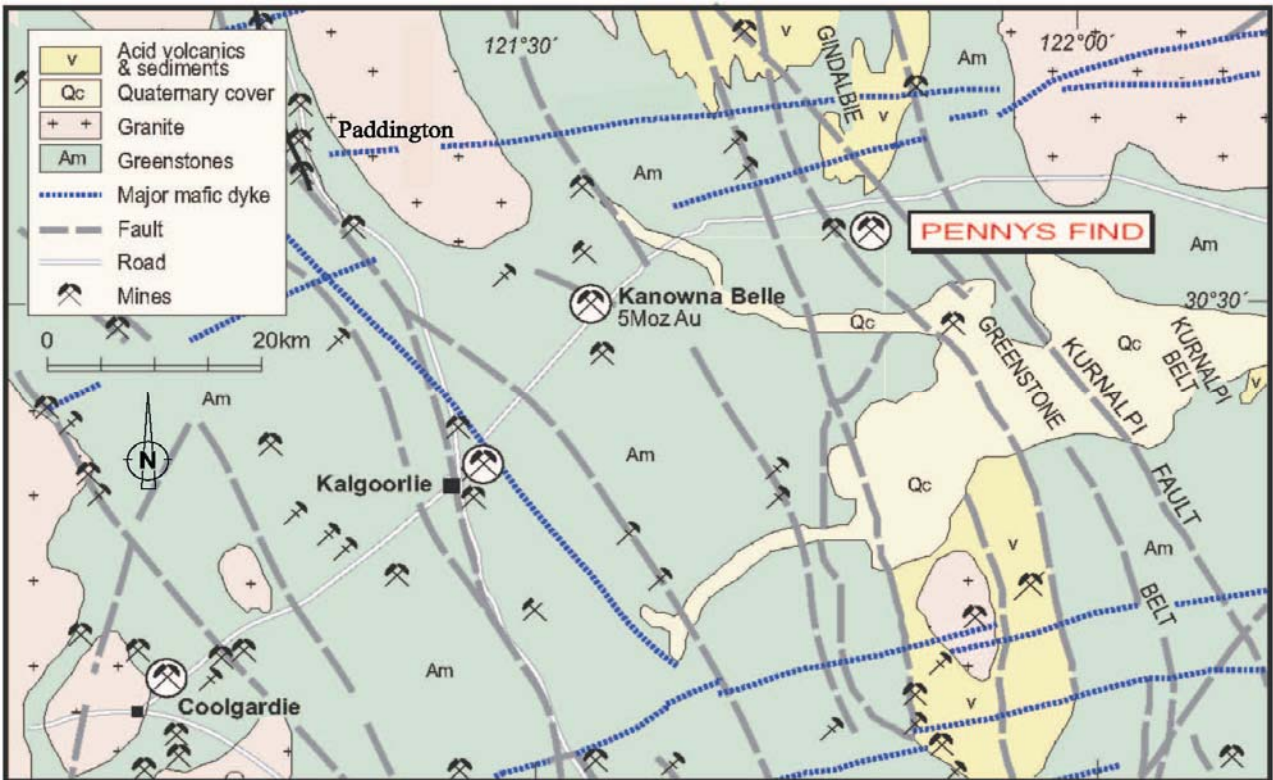


Figure 3 : Location of Penny's Find, 50km northeast of Kalgoorlie, WA



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REVIEW OF OPERATIONS

Yuinmery Copper-Gold Project – 90% interest

Empire has increased its interest to 90% during the quarter following completion of expenditure requirements and agreement with the vendor. The vendor retains a 10% interest that is free-carried to the commencement of a bankable feasibility study. During the quarter an exploration licence application covering 40km² was lodged over prospective ground to the south of Yuinmery.

The Yuinmery copper-gold project is situated 475 km northeast of Perth. It lies within the Archaean Youanmi Greenstone Belt and covers a synclinal sequence of chloritised felsic tuffaceous rocks with interbedded sulphide bearing chert horizons. Large bodies of pyroxenite and gabbro have intruded the volcanic sequence.

Copper-gold mineralization has previously been identified from a number of prospects within the Yuinmery project area. This mineralization 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.

During the quarter the Company drilled fifteen reverse circulation holes totaling 2,778 metres. These holes tested seven separate targets defined from previously completed geological, aeromagnetic and electromagnetic geophysical surveys.

The drilling resulted in the location of exciting high grade intersections from two separate areas designated as “A Zone” and “Just Desserts” depicted in Figure 4.

The mineralization at Just Desserts occurs in two horizons and extends at present for 150m along strike. Of particular note is the high grade gold intersections at Just Desserts associated with high grade primary copper sulphide mineralization. The mineralization at A Zone and Just Desserts is open both along strike and at depth. No drilling below a vertical depth of 200metres has yet been undertaken in the Yuinmery project area, which highlights the potential for a major discovery within the tenement area.

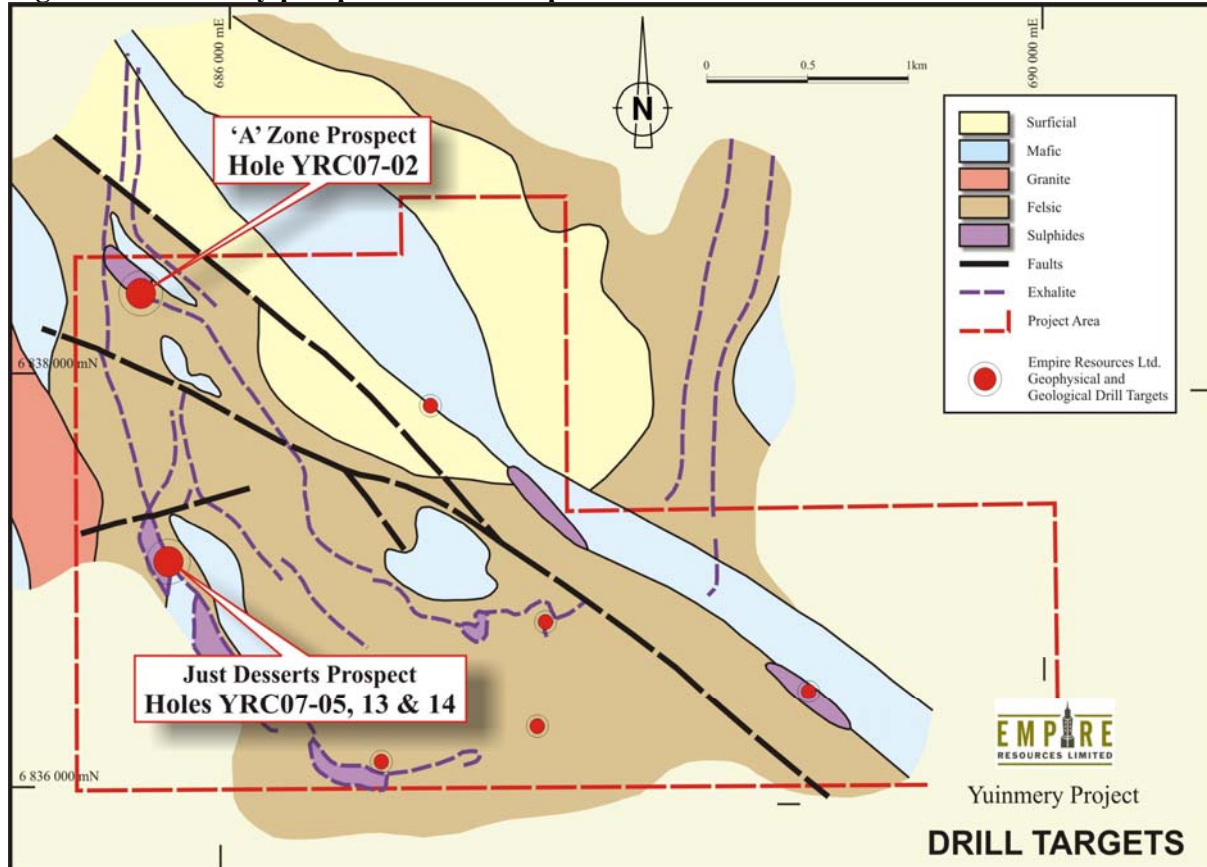
Significant intersections from this drilling are detailed below:

Hole No.	Prospect	Intersection
YRC07-02	A Zone	1m @ 1.54%Cu, 0.16g/tAu from 214m 7m @ 1.81%Cu, 0.48g/tAu from 218m to e.o.h.
YRC07-05	Just Desserts	14m @ 2.63%Cu, 1.91g/tAu from 80m 8m @ 3.64%Cu, 1.13g/tAu from 97m 6m @ 3.79%Cu, 12.85g/tAu from 111m 2m @ 2.47%Cu, 0.34g/tAu from 128m
YRC07-13	Just Desserts	3m @ 5.53%Cu, 0.98g/tAu from 117m 2m @ 2.37%Cu, 0.05g/tAu from 133m
YRC07-14	Just Desserts	6m @ 4.46%Cu, 0.30g/tAu from 68m

A downhole EM survey had commenced in January 2008 utilising the holes drilled in the last quarter. This survey should more accurately define the parameters of the mineralization intersected and locate further drill targets.

A separate ground EM survey is planned to cover portions of the tenement area that have not been previously evaluated. Upon receipt of the results of these geophysical surveys another program of drilling will be undertaken.

Figure 4 : Yuinmery prospect location map



Penny's Find Gold Project – option to acquire a 100% interest

The Penny's Find project is situated in the Eastern Goldfields, 50km northeast of Kalgoorlie, Western Australia. Within granted mining lease M27/156 gold mineralization is associated with quartz veining mainly developed at or near the contact between altered basalts and sediments.

Since listing in February 2007, Empire Resources has outlined a JORC compliant resource at Penny's Find of 314,000 tonnes @ 5.2g/tAu down to a vertical depth of 150m below surface.

During the quarter a total of 4 wide spaced diamond core holes, 1,259m were completed at Penny's Find to test the depth extensions to high grade gold mineralization reported in the June Quarterly Report which included **5m @ 20.88g/tAu** from 162m in hole PFRC07-71.

Three holes returned gold values in narrow quartz vein intersections within the target zone, while one hole (PFRD003) missed the target due to a fault offsetting the lode structure. Visible gold was present in the quartz veins from holes PFD002 and PFD004. The better intersections are:

Hole PFD001 0.50m @ 8.11g/tAu from 271.25m

Hole PFD002 0.60m @ 10.30g/tAu from 272.50m
Hole PFD004 2.00m @ 5.50g/tAu from 221.90m

Assays were done by screen fire assay which confirmed the presence of coarse gold within the quartz veins.

Troy Creek Gold-PGM-Copper Project – 100% interest

The Troy Creek gold-PGM-copper project is situated 900km northeast of Perth. Previous exploration has identified multi-element anomalous geochemistry in sedimentary rocks over a widespread area, extending for over a 20km strike length. Within this area, drill intersections of 1.5metres @ 2.98% copper, 9.6metres @ 0.34% copper and 8.0metres @ 0.79g/t PGM and gold have been obtained.

During the quarter a total of 8 vertical RC holes, 1,063m were drilled to test seven discrete magnetic and gravity anomalies.

The final metre of hole TCRC07-02A, drilled to test anomaly TC37, ended in dolomitic graphitic shale and chert containing 30% pyrite and pyrrhotite at a depth of 171m, the limit of the drill rigs capability. Although this final metre only assayed weakly anomalous gold (69ppb) and palladium (30ppb), the presence of magnetic pyrrhotite is considered significant as it may indicate the presence of a large sulphide body as the cause of the TC37 magnetic anomaly.

It is planned to deepen the hole at anomaly TC37 once a suitable drilling rig can be sourced.

Two of the anomalies were shown to be unmineralized magnetic dolerite and gabbro while drilling of four other anomalies failed to reach the target depth.

Torrens 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 province that includes the Olympic Dam, Prominent Hill and Carrapateena deposits.

During the quarter the Company completed one diamond hole (TDH001) to a vertical depth of 770m, testing one of the prominent circular gravity anomalies present within the project tenements.

TDH001 passed through 208m of Tertiary cover rocks before passing into a flat lying sequence of Cambrian limestones, dolomites and siltstones. The hole had to be abandoned at 770m due to bad ground conditions while still in Cambrian rocks. No mineralization of significance was logged in the hole.

A number of other prominent gravity and magnetic anomalies remain to be tested on the project tenements. The Company will review these targets before deciding on an appropriate exploration strategy.

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Larkin's Find Nickel-Gold Project – earning 80% interest

The Larkins Find nickel and gold project is situated 155km north-northeast of Kalgoorlie in Western Australia. The project contains an inferred resource of 5.2 million tonnes assaying 0.8% nickel and 0.08% cobalt.

Regional multi-client aeromagnetic data has been purchased over the project area. This is currently being interpreted to aid in targeting drilling programmes to test for structurally hosted gold deposits and to expand on the current nickel resource.

Noondie Uranium Project – 100% interest

The Noondie uranium project consists of two granted exploration licences totaling 138km² located at Lake Noondie southwest of Sandstone and east of the Yuinmery Project. The EL's, which contain a number of radiometric anomalies, are prospective for calcrete type uranium deposits similar in style to the Yuinmery uranium deposit located on the north shore of Lake Noondie.

Empire intends to undertake ground radiometric surveys as soon as possible to be followed up by aircore drilling of any suitable targets.

Paradis Gold-Platinum Project – 100% interest

The Paradis gold and PGM project, located 25km west of Paraburdoo, contains late Archaean rocks on the southern margin of the Pilbara Craton. The Company has a 100% interest in two exploration licence applications covering an area of 230km². The EL's are expected to be granted during the coming quarter.

The project is situated within the Ashburton Structural Corridor which hosts the Mt. Olympus, Waugh and Paulsens gold deposits. Previous exploration has revealed widespread anomalous gold and platinum values in stream sediments, and rock chip samples assaying up to 0.3g/t Pt + Pd. The Company intends to investigate these anomalies further once the tenements are granted.

DAVID SARGEANT
MANAGING DIRECTOR
January 2008

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. M.Sc., who is an employee of the Company and is a member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AIMM). David Ross 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.

YUINMERY RC DRILLING 2007

HOLE ID	NORTH	EAST	Final Hole Depth (m)	AZ	DIP	FROM (m)	TO (m)	WIDTH (m)	Cu grade %Cu	Au grade g/t Au
YRC07-01	6838336	685636	190	045	-55				nsa	nsa
YRC07-02	6838362	685531	225	045	-55	214	215	1	1.54	0.16
						218	225	7	1.81	0.48
YRC07-03	6836738	685938	140	045	-55				nsa	nsa
YRC07-04	6836926	685863	180	045	-60				nsa	nsa
YRC07-05	6836965	685740	168	045	-60	80	94	14	2.63	1.91
						97	105	8	3.64	1.13
						111	117	6	3.79	12.85
						128	130	2	2.47	0.34
YRC07-06	6836953	685718	205	045	-60				nsa	nsa
YRC07-07	6837652	687412	180	270	-55				nsa	nsa
YRC07-08	6837027	688810	220	180	-60				nsa	nsa
YRC07-09	6836473	687746	185	270	-60				nsa	nsa
YRC07-10	6836876	687687	205	270	-60				nsa	nsa
YRC07-11	6836301	686920	195	180	-60				nsa	nsa
YRC07-12	6836312	686700	195	180	-65				nsa	nsa
YRC07-13	6836958	685900	140	225	-60	117	120	3	5.53	0.98
						133	135	2	2.37	0.05
YRC07-14	6837096	685729	150	225	-75	67	73	6	4.46	0.3
YRC07-15	6838290	685602	200	045	-60				nsa	nsa

nsa : no 1m assays above 1%Cu or 1g/tAu

Intersections are an arithmetic average calculated using a 1%Cu or 1g/tAu lower cut-off. No high cut has been applied.

Maximum internal dilution within an intersection is 2m @ less than 1%Cu or 1g/tAu

Assays were done on 1metre riffle split samples using a 40gm Fire Assay for gold and mixed acid digest and ICP Optical Emission Spectrometry for copper.

PENNY'S FIND DIAMOND DRILLING

Hole No	Northing	Easting	Final Depth (m)	Azimuth	Dip	From (m)	To (m)	Length (m)	Grade g/tAu
PFD001	6621851	392167	300.0	250	-60	271.75	272.25	0.50	8.11
PFD002	6621948	392137	300.4	250	-60	272.50	273.10	0.60	10.30
PFD003	6622033	392106	347.8	240	-60	No significant assays			
PFD004	6622127	392062	311.0	250	-60	221.90	223.90	2.00	5.50

Intersections are an arithmetic average calculated using a 3.0g/tAu lower cut-off. No high cut has been applied.

There is no internal dilution.

Assays were done by screen fire assay on half core.

Northings and eastings are GDA94 MGA zone 51 coordinates.

TROY CREEK RC DRILLING

Target Anomaly	Hole Number	Northing	Easting	Azimuth	Dip	Depth (m)
TC34	TCRC07-01	7191793	320898	180	-60	112
TC37	TCRC07-02	7191691	326097	-	-90	123
TC37	TCRC07-02A	7191676	326096	-	-90	171
TC22	TCRC07-03	7198042	322487	-	-90	152
TC21	TCRC07-04	7199340	320828	-	-90	154
TC20	TCRC07-05	7198304	316248	-	-90	104
TC19	TCRC07-06	7200537	314809	-	-90	143
Gravity high	TCRC07-07	7202801	308411	-	-90	104

TORRENS DIAMOND DRILLING

Hole No.	Northing	Easting	Azimuth	Dip	Depth (m)
TDH001	6488820	221600	-	-90	770

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EMPIRE RESOURCES LIMITED

ABN

32 092 471 513

Quarter ended ("current quarter")

31 DECEMBER 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (.6... months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	(813)	(1,393)
(b) development	-	-
(c) production	-	-
(d) administration	(209)	(399)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	113
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(969)	(1,679)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(4)	(39)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(4)	(39)
1.13 Total operating and investing cash flows (carried forward)	(973)	(1,718)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(973)	(1,718)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(973)	(1,718)
1.20	Cash at beginning of quarter/year to date	3,582	4,327
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,609	2,609

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	67
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees, consultancy charges and remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issue of 500,000 shares under the Yuinmery JV agreement for deemed consideration of 22 cents
Issue of 200,000 shares under the Larkins Find Gold and Nickel Project Farm in and JV agreement for deemed consideration of 18 cents

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	750
4.2	Development	-
	Total	750

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Appendix 5B
Mining exploration entity quarterly report

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11	(68)
5.2 Deposits at call	2,598	3,650
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,609	3,582

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	<p style="text-align: center;">Yuinmery Project M57/265, P57/743-746.</p> <p style="text-align: center;">Noondie Project E57/643 E57/648-</p>	<p style="text-align: center;">Interest earned pursuant to agreement with Meekal Pty Ltd Dated 26-10-06</p> <p style="text-align: center;">75%</p>	<p style="text-align: center;">90%</p> <p style="text-align: center;">Tenements granted During quarter-</p> <p style="text-align: center;">Nil 100% Nil 100%</p>

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	61,218,192	49,726,998	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Escrow release	500,000 200,000 -	500,000 200,000 -	22c 18c -	22c 18c -
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	3,000,000 27,709,075	27,709,075	Exercise price 25c 25c	Expiry date 31/12/2010 30/06/2009
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

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