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Empire Resources – Yuinmery Project in Western Australia shaping up as the real deal

Empire Resources (ASX: ERL, Share Price: \$0.056, Market Cap: \$7m) is a grassroots exploration company with a wide variety of projects operating out of Western Australia. Like most of its fellow junior explorers, Empire's share price has taken a real battering.

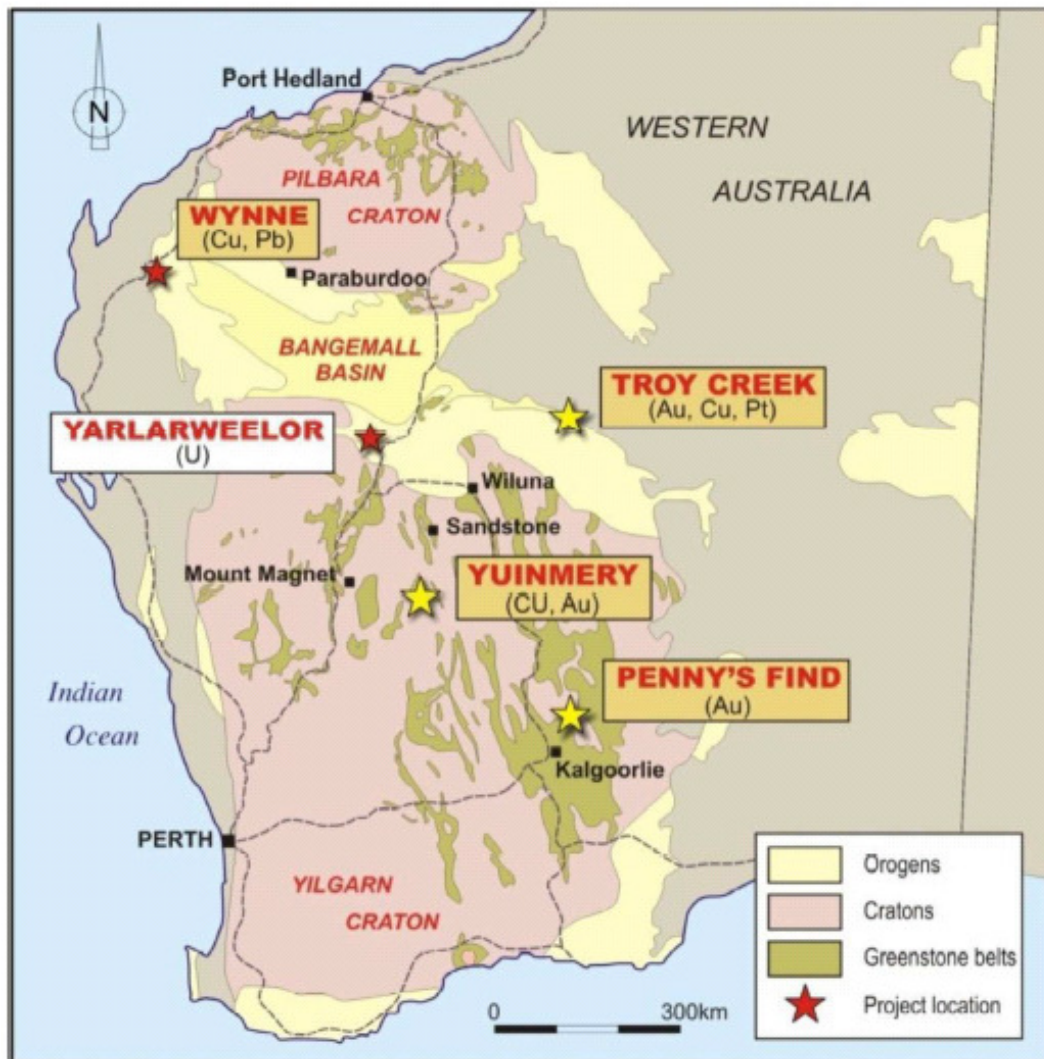
But this makes the company hugely attractive in my book, because over recent months the company has been revealing what I consider to be very significant exploration results.



As background, Empire is a base and precious metals explorer, but the main focus of the company's activity is its flagship Yuinmery Project, where it currently has an active drilling campaign underway.

Here an Indicated and Inferred copper-gold resource has already been identified at the Just Desserts prospect. Further potential exists at the nearby A Zone prospect, where new zones of zinc and copper mineralisation have recently been discovered. The Constantine deposit also shows strong potential, with the company identifying large widths of low-grade PGM+Ni mineralization.

Quite simply, further drilling success at Yuinmery could have a major impact on the overall economic viability of the project and as such, on the company's valuation.



The flagship Yuinmery project is located 80km southwest of Sandstone and is prospective for volcanic massive sulphide (VMS) mineralisation, as well as PGM and nickel mineralisation within ultramafic units.

The company has already delineated an Indicated and Inferred resource totaling 1.07Mt @ 1.82% Cu and 0.78g/t Au at the Just Desserts prospect and has also identified a number of other nearby copper-gold targets which have significant potential to add to the existing resource.

Of particular interest is 'A Zone', where recent drilling intersected significant mineralisation including 5m @ 2.6%Cu, 0.4g/t Au and 4m @ 8.1% Zn.

And just this week Empire released highly encouraging copper intersections of up to 19 metres in width from its A Zone prospect. The copper mineralization was identified in a recently completed RC drill hole (YRC11-16), which is part of an ongoing drilling program at the A Zone prospect.

The visible chalcopyrite mineralization was recorded from 158 to 180 metres down-hole. Using a 0.5% copper cut, the intersection averages 5m @ 4.4% copper from 170m depth, within 19m @ 1.85% copper from 160m down-hole. This copper mineralization is contained within the lower horizon.

True width is estimated to be 80% of the drill intersection. A full set of analytical results is expected to be released in the next quarterly report. Encouragingly, the A Zone prospect lies 1.3km north of Empire's flagship Just Desserts prospect.



This latest intersection of higher-grade copper mineralization confirms the potential of the A Zone prospect at Yuinmery. Mineralization is also evident at depth and along strike, with many assays still pending. The combination of wide intersections at good grade supports the company's belief that the region has the potential to host a number of significant VMS mineralised zones.

Empire also has an 80% (and appreciating) stake in a nearby prospect called Constantine. Recent drilling interested large widths of low-grade PGM (Platinum Group Metal) mineralization, including 80m @ 0.49 g/t Pt + Pd and 0.22% Ni. The PGM's at Constantine are associated with disseminated sulphide mineralisation in at least two horizons.

Metallurgical test work on drill samples indicates a relatively simple beneficiation process can upgrade the PGM's and as such, Constantine may evolve as a separate major prospect in its own right.


I'm encouraged by the level of activity within the Empire portfolio. If drilling of the high-priority targets at Yuinmery is successful, it would significantly enhance the overall economic robustness


of the project and would trigger a significant re-rating in the company valuation. The current program of drilling is continuing at A Zone as well as testing a number of other promising geophysical targets in the project area.

I will be speaking with MD David Sargeant whilst I'm in Perth and will look to include the company in our portfolio in the near future once stability returns to the share price. Watch this space.

Publication Reminder Note: Due to a business commitment in Perth, the Weekly Report will be published on Friday of this week. Once again I sincerely apologise for any inconvenience.

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