

EMPIRE RESOURCES

EXPLORER WASTES NO TIME EXPANDING

When a company announces a gold strike the same month it lists on the Australian Securities Exchange, you know it's a stock worth keeping an eye on.

THAT'S EXACTLY WHAT Empire Resources was able to do last year. When the company lodged its prospectus with the ASX it said that drilling was ready to go at its Penny's Find project – within days of the float the drilling rig rolled in and less than a month later the company was able to announce the first successful results.

Empire's managing director David Sargeant said it was never a company-making find, but it plays perfectly into Empire's long-term strategy. It was an early, potentially revenue-generating strike to take the pressure off the books and investors and allow the company's experienced management team to get on with the job of building a larger exploration portfolio.

And that's the way it's turning out. Sargeant told *RESOURCESTOCKS* that the company bought the full rights to Penny's Find – about 120km northeast of Kalgoorlie – earlier this year and is exploring options to turn the time and money invested into the project back into money.

"We have been talking to people about toll treating and we've had some other proposals and we expect to be making a decision about that very soon," he said.

"It's going to be very beneficial to the company. We've got a prospect and we're going to turn it over to be commercial and it will

deliver revenue to the company."

But while it's not a deposit to be sniffed at – the deposit has a JORC-compliant resource of 314,000 tonnes at 5.2 grams per tonne of gold down to a vertical depth of 150m below the surface and the deposit's discovery hole yielded 23m at 10.0gpt gold from 33m, with additional gold targets nearby – it's not what has Empire excited right now.

It's Empire's second project, Yuinmery, which has the best potential to turn the company into a real money-maker. Sargeant and Empire's other directors are so excited about the prospects for the site, the company sold out its uranium prospects at Yarlalweelor earlier this year to realise additional cash to help develop the Yuinmery find.

Located 475km northeast of Perth within the Youanmi Greenstone Belt, Empire holds a 9.2 square kilometre block of tenements 6km east of the Youanmi gold mine.

Recent drilling showed high-grade copper-gold intersections at the project. The 2446m program of 16 reverse circulation holes tested two sulphide-bearing horizons known as the upper and lower zones at the Just Desserts prospect towards the western boundary of the Yuinmery tenement area.

Assay results from the lower zone at the Just Desserts program included best intersections of 2m

at 2.02% copper, 0.18 grams per tonne gold from 263m, 5m at 3.12% copper, 0.28gpt gold from 106m, 9m at 2.2% copper, 0.29gpt gold from 133m including 4m at 3.54% copper, 0.24gpt gold from 135m and 10m at 4.23% copper, 6.01gpt gold from 123m including 4m at 8.62% copper, 14.08gpt gold from 124m.

Upper zone results included 8m at 2.95% copper, 3.2gpt gold from 119m including 4m at 4.79% copper, 3.12gpt gold from 120m, 15m at 1.37% copper, 0.24gpt gold from 44m and 10m at 1.55% copper, 1.48gpt gold from 76m.

The drilling showed both zones of sulphide mineralisation dipping about 60 degrees to the northeast and plunging 45 degrees to the southeast, with a strike length of 150m and a down plunge extent of at least 250m. Both zones remain open down plunge to the southeast and appear to be merging at depth to form one horizon of about 12m true width.

It's a result that is attracting interest from other players, with Mark Ashley's Apex Minerals – which owns the nearby Youanmi Gold Mine and associated processing plant and flotation circuit – signing up with Empire to possibly help develop the deposit in the wake of the drilling program.

Apex has taken up 5 million Empire shares, raising \$850,000 for the company and signed a memorandum of understanding with Empire to investigate the future development on the Yuinmery deposits.

It's a deal that could be the making of Empire, according to Sargeant.

And it's a move that fits perfectly into Empire's long-term strategy.

The proximity of Apex's processing plant – only 6km from the Yuinmery deposit – means Empire may be able to piggyback on

Located 475km northeast of Perth, Empire holds a 9.2sq.km block of tenements 6km east of the Youanmi gold mine.

DAVID SARGEANT
MANAGING DIRECTOR
EMPIRE RESOURCES





Logging drill samples at Just Desserts

existing infrastructure, move closer to production faster and maximise the potential returns to shareholders while reducing their risk.

“I’ve always said that we have enough experience in the company to not be afraid to develop what we discover,” Sargeant said.

“We’ve got a range of experience in exploring and mining in a diversity of commodities, but we also want to move on to getting a commodity to market. This agreement with Apex should move us one step closer to doing that.”

And a depth of experience there is.

When *RESOURCESTOCKS* visited Empire Resources’ office to have a chat there was almost 80 years of experience in the room – and that’s with only two of the three directors in the office. If company chairman Adrian Griffin had been there, the total experience in the room would have easily topped 100 years.

Sargeant has a long history as a senior geologist.

He was the first chief geologist at Telfer, as well as a senior geologist with Newmont, senior supervisory geologist with Esso Australia, exploration manager for Adelaide Petroleum NL and its group of companies and manager (resources development) for Sabminco.

Sargeant was also the technical director of Western Reefs during its transformation from an exploration company to a successful gold producer through the Dalgaranga gold project.

Executive director Adrian Jessup

matches Sargeant’s long experience in the industry, with nearly 40 years continuous experience in mineral exploration, ore deposit evaluation and mining as a geologist, company director and consultant.

A founding director of Sylvania Resources, Jessup was also the managing director of Giralia Resources.

Non-executive chairman Adrian Griffin’s management experience is broad, encompassing exploration, financing, development, commissioning and the production of a wide range of mineral commodities.

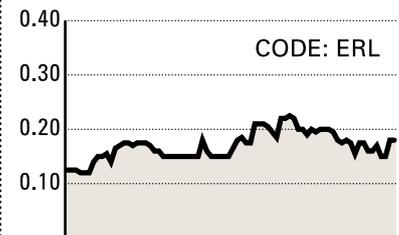
Griffin helped develop mine planning, grade control and exploration methods in iron ore with BHP and has served as the operations manager with a number of public companies involved in the mining and production of gold and base metals throughout Australia and South-East Asia.

That’s a lot of experience in a company that prides itself on being lean and hungry – but it’s an important asset, as the speed with which the company has moved over the past 12 months shows.

Sargeant said the experience has shone through in the way in which the company has been able to progress its finds. It shows that the company selected its projects carefully for the IPO, which has since borne fruit.

From listing to its first find, to more significant discoveries at Yuimery and various deals – it has been a successful year for Empire and the company shows no sign of slowing down soon. **RS**

EMPIRE RESOURCES AT A GLANCE



4 months ending June 30, 2008

HEAD OFFICE

53 Canning Highway
Victoria Park WA 6100
Ph: +61 8 9361 3100
Fax: +61 8 9361 3184
Email info@resourcesempire.com.au
Web: www.resourcesempire.com.au

DIRECTORS

Adrian Griffin, David Sargeant
Adrian Jessup

MARKET CAPITALISATION

\$10.56 million (at press time)

MAJOR SHAREHOLDERS

Kirkdale Holdings 5.5%
Brenton Anthony Parry 4.1%
Zetek Resources 4.1%