

EMPIRE RESOURCES

RESOURCESTOCKS

AMASSING SOME GRAND PROSPECTS

Three significant copper and gold discoveries in four years have placed this low-cost explorer on the threshold of serious resource growth.

BARELY MORE THAN a toddler in listed years, Empire Resources figures it could be about to kick up a sandstorm in what it believes to be one of the most prospective areas of Western Australia.

With a large land holding hosting volcanogenic massive sulfide-style mineralisation akin to that supporting MMG's Golden Grove production, Independence Group's Jaguar operations and Sandfire Resources' Doolgunna development, Empire is focused on proving up numerous economic resources ahead of becoming a multi-commodity producer.

During 2011, Empire believes it can boost its initial JORC resource tonnage at the Yuinmery project, located in the base metals-rich Youanmi greenstone belt province in WA's Mid West.

The resource measures 1.07 million tonnes at 1.82% copper and 0.78 grams per tonne gold from one prospect, Just Desserts.

However, Empire rates its chances of significantly increasing its Yuinmery resource base as "very good" – not only because the Just

Desserts mineralisation remains open at depth, but also because Empire has defined several additional discrete copper targets as well as separate nickel-platinum group metals (PGM) mineralisation.

Pending results and rig availability, an initial Yuinmery scoping study could commence this year, ahead of feasibility studies anticipated within two years.

Empire is confident of producing copper and gold from Yuinmery within five years, while simultaneously targeting exploration for large tonnage nickel and platinum deposits.

Recent A-Zone prospect drilling has returned 5 metres at 2.6% copper and 0.4gpt gold from 148m, including 1m at 5% copper and 0.3gpt gold.

Earlier drilling at Just Desserts, 1.3 kilometres to the south, delivered 23m at 2.68% copper and 1.28gpt gold from 80m, including 6m at 7.42% copper and 3.01gpt gold; 13m at 2.58% copper and 0.39gpt gold from 63m; 7m at 4.23% copper and 1.65gpt gold from 106m; 13m at 2.55% copper and 1.67gpt gold from 106m; and 14m at 2.08% copper and 0.17gpt gold from 74m.

Empire is conducting further reverse circulation (RC) drilling at A-Zone before drilling several other regional targets identified late last year by down hole electromagnetic surveying.

These include the YC14 prospect, where the only drill hole to date intersected 5m of copper and gold-bearing massive sulfide mineralisation.

"We've been quite encouraged by our work across several targets where we've completed some geophysics and a little drilling," Empire Resources executive director Adrian Jessup confirmed.

"Additional Yuinmery discoveries appear likely."

Empire's PGM and nickel discovery at the Constantine prospect in the Yuinmery area is generating considerable excitement.

Wide, low-grade zones of mineralisation, including 80m at 0.49gpt PGM, have been intersected in a distinctive rock unit that can be traced from aeromagnetic data over a distance of 13km, all contained within Empire territory.

Preliminary flotation test work indicated favourable recoveries, with a significant increase in platinum and palladium grades, and detailed metallurgical test work is now underway.

Prospecting 3.5km along strike to the south of Constantine earlier this year identified additional ironstones containing highly anomalous platinum, palladium, nickel and copper values over 500m of strike.

The company is planning induced polarisation surveying, rotary air blast and RC drilling within this area, and is further encouraged by historic



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ADRIAN JESSUP
EMPIRE RESOURCES

Western Mining RC drilling revealing low-grade nickel intersections from the same ground. These historic samples were never assayed for PGMs.

Empire holds a 100% interest in 47 square kilometres of Yuinmery tenements. In addition, the company holds a three-year option over La Mancha's 80% interest in a joint venture over a further 149sq.km surrounding its wholly owned ground.

"We have a large area to evaluate, which has not been assessed for base metals for 30 years, and never for platinum," Jessup said.

Nonetheless, Empire is busy checking out other opportunities and would consider broadening its commodity exposure if it was considered worthwhile.

"We've always been on the lookout for new projects to acquire and have been very successful in WA since listing in 2007," Jessup said.

"We've made three significant copper or gold discoveries and proved JORC resources at two of these. This is quite exceptional for a small company in a four-year period."

Three years ago Empire was working the Penny's Find gold project near Kalgoorlie-Boulder, rating it an opportunity for early cash flow.

Empire determined a near-surface resource measuring 314,000 tonnes at 5.2gpt gold at Penny's Find, but Yuinmery exploration indicated much larger tonnage potential.

The company is selling Penny's Find for \$2 million plus a 2% gross royalty on production in excess of the initial 52,500 ounce resource.

Empire has logged an additional significant copper discovery, at Troy Creek northeast of Wiluna, but has opted for a joint venture, bringing in a partner to evaluate drill intersections that include 8m at 1.47% copper and 4m at 3.04% copper.

"Our preference is to concentrate on Yuinmery, which we think is one of the most prospective areas in WA," Jessup said.

Empire will outlay \$1.5 million on further Yuinmery exploration over the next year and has sufficient funds in hand.

Sometime in the future it could also reap the benefit of its 28% holding in FYI Resources, to which it sold the 656sq.km Yarlurweelor uranium project located 125km north of Meekatharra, WA.

This project boasts a 25km zone of targets on multiple horizons.

Results are pending from a June drilling program conducted by FYI.

Earlier drilling within a small portion of the project area returned 35m at 503 parts per million uranium oxide, including 5m at 1069ppm; and 7.8m at 588ppm U₃O₈, including 1m at 1873ppm.

Empire's 90sq.km copper project at Wynne, in WA's north Gascoyne region, has never been drilled.

Empire picked up the ground after exploration manager David Ross determined a previous explorer had conducted very encouraging exploration but never followed up with drill testing.

The company has allocated \$300,000 to Wynne exploration over the coming year. This will include RC drilling in August/September, designed to identify depth extensions of the mineralised outcrops.

"We are quite excited about this project," said Jessup, a geologist with more than 40 years industry experience.

"The size of this is one of its attractions.

"We have indications of mineralisation over a five kilometre strike length and have done quite a bit of sampling."

While Empire says it has sufficient prospective ground to keep itself busy, it is seriously considering picking up another opportunity in the short-term, backing this up with a \$200,000 assessment budget within the next 12 months.

"Over the past four years, we've been continually assessing new opportunities in Australia and overseas," Jessup said.

Jessup maintains Empire's ground and identified opportunities are not the only factors underpinning the company's ability to deliver results with profitable production projects.

"We're different to a lot of other small companies, in that we have a very experienced and skilled board and senior staff," he said.

"This includes our managing director David Sargeant, who has over 40 years experience in exploration and mine development.

"We also put approximately 70 per cent of working capital into the ground and keep our overheads to a minimum.

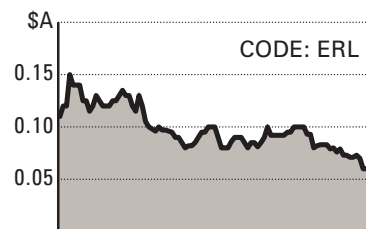
"We have had several good discoveries and we hope to shortly jag the big one.

"We're confident that we'll reward our investors." – **Susan Bower**



Prospecting at Wynne

EMPIRE RESOURCES AT A GLANCE



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MARKET CAPITALISATION

\$A7.64 million (at press time)

QUOTED SHARES ON ISSUE

127,295,900

MAJOR SHAREHOLDERS

Westoria Resource Investments 2.91%
RBJ Nominees 2.6%
Kirkdale Holdings 2.59%
Meekal Pty Ltd 2.43%
Agens Pty Ltd 2.1%