ACN 092 471 513

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2010

HIGHLIGHTS

YUINMERY : Advanced copper–gold project WA (100% interest)

- **Empire trebles area of tenement holding gaining numerous new VMS drill targets**
- **First pass sampling confirms high surface copper values on newly acquired tenements**
- **Ground EM survey identifies priority VMS drill targets**

PENNY'S FIND : Gold project WA (100% interest)

- **Sale of Penny's Find project for up to $2 million cash plus royalty**

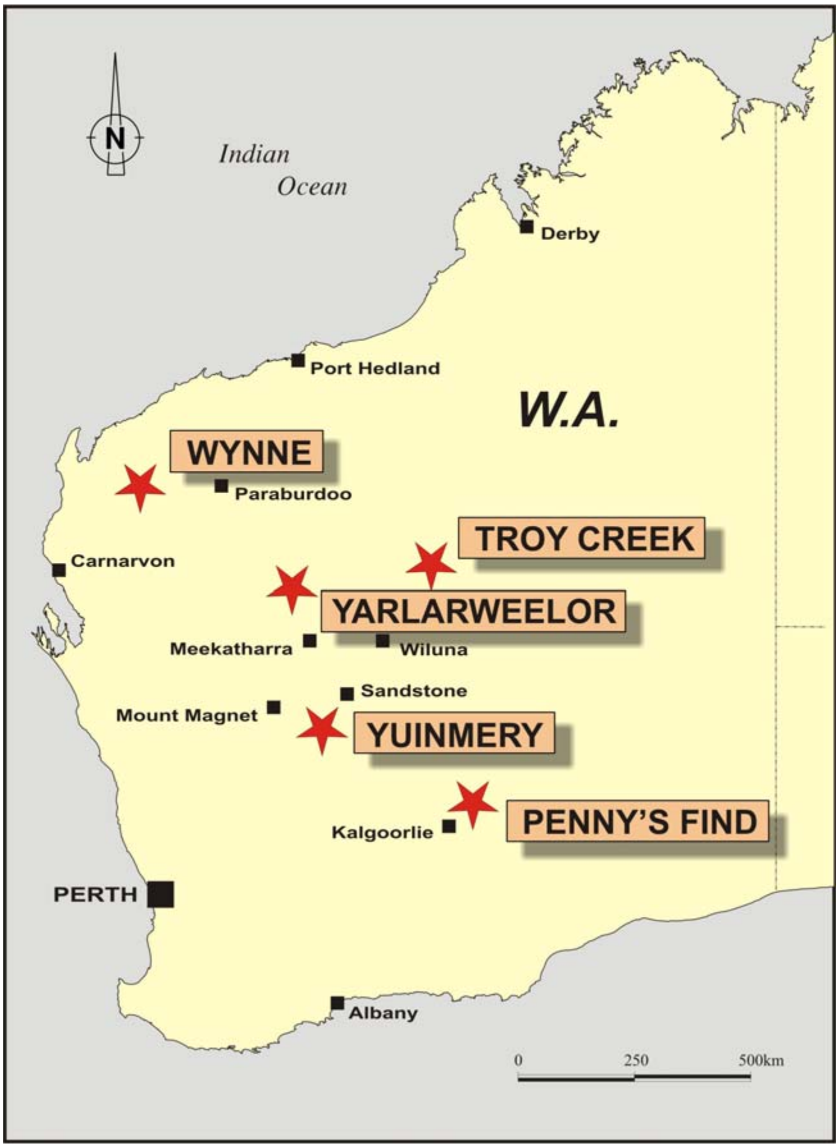

Figure 1 : Project location map

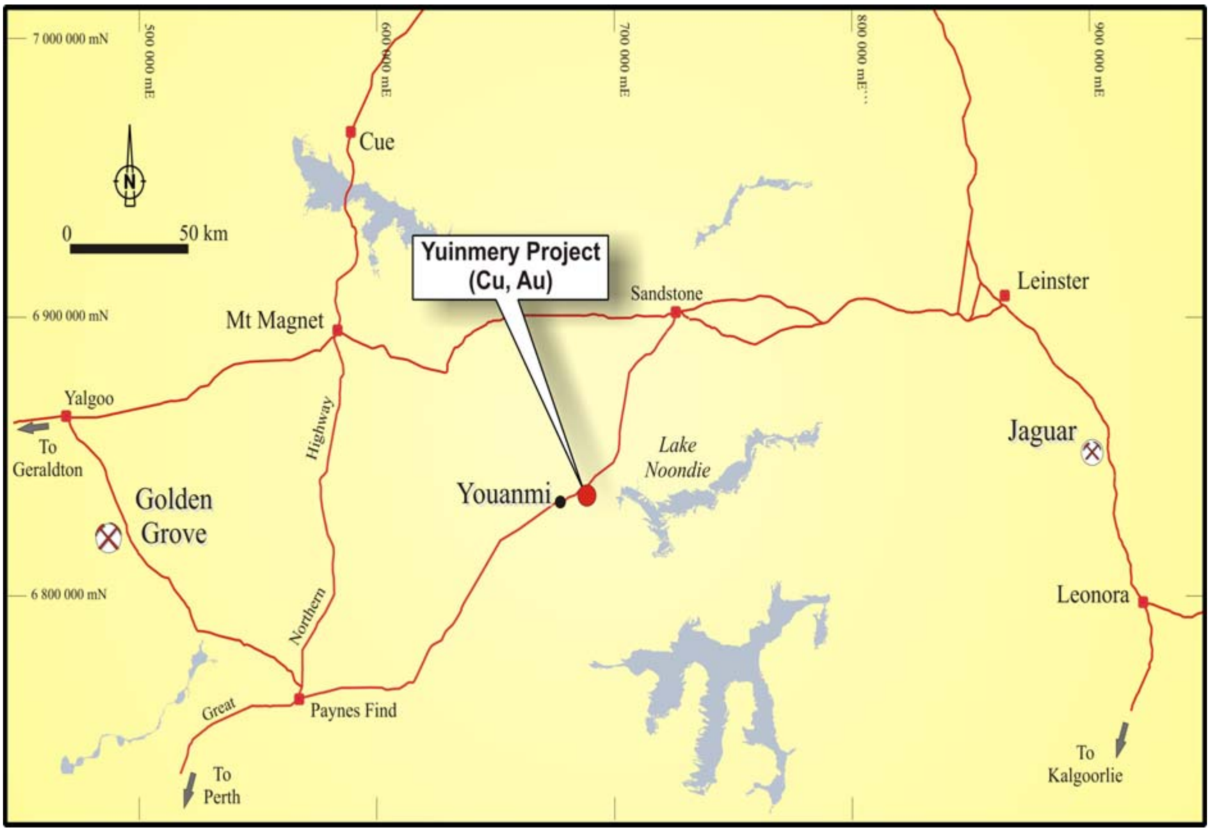

Figure 2 : Yuinmery Project location map

REVIEW OF OPERATIONS

SEPTEMBER QUARTER 2010

Yuinmery (WA): Copper - gold project (100% interest)

Empire Resources entered into an option agreement to purchase an interest in three granted exploration licences and two granted prospecting licences held by La Mancha Resources Australia which surround the Company's advanced **Yuinmery** copper – gold resource project in Western Australia (Figure 3). This was announced to the ASX on the 1st September 2010.

The five tenements are the subject of a joint venture between La Mancha Resources Australia and Giralia Resources Limited in which La Mancha currently holds an interest of approximately 75.82%. This agreement trebles the area of Empire's tenement holding to 227sq km and positions it as a dominant landholder in the base metal rich but under-explored Youanmi Greenstone Belt located 185km east of the Golden Grove mine.

Under the terms of the option agreement, Empire must spend a minimum of A$150,000 per annum for up to three years while retaining an option to purchase La Mancha's interest for a cash consideration of A$750,000. A 2% net smelter royalty capped at A$5.0 million will be payable by Empire on any minerals produced from the La Mancha tenements.

Previous exploration on the tenements has mainly been for gold and which located many areas of anomalous copper and gold geochemistry. A recently completed airborne EM geophysical survey by La Mancha identified up to 22 previously untested conductive zones considered by Empire to be prospective for volcanogenic massive sulphide mineralisation similar to the already defined resource at Empire's Just Desserts (WA) prospect at Yuinmery - **1,070,000 tonnes at 1.82% copper and 0.78g/t gold**.

Initial work on the newly acquired tenements has involved rock chip sampling and a detailed ground based EM survey to better define some of the airborne anomalies.

Rock chip samples, which included values up to 3,370 parts per million (ppm) Cu with many around 2,000 ppm Cu (Table 1), were collected from the Lorne Gossan area located 700m northeast of the Company's Yuinmery A Zone prospect (Figure 4). The Lorne Gossan, up to 3m wide and over 50m long, overlies an airborne EM geophysical anomaly which has only been previously tested with <30m deep RAB holes. To date, only the Lorne Gossan area has been visited and sampled by Empire personnel.

TABLE 1 : Lorne Gossan Copper Assays

Sample Number	Northing	Easting	**Cu ppm**
	GDA94 z50		
113457	6839197	685860	**1070**
113458	6839188	685855	**2550**
113459	6839165	685894	**2160**
113460	6839152	685894	**1730**
113461	6839139	685918	**3370**
113462	6839125	685922	**1820**
113463	6839110	685946	**1150**
113464	6839114	685938	**698**
113465	6838984	685624	**253**

Assays by mixed acid digest, ICP-MS.

A ground based EM survey has just been completed by Empire over 13 of the 22 airborne anomalies located by La Mancha Resources. Although a full interpretation of the data is awaited, initial results confirm two very strong bedrock conductors at the YC4 and YC14 anomalies (Figure 4).

Future Plans

A three hole diamond Yuinmery drilling program is booked to commence mid October targeting the Trajan, Just Desserts and Augustus prospects. The Trajan hole is drilling down plunge from intersections made in the June quarter - **5m @ 3.1% Cu, 0.38g/t Au** and **7m @ 1.1% Cu, 0.63g/t Au in drill hole YRC10-08** (Figure 5). The down plunge extension to the Just Desserts resource is also being targeted as are depth extensions to mineralisation discovered at the Augustus prospect.

Once all EM survey data on the La Mancha tenements has been interpreted, an RC drilling program will be organised as soon as possible to test all significant geophysical anomalies.

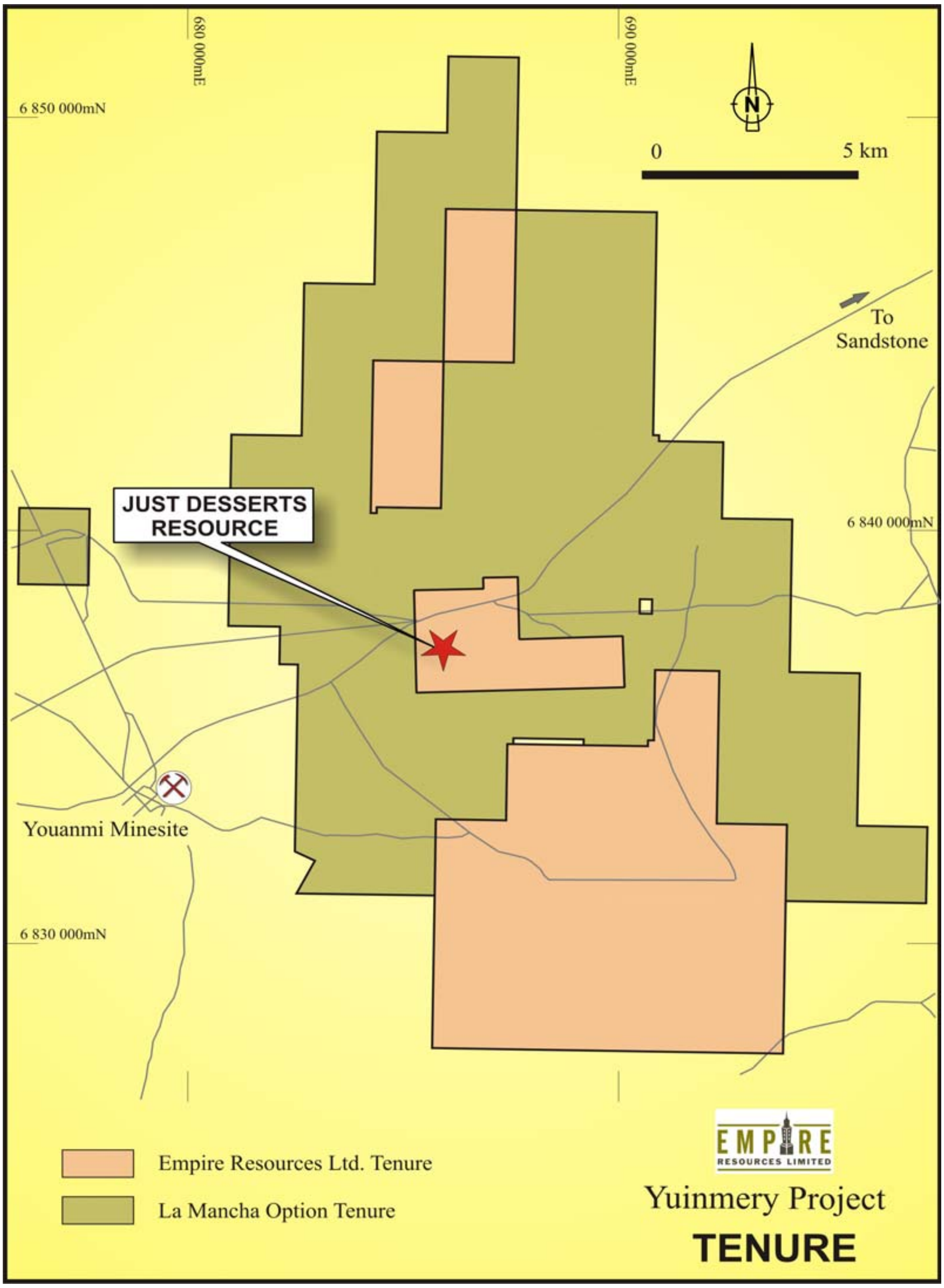

Figure 3

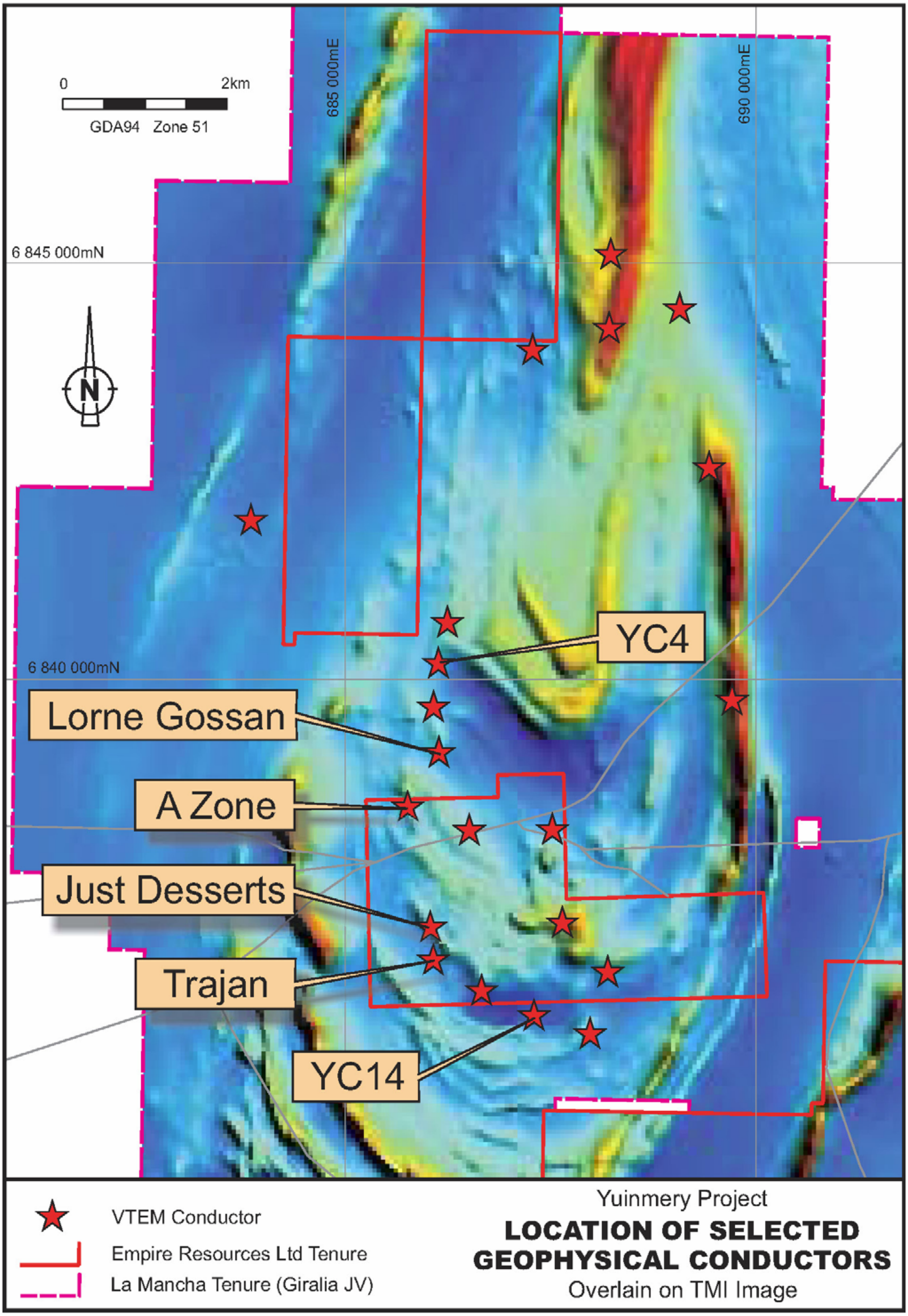
0
2km
GDA94 Zone 51
685 000mE
690 000mE
6 845 000mN
6 840 000mN
N
YC4
Lorne Gossan
A Zone
Just Desserts
Trajan
YC14
VTEM Conductor
Empire Resources Ltd Tenure
La Mancha Tenure (Giralia JV)
Yuinmery Project
LOCATION OF SELECTED
GEOPHYSICAL CONDUCTORS
Overlain on TMI Image

Figure 4

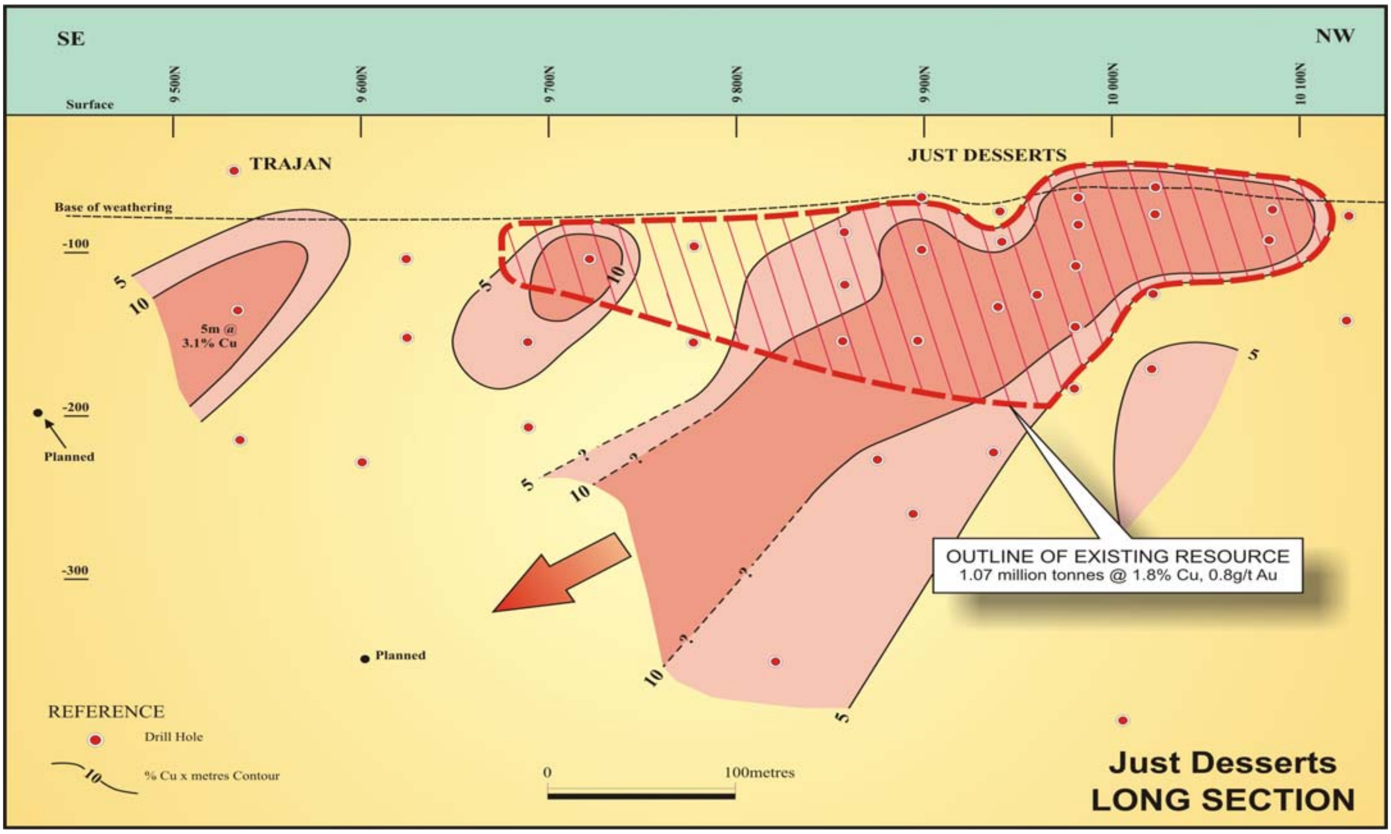

Figure 5

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

At the Penny's Find project, the Company has identified a near surface resource of **314,000 tonnes @ 5.2g/t Au**. The proximity of the deposit to Kalgoorlie (50km), the current record levels gold price in Australian dollar terms and the possibility of mining a substantial portion of the deposit by open pit methods, enhances the value of this resource.

On the 15th September 2010, the Company announced to the ASX it had entered into a staged sale agreement for the Penny's Find gold project with unlisted company Brimstone Resources Limited (Brimstone). At the election of Brimstone, the sale consideration comprises either:

- Staged cash payments totalling $2.0 million for a 100% interest of the Penny's Find project. A royalty will also be payable on gold produced in excess of the current JORC resource of 52,500 ozs gold.

- Staged cash payments totalling $0.5 million together with exploration and development expenditure of up to $3 million for an 80% interest in the Penny's Find project. Any additional development costs associated with ERL's residual 20% interest will carried by Brimstone and repayable from the proceeds of future gold production.

An initial $15,000 payment has been made by Brimstone with a further payment of $85,000 due by the 14th October 2010 and another payment of $400,000 due prior to 31st December 2010 to earn a 40% interest in the project. Brimstone must then continue funding exploration and development work by expending up to $3 million by 31st December 2013 to earn an 80% interest in the project. After expending $1.5 million by December 2012, Brimstone can elect to purchase 100% of the project for $1.5 million plus a 2% gross royalty on gold produced in excess of the current JORC resource of 52,500 ozs gold. The royalty would only apply when the gold price is above A$700/oz and would not exceed A$50 per ounce of gold recovered.

No field work was undertaken during the quarter.

Yarlarweelor (WA): Uranium project (32% indirect interest)

The Yarlarweelor uranium project is located 125 km north of Meekatharra in Western Australia. Empire Resources Ltd holds an indirect 32% interest in the project through its shareholding in FYI Resources Ltd.

Towards the end of the September quarter, FYI Resources completed a detailed airborne radiometric and magnetic survey over the entire area of E52/2478, searching for secondary uranium targets in a major creek system which drains from the western side of the 'hot' Despair Granite. Results are still pending from this survey.

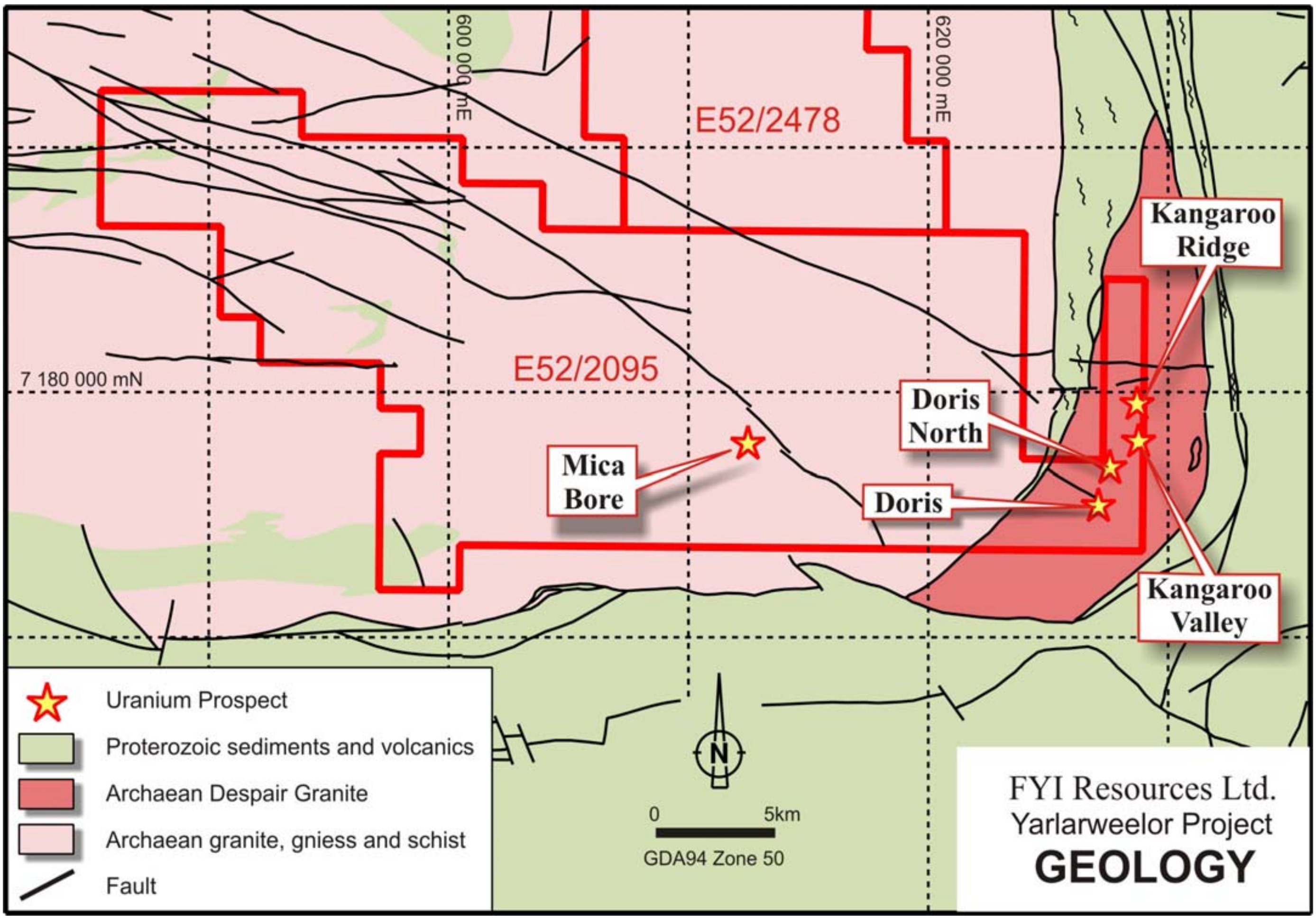

Figure 6

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

The Wynne prospect consists of a granted exploration licence covering an area of 90 square kilometres in the northern Gascoyne region of Western Australia.

Previous exploration in the area identified extensive gossanous 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.

A ground based EM geophysical survey is being planned for the December 2010 quarter to pinpoint any major accumulation of sulphides at depth. This will be followed by a RC drilling program in the first half of next year. No field work was undertaken during the quarter.

Troy Creek (WA): Copper - Gold - PGM Project (100% interest)

The Troy Creek copper-gold-platinum group metal (PGM) project is situated 900 km northeast of Perth on the northern margin of the Palaeoproterozoic Earaheedy Basin and where the Company holds tenements covering an area of 585 sq km.

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 Company is actively seeking a joint venture partner for this large project. No field work was undertaken during the quarter.

DAVID SARGEANT
MANAGING DIRECTOR

October 2010

For further information on the Company, visit www.resourcesempire.com.au

David Sargeant – Managing Director Phone: +61 8 9361 3100
Adrian Jessup – Executive Director Phone: +61 8 9361 3100

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 mineralisation 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 is 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 mineralisation 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
TOTAL	**314,000**	**5.18**	**52,316**

**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^3; transitional 2.2t/m^3; fresh 2.5t/m m^3.

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 mineralisation, only transitional and fresh.

Just Desserts Classified Mineral Resources – March 2009

	Category	Tonnes	Grade*	Grade*	Grade*
			Cu%	**Au g/t**	**Ag g/t**
1%Cu cutoff	Indicated	104,000	1.65	0.86	1.32
	Inferred	966,000	1.84	0.77	2.12
	TOTAL	**1,070,000**	**1.82**	**0.78**	**2.06**
1.5%Cu cutoff	Indicated	46,000	2.11	1.14	1.58
	Inferred	536,000	2.34	0.92	2.68
	TOTAL	**582,000**	**2.33**	**0.93**	**2.61**

**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^3; fresh 3.2t/m^3.