



ACN 092 471 513

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2011

Flagship Yuinmery project (WA)

Primary focus: Advanced Copper, Gold prospects

- New RC drilling commenced at the highly prospective A Zone, north of Just Desserts, after weather delays
- Three A-Zone holes completed after the end of the quarter and results awaited
- Downhole EM surveys identify large conductors at four prospects

Second focus: Platinum Group Metals (PGM) & Nickel prospects

- Preliminary flotation testwork on Constantine mineralisation produces six times upgrade in platinum and palladium values
- The emerging calibre of this discovery warrants ongoing work
- Further widespread platinum- palladium-nickel mineralisation identified 3.5 km along strike from Constantine
- Induced polarization survey at Constantine detects 5 separate chargeable zones
- RAB drilling commences at Constantine

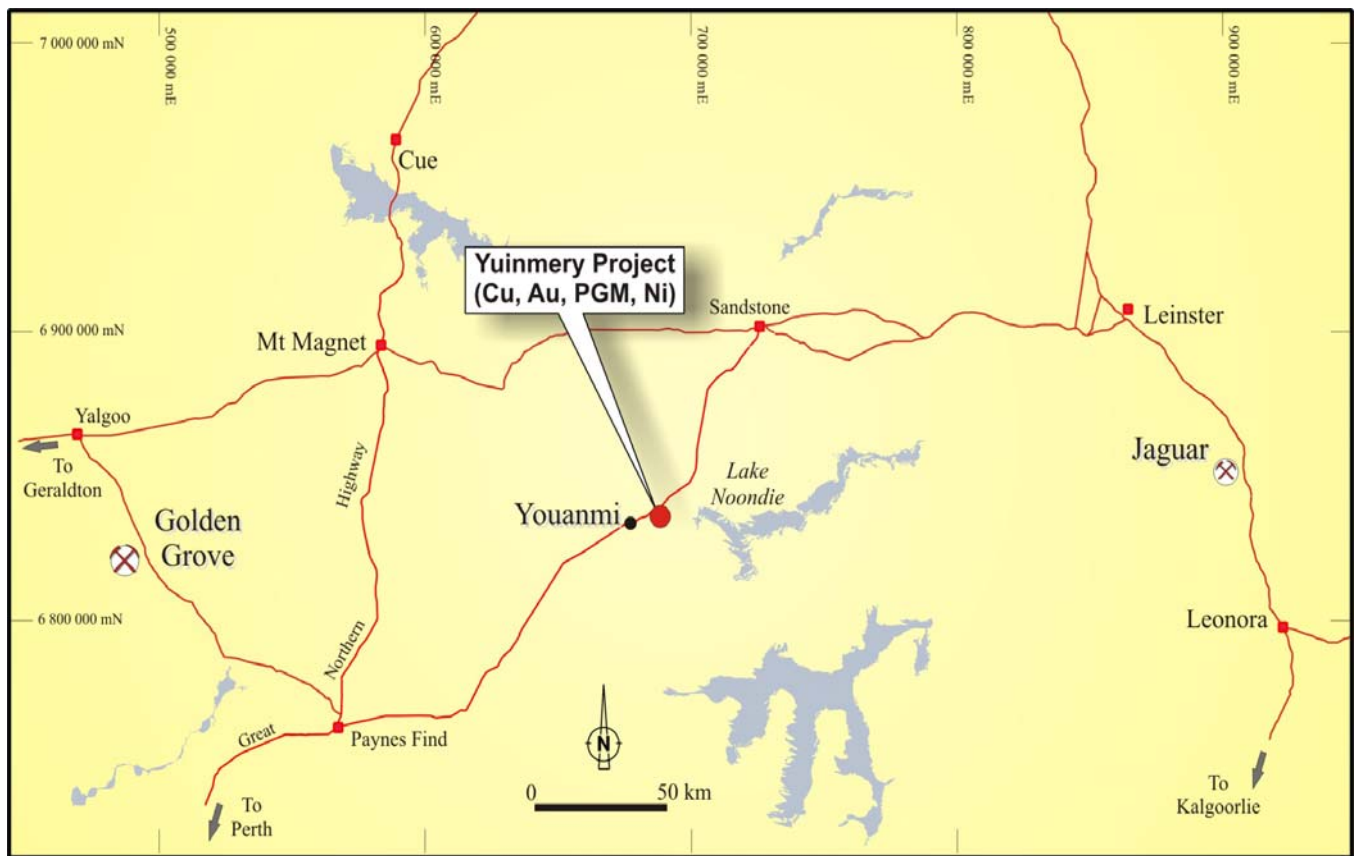


Figure 1: Yuinmery Project location map

REVIEW OF OPERATIONS MARCH QUARTER 2011

Overview - Yuinmery (WA): Copper - Gold - PGM project (100% interest and option over 80% interest on adjoining tenements)

The quarter has been one of significant progress for Empire on its Yuinmery project area in central Western Australia.

Empire has an option over the 80% interest held by La Mancha Resources Australia in a JV with Giralia Resources Limited. This option covers 149km² of tenements surrounding Empire's 100% owned Yuinmery tenure.

The Yuinmery project is a volcanogenic massive sulphide (VMS) copper – gold project located 80km southwest of Sandstone.

The primary focus in the opening months of calendar 2011 has been on Yuinmery's copper-gold potential which has continued to yield additional prospective drill targets. Going forward, the June quarter is expected to maintain a program of aggressive testing of multiple targets to increase the current Indicated and Inferred resource of **1,070,000 tonnes at 1.82% copper and 0.78g/t gold** at Yuinmery's key Just Desserts prospect.

Pleasingly, the Company is also being rewarded early for its decision in September last year to acquire an option over La Mancha's stake in the Giralia JV. This acreage includes the Constantine PGM-Nickel discovery and copper-gold prospective targets.

Empire has recently discovered large widths of low grade platinum – palladium – nickel mineralisation at Constantine with downhole intersections of up to **80m @ 0.49g/t Pt+Pd and 0.22% Ni**. The PGMs are associated with disseminated sulphide mineralisation in at least two horizons of a major layered mafic-ultramafic intrusive complex.

In what is an emerging scenario for the JV tenement interest, initial metallurgical testwork on drill samples from the Constantine prospect, suggests the platinum – palladium – nickel mineralisation could evolve as a separate major prospect.

Results of the initial flotation testwork show an upgrade of up to 6 times in the Pt + Pd values (see details below).

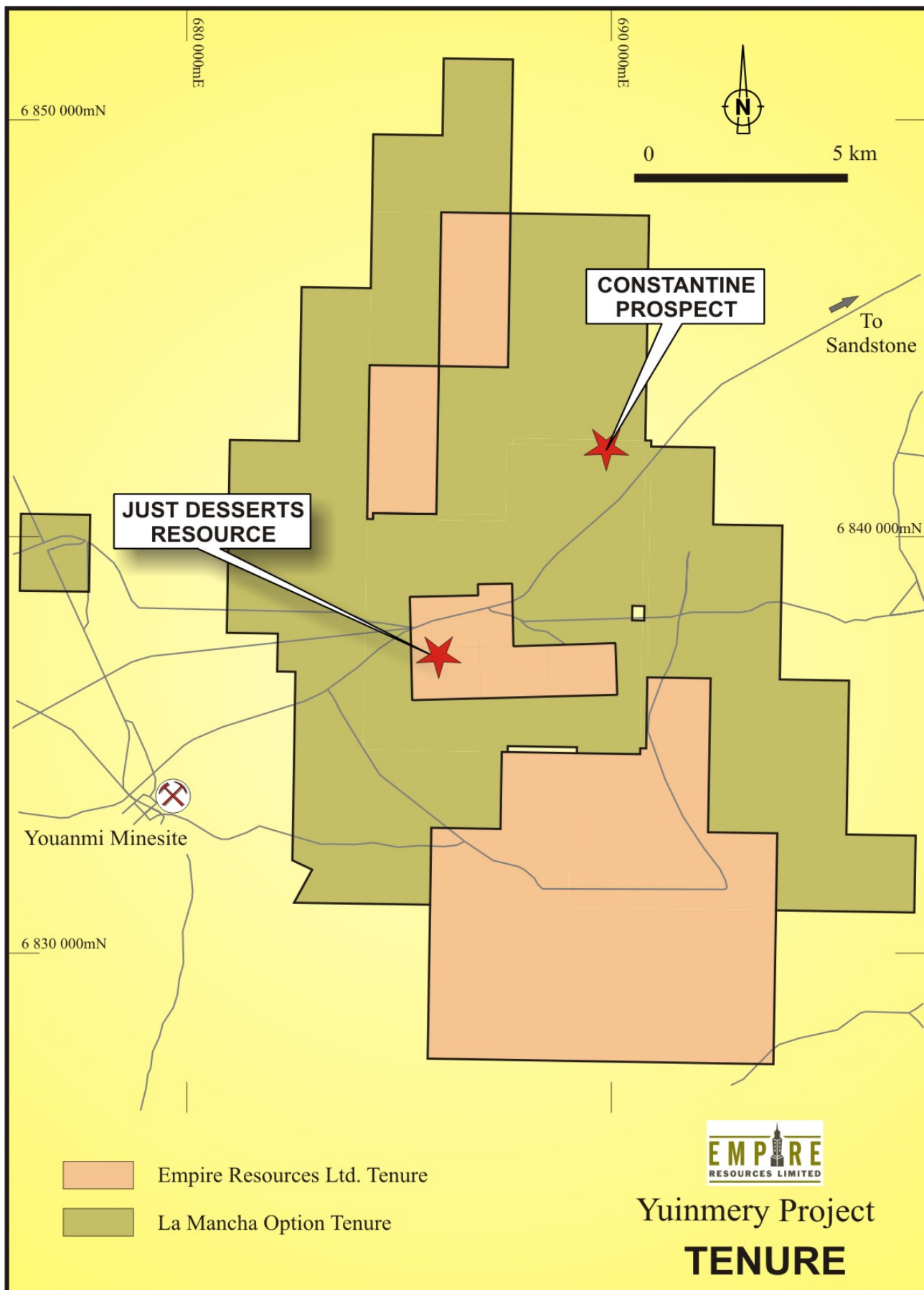


Figure 2

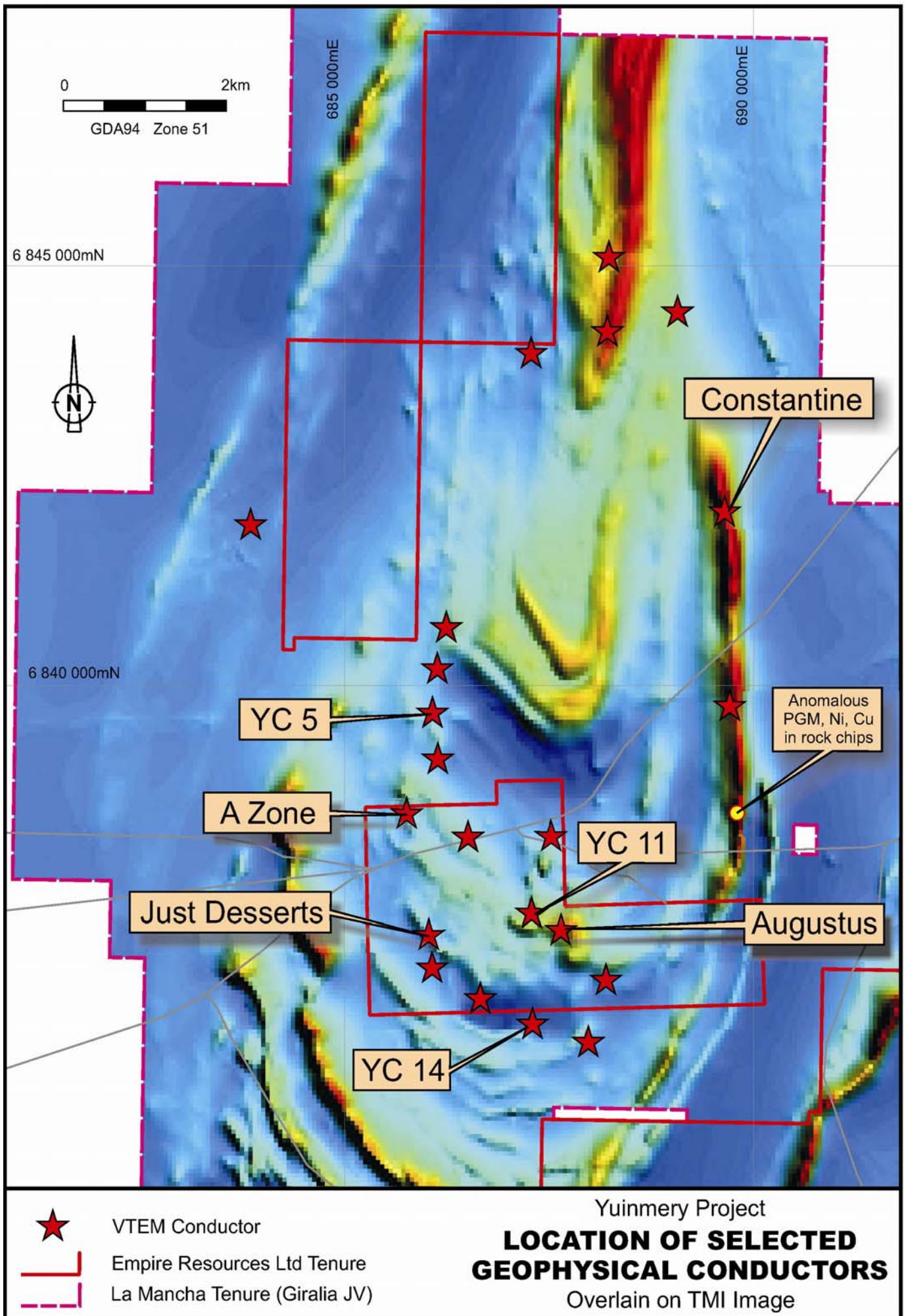


Figure 3

Copper – Gold VMS Targets

RC Drilling

Subsequent to the end of the quarter, additional RC drilling commenced at the wholly owned Yuinmery project's A Zone prospect, located 2 km to the north of Just Desserts. Three RC holes are being targeted at the upper part of a large EM conductor where previous drilling has returned intersections up to **6.4m @ 1.7%Cu, 0.6g/tAu** and **5m @ 2.2%Cu, 0.5g/tAu**.

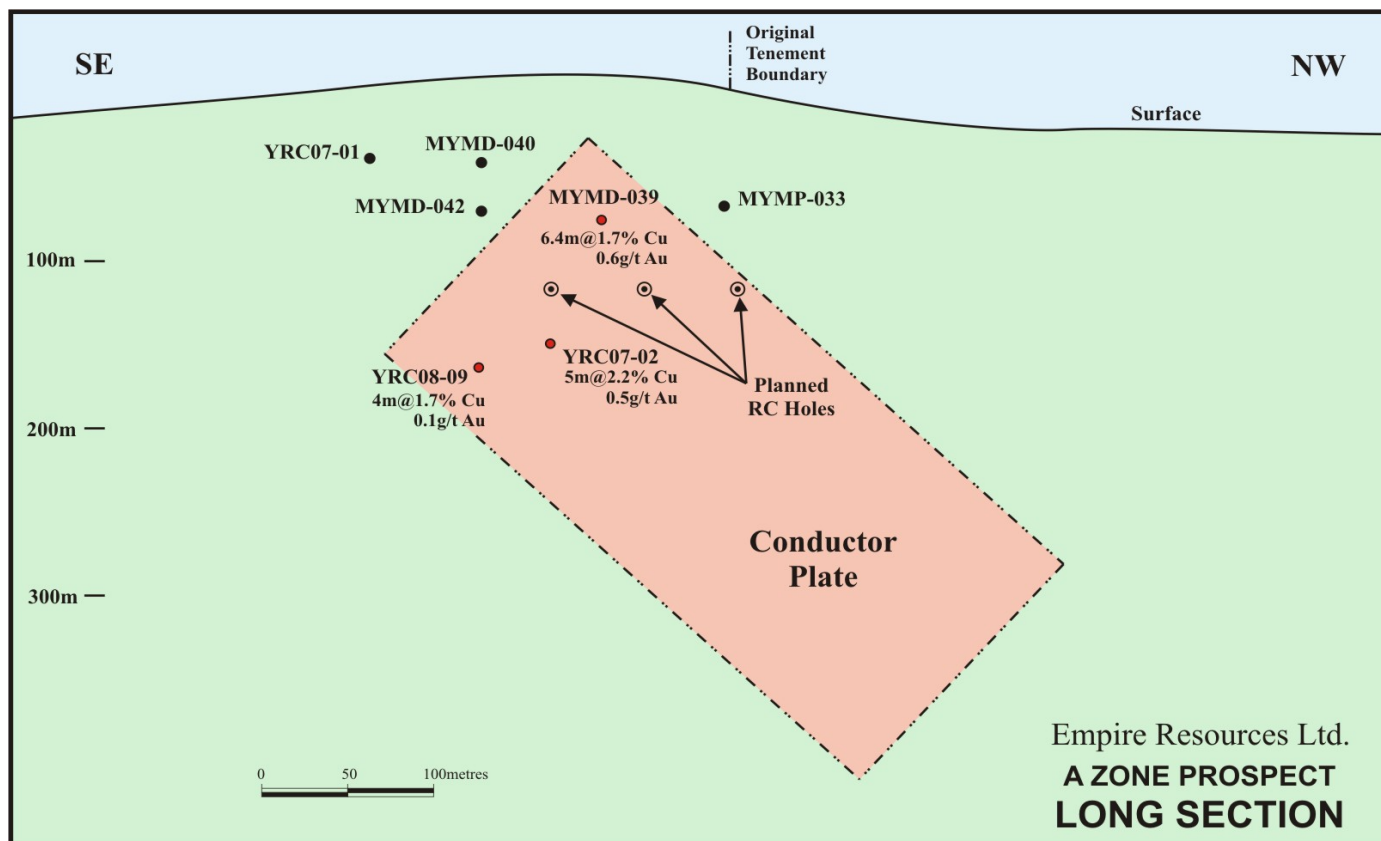


Figure 4

Downhole Electromagnetic Surveys

A program of downhole electromagnetic (DHTEM) surveys carried out at Yuinmery on RC and diamond holes drilled by Empire during the December 2010 quarter, has located four large conductors at the YC5, YC11, YC14 and Augustus prospects (Figure 3). These conductors represent priority drill targets.

At YC14, where the first and only hole intersected 5m of massive sulphide assaying 0.52% Cu and 1.03g/t Au, the DHTEM indicates this hole just intersected the edge of the main anomaly. Further RC drilling will test the central part of the EM anomaly.

At both the YC11 and Augustus prospects, DHTEM surveys located large, strong off-hole conductors at 200m vertical depth. The YC11 prospect has only had one drillhole in the area to date while previous drilling at Augustus has intersected up to **10m @ 0.4% Cu** associated with coarse rhyolitic breccias. It is planned to test both these anomalies with deep RC holes.

Two RC holes were drilled at the YC5 prospect during the December quarter but neither intersected mineralisation. DHTEM surveys in both holes did however confirm the presence of an extremely large, easterly dipping conductor located below the limit of drilling, Figure 5. This will be a priority target in the next drilling campaign.

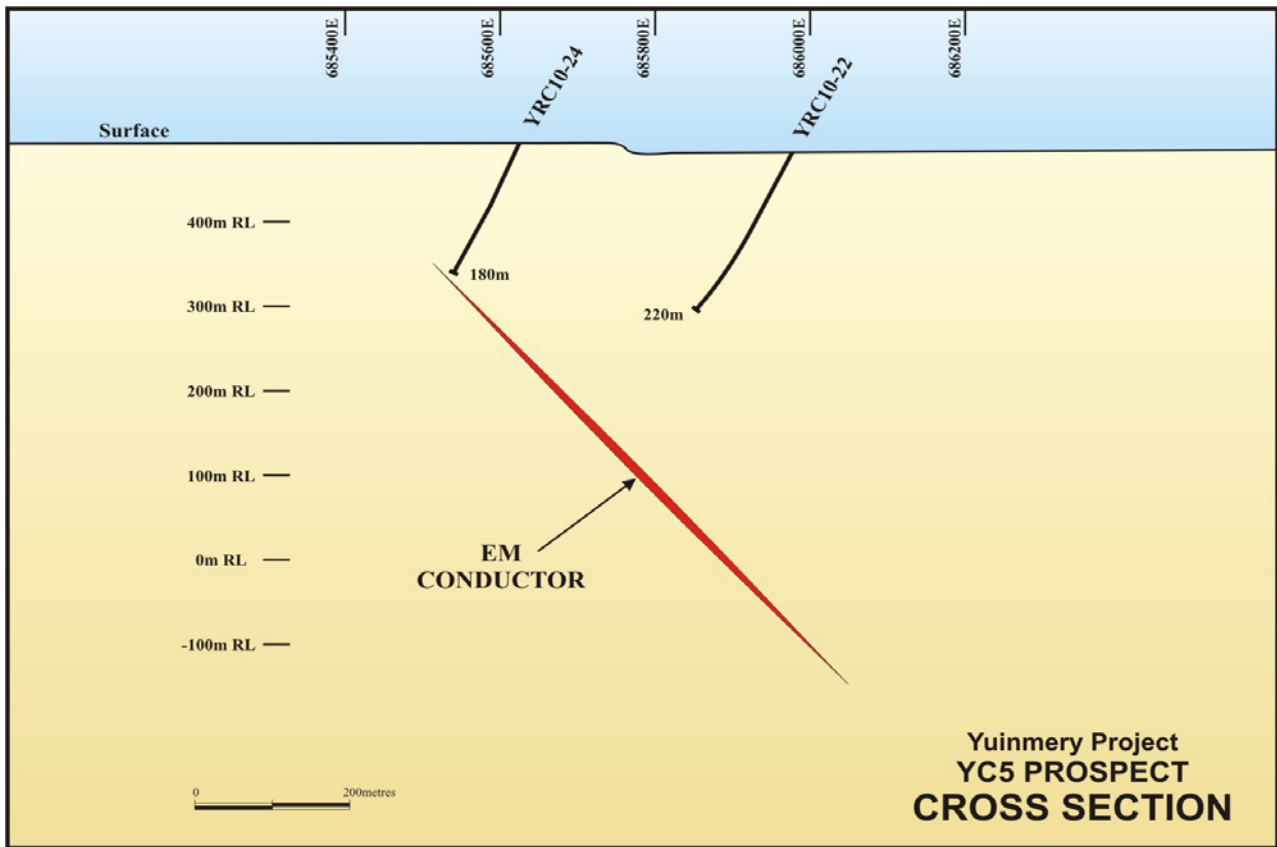


Figure 5

Platinum-Palladium-Nickel Targets

The Company announced in the December 2010 Quarterly Report the discovery of significant widths of low grade PGM – nickel mineralisation at the Constantine prospect - **80m @ 0.49g/t Pt+Pd, 0.22% Ni**.

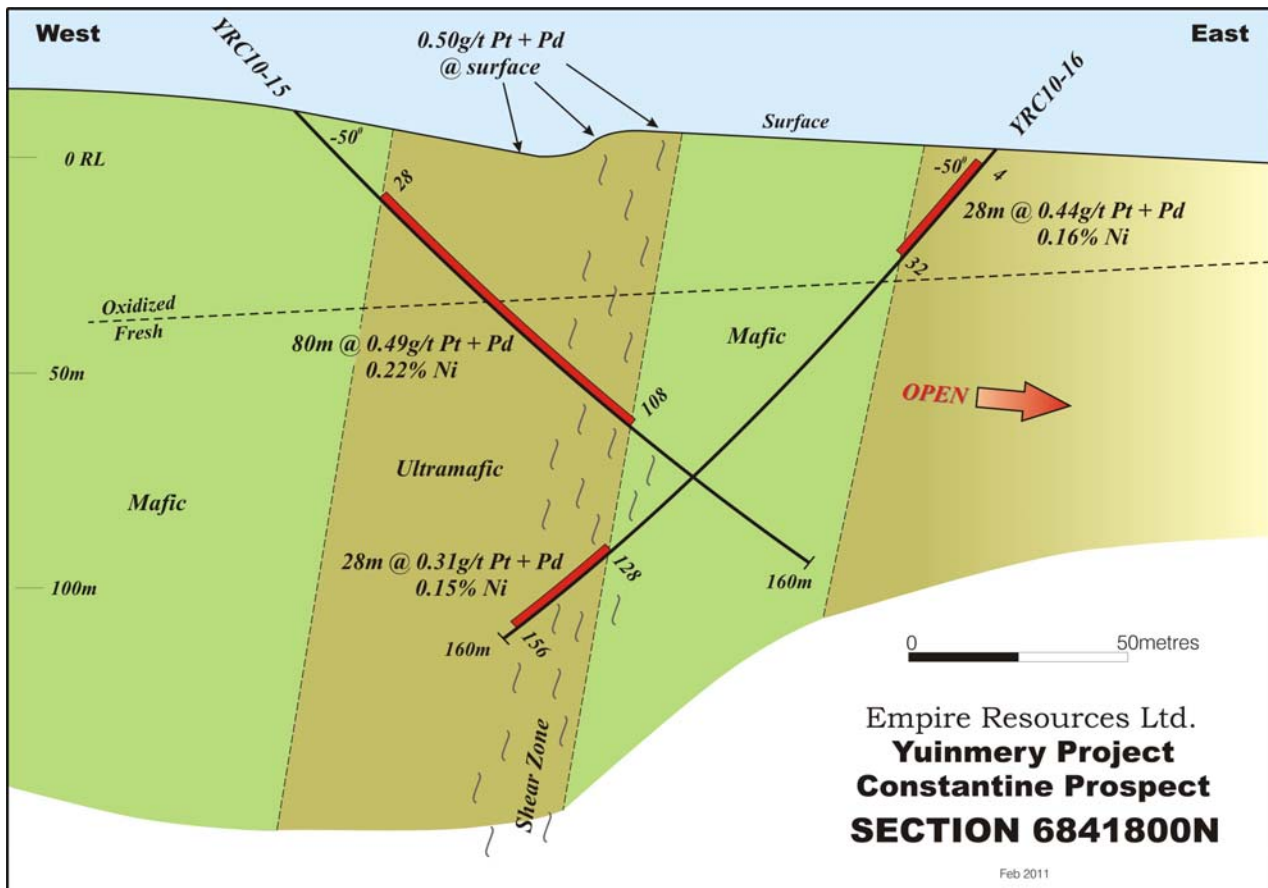


Figure 6

The mineralisation is associated with a prominent magnetic horizon, part of a major layered mafic-ultramafic intrusive complex in the Youanmi Greenstone Belt.

The magnetic horizon can be traced under cover for at least 13 km along strike and has had no previous drill testing for PGMs.

As reported to the ASX on 2 March, magnetic separation testwork on fresh Constantine mineralisation indicated the majority of PGMs to be hosted in sulphides.

Although initial petrological examination revealed up to 15% apatite in some of the Constantine rocks, assays for uranium, rare earths, phosphate and niobium did not return any values of note for these elements.

Flotation Testwork – Constantine mineralisation

During the March quarter, preliminary flotation testwork organised through Independent Metallurgical Operations Limited (IMO) in Perth was conducted on crushed fresh Constantine mineralisation.

Results of this work showed an average Pt + Pd upgrade of 6 times, with recoveries of 65% for platinum and 52% for palladium.

Flotation concentrate assays ranged from **11.05g/t Pt+Pd (2.69g/t Pt, 8.36g/t Pd)** for the first pass concentrate, through to **2.80g/t Pt+Pd (0.54g/t Pt, 2.26g/t Pd)** in the final total concentrate .

This preliminary work confirms a high percentage of PGMs at Constantine are hosted in sulphide minerals which are amenable to simple flotation separation.

Tables 1 and 2 detail the results of the flotation testwork. Nickel recovery was 15% and indicates it is not predominantly sulphide associated. Work is in progress to analyse this result.

Further detailed metallurgical testwork is now being undertaken on the Constantine mineralisation to improve on PGM recoveries.

Table 1 : Flotation Results

PRODUCT	WEIGHT		PLATINUM		PALLADIUM		NICKEL		SULPHUR	
	Gram	%	ppm	% Dist	ppm	% Dist	%	% Dist	%	% Dist
Rghr Con 1	11.20	1.13	2.69	39.24	8.36	22.95	0.28	2.02	9.46	30.93
Rghr Con 2	19.70	1.99	0.54	13.85	2.40	11.59	0.28	3.60	4.14	23.81
Rghr Con 3	13.50	1.36	0.28	4.92	1.71	5.66	0.28	2.40	2.94	11.59
Rghr Con 4	19.10	1.93	0.14	3.48	1.16	5.43	0.24	2.90	1.26	7.03
Rghr Con 5	29.60	2.99	0.09	3.47	0.83	6.02	0.19	3.66	0.66	5.70
Tail	896.70	90.59	0.03	35.03	0.22	48.35	0.15	85.42	0.08	20.94
Calc'd Head	989.80	100.00	0.08	100.00	0.41	100.00	0.16	100.00	0.35	100.00

Table 2 : Cumulative Flotation Results

PRODUCT	WEIGHT		PLATINUM		PALLADIUM		NICKEL		SULPHUR	
	Gram	%	ppm	% Dist	ppm	% Dist	%	% Dist	%	% Dist
Rghr Con 1	11.20	1.13	2.69	39.24	8.36	22.95	0.28	2.02	9.46	30.93
Rghr Con 1-2	30.90	3.12	1.32	53.09	4.56	34.54	0.28	5.62	6.07	54.74
Rghr Con 1-3	44.40	4.49	1.00	58.01	3.69	40.20	0.28	8.02	5.12	66.33
Rghr Con 1-4	63.50	6.42	0.74	61.50	2.93	45.63	0.27	10.92	3.96	73.35
Total Cons	93.10	9.41	0.54	64.97	2.26	51.65	0.24	14.58	2.91	79.06

Magnetic Horizon Prospecting

Prospecting 3.5 km to the south of Constantine on the same magnetic horizon, has located further ironstones containing highly anomalous platinum, palladium, nickel and copper values, as shown below in Table 4.

These samples occur over a 500m strike length of the magnetic horizon.

An old Western Mining RC hole drilled in this area intersected 42m @ 0.16% Ni but was never assayed for PGMs. Induced Polarisation surveys and RC drilling will be undertaken in this area to follow up on these encouraging results.

Table 3 : Magnetic Horizon Ironstone Assays

Sample	Northing	Easting	Pt	Pd	Cu	Ni	Cr	Au
	GDA94 z50		ppb	ppb	ppm	ppm	ppm	ppb
113838	6838738	689752	20	130	1380	2000	30	6
113839	6838740	689754	30	250	3790	2010	30	13
113843	6838462	689728	100	25	1070	1140	160	7
113855	6838822	689725	215	70	606	1080	120	37
113856	6838895	689722	120	55	718	776	160	2
113857	6838904	689754	55	290	1960	1150	220	10
113859	6838963	689731	185	450	268	558	210	-1

Pt Pd Au by 40gm fire assay, ICP-MS
Cu Ni Cr by mixed acid digest, ICP-OES

Induced Polarization Survey – Constantine Prospect

A trial IP survey was undertaken at the Constantine prospect during March to determine if the disseminated sulphides associated with the PGM mineralisation could be detected by this geophysical technique. The trial consisted of five lines of gradient array and one line of dipole-dipole array.

Both array types were successful in outlining the two known zones of PGM-nickel mineralisation, **B** and **C** in Figures 7 and 8. Also detected were a further three parallel anomalous zones, **A**, **D** and **E**; the cause of these new anomalies being unknown at this stage.

Figure 7 shows a plan of the gradient array survey and Figure 8 the dipole-dipole cross section.

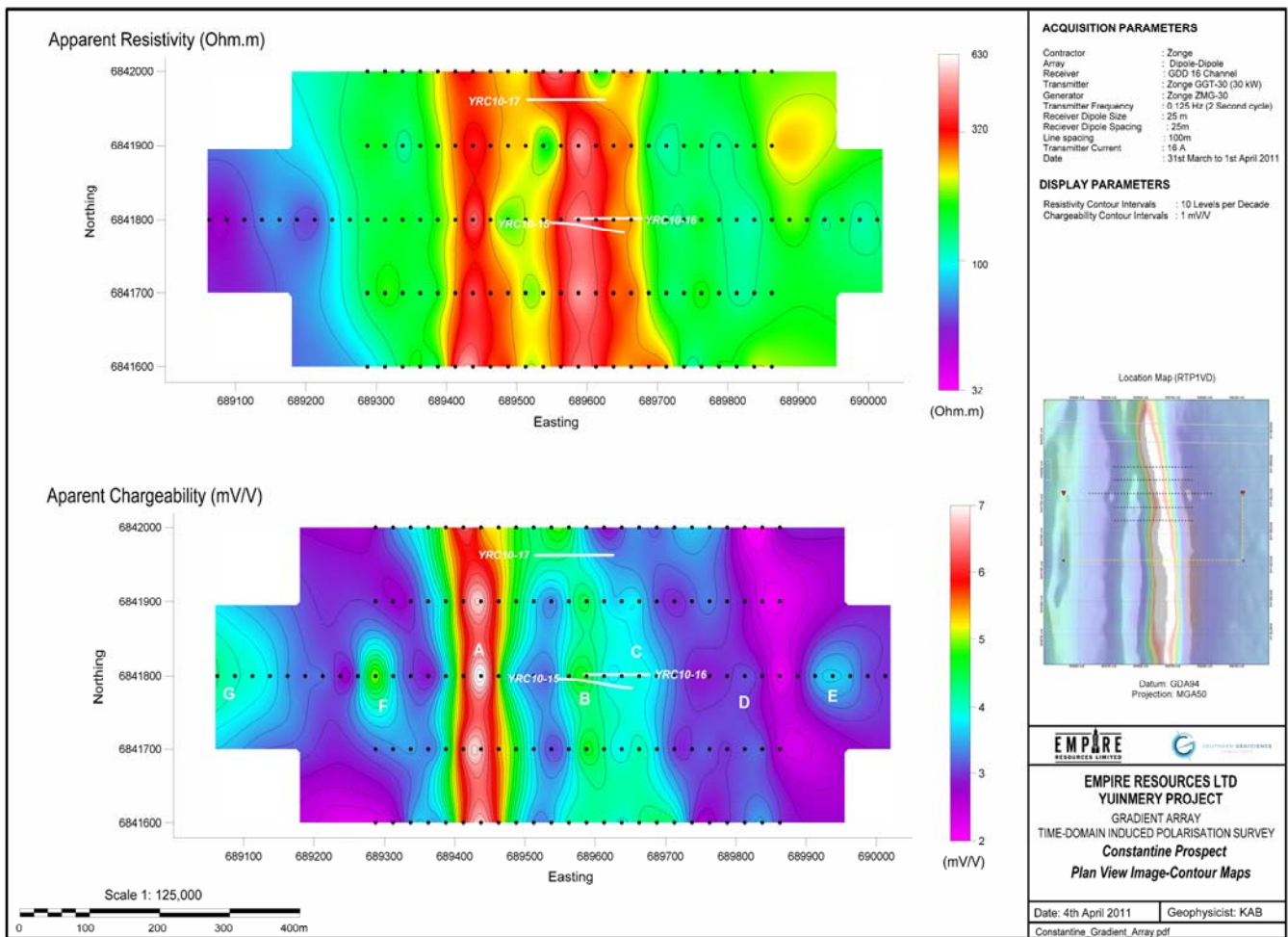


Figure 7

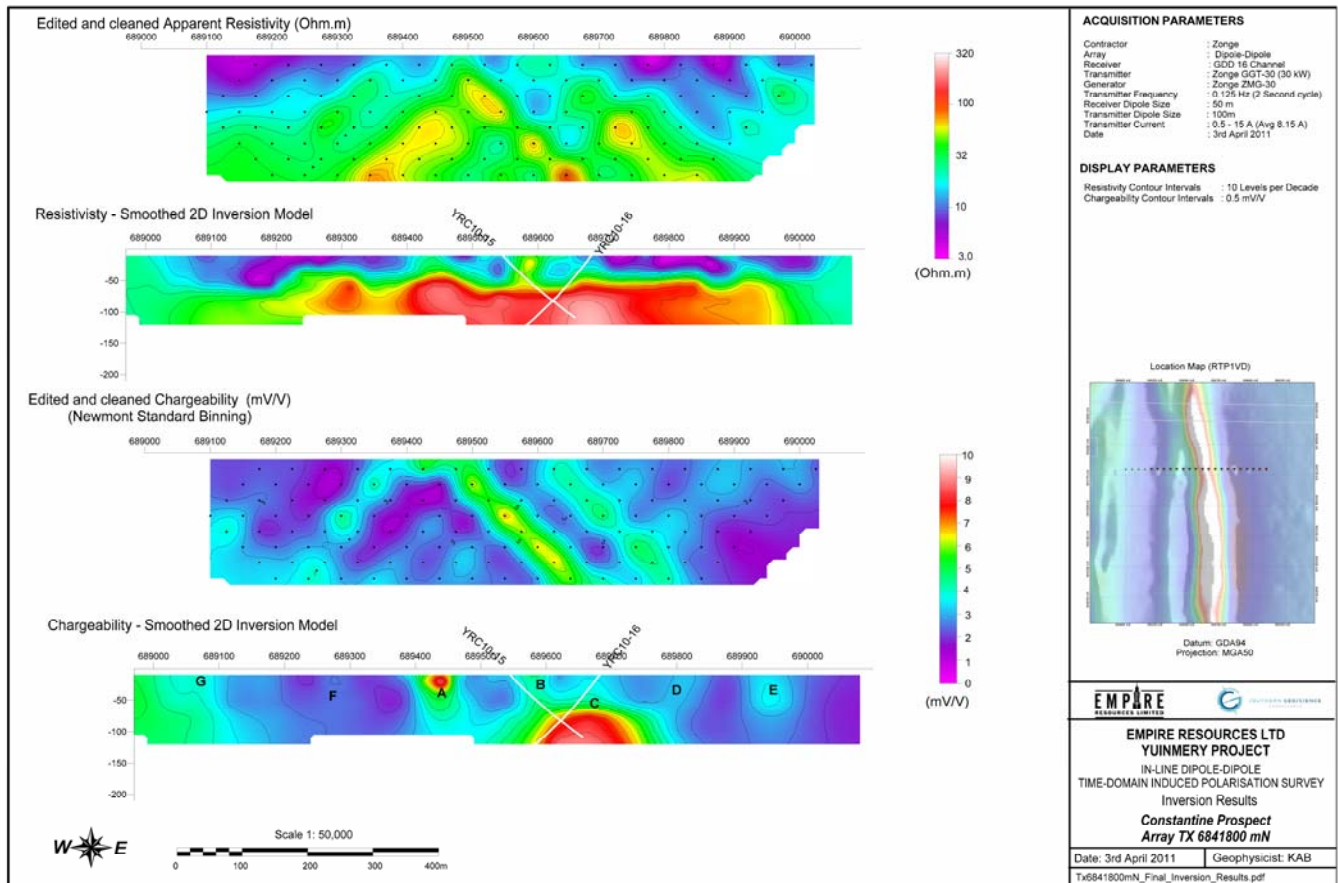


Figure 8

RAB Drilling

Subsequent to the end of the quarter, two lines of angled RAB holes were drilled across the magnetic horizon and the associated five IP anomalies. One line was drilled at Constantine and the second 2 km to the south. A total of 49 holes for 2,300 metres, has been completed. Assays are pending.

Yuinmery - Future Plans

An RC drilling program is planned to test the significant conductors outlined by the recent DHTM surveys for copper-gold VMS mineralization to extend the resources defined above.

The eastern PGM horizon at Constantine will also be tested at depth by RC drilling as will any significant anomalies identified from the recent RAB drilling. It is hoped to have this RC drilling underway before the end of the current quarter.

Further IP dipole-dipole surveys will be undertaken along a 6 km length of the Constantine magnetic horizon to try and locate areas with higher concentrations of disseminated sulphides.

Further reconnaissance lines of RAB drilling are also planned to the north and south of Constantine covering an initial 6 km strike length of the Constantine magnetic horizon.

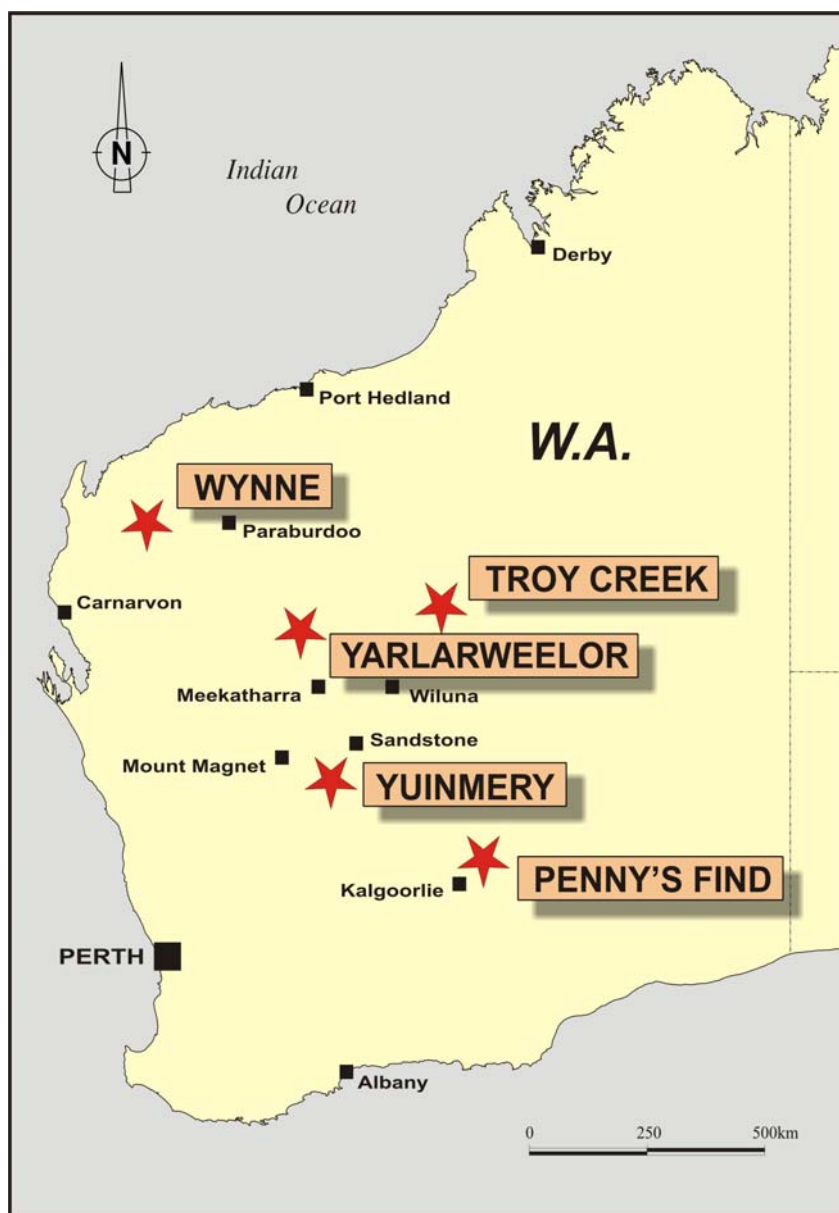


Figure 9 : Project location map

Penny's Find (WA): Gold Project – 60% 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 gold price and the possibility of mining a substantial portion of the deposit by open pit methods, enhances the value of this resource.

Brimstone Resources Ltd is earning into the project and is managing exploration. During the March quarter, Brimstone undertook further reconnaissance MMI soil geochemical sampling in areas to the north of the Penny's Find deposit.

Results from the MMI soil sampling undertaken on E57/410 during the December quarter outlined an anomaly 100m wide by 200m long with a peak gold value of 187ppb.

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 5 kilometres. No previous drilling has been undertaken in the prospect area.

Processed results from a ground based EM geophysical survey undertaken during the December quarter have been received. The EM survey was undertaken over areas of gossan outcrop. The results were inconclusive as strong polarisation effects masked late time responses from directly beneath the gossans. An RC drilling program is planned for the September quarter.

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 270 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 and calcareous shales.

During the quarter, the Company finalised an agreement with unlisted Sydney based company, Zodiac Resources Ltd, whereby Zodiac may earn a 55% interest by spending \$3 million on exploration within three years and a 75% interest by spending an additional \$4 million on exploration and development within 5 years. Zodiac will have the option to acquire a 100% interest

in the Troy Creek project within five years of commencement of the joint venture for a purchase price of \$5 million – this amount being separate to the joint venture commitments.

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.

No drilling was undertaken during the quarter.

**DAVID SARGEANT
MANAGING DIRECTOR**

April 2010

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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 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.

The information in 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 mineralization 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.

The information in this report that relates to Metallurgical Results has been compiled by Mr D. Evans who is an employee of Independent Metallurgical Operations Limited. He is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of metallurgical processing 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”. Mr. Evans 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/m³; transitional 2.2t/m³; fresh 2.5t/m³.

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 mineralization, only transitional and fresh.

Just Desserts Classified Mineral Resources – March 2009

	Category	Tonnes	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/m³; fresh 3.2t/m³.