



ACN 092 471 513

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2013

HIGHLIGHTS

POINT KIDMAN, WA : Gold

- **Anomalous Rare Earths discovered in reconnaissance drilling**
- **Cerium, Lanthanum, Neodymium and Praseodymium (LREE) associated with magnetic anomalies in granite terrain**
- **Magnetics indicate larger targets exist for Rare Earth mineralization**

YARLARWHEELOR, WA : Uranium (24% indirect interest)

- **Two new exploration licence applications cover extensions to uranium anomalies**

CORPORATE

- **The Company received a R&D Tax offset payment totalling \$498,631 subsequent to quarter end, for testwork used to evaluate and advance the promising high grade A Zone deposit at Yuinmery.**

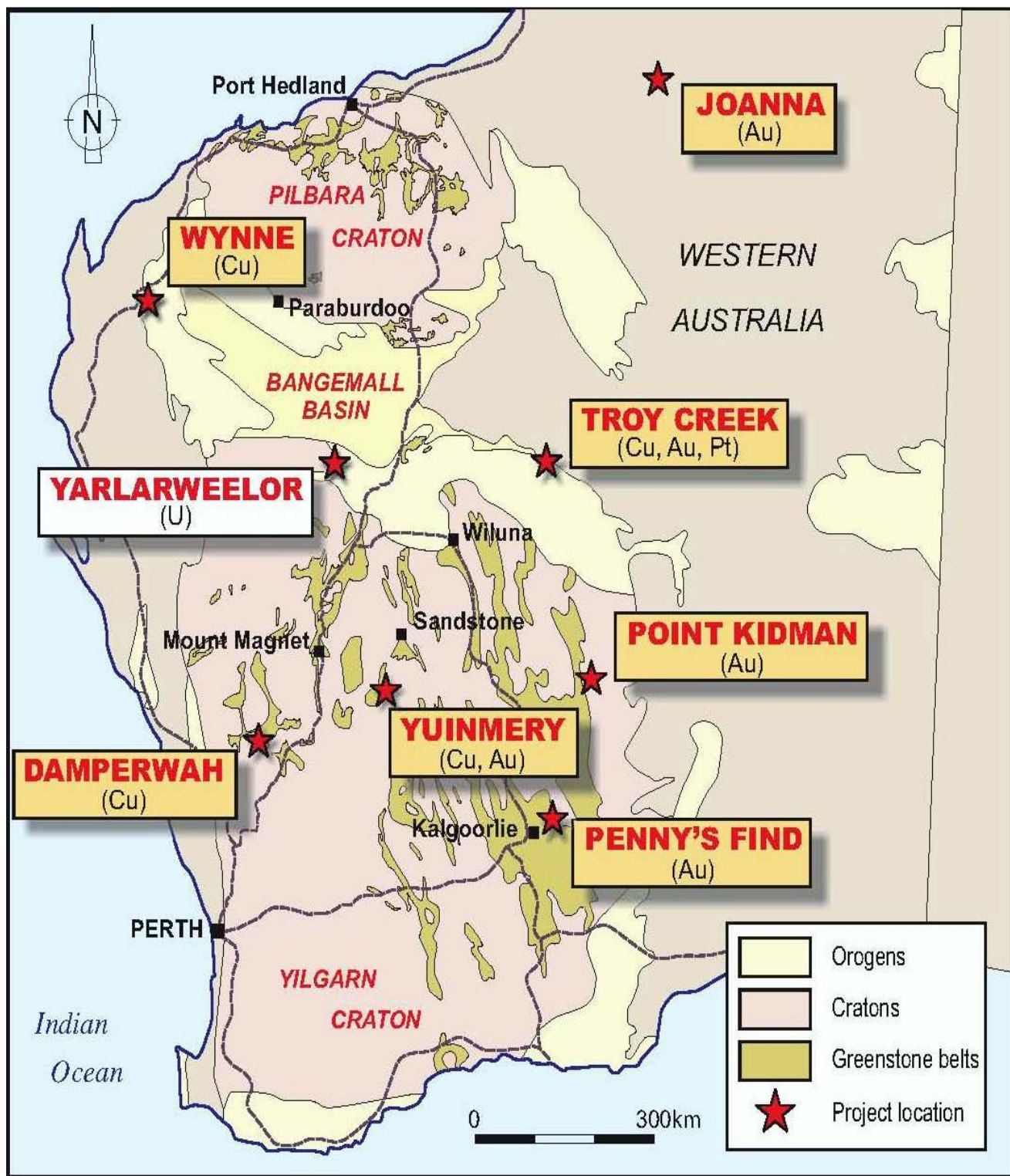


Figure 1 : Project Location Map - Western Australia

REVIEW OF OPERATIONS

MARCH QUARTER 2013

Point Kidman (WA): Gold Project – 80% interest

Empire Resources announced in its September 2012 quarterly report it had acquired an 80% interest in a large, new gold project at Point Kidman, 40 km to the east of Laverton in the Eastern Goldfields of WA. Currently the total acreage controlled by the Company amounts to 12 exploration licences (ELs) covering 800 km².

During the March quarter the Company completed expenditure requirements on three first year ELs by undertaking reconnaissance aircore drilling on two and a geochemical auger drilling program on the third. A total of 52 holes, 1,126m of aircore drilling and 599 auger holes were completed.

The aircore drilling targeted four discrete magnetic targets close to the margin of a large granite intrusion.

Various types of granitoid were intersected at each magnetic target. The drilling indicated a depth of strong weathering ranging from 4 to 55 metres. Although no significant gold values were found, highly anomalous rare earth elements (REE) were intersected in a number of holes at each site.

Better intersections included :

- **PKAC001 : 4m @ 0.21% REE from 36m to 40m, Prospect M1**
- **PKAC027 : 3m @ 0.18% REE from 48m to EOH, Prospect M2**
- **PKAC033 : 1m @ 0.30% REE from 8m to EOH, Prospect M3**
- **PKAC051 : 4m @ 0.27% REE from 24m to 28m, Prospect M4**

The REE are dominated by the light rare earths (LREE) Cerium, Lanthanum, Neodymium, Praseodymium and Samarium which together comprise on average 94% of the total REE.

Uranium, thorium and phosphorus values are low, the maximum recorded being 16ppm U, 80ppm Th and 760ppm P.

The magnetic targets tested by aircore drilling lie on prominent linear structures which can be traced on regional magnetics extending for at least 20 km within the Company's tenements. Along these structures far more prominent magnetic anomalies exist than those drilled to date.

The significance of the anomalous REE discovered at four different prospects is at this stage unknown, but they are initially thought to be related to possible hydrothermal activity associated with regional shear zones.

Table 1 : Point Kidman Aircore REE Assays

							Light Rare Earths						Heavy Rare Earths + Yttrium										
	Hole No	Northing	Easting	EOH	From	To	Ce	La	Nd	Pr	Sm	Eu	Y	Gd	Dy	Er	Tb	Ho	Cs	Tm	Lu	TOTAL	
				(m)	(m)	(m)	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	
M1	PKAC001	6860196	456835	41	36	40	780	505	366	111	64	14	130.0	43.4	22.6	7.8	4.7	3.8	0.3	1.2	0.6	2054	
M1	PKAC011	6859744	456914	25	24	25	446	175	367	49	29	7	71.8	19.1	10.4	3.5	2.1	1.7	0.2	0.5	0.3	1181	
M1	PKAC014	6859594	456932	23	16	20	489	169	313	41	24	4	67.3	13.7	8.6	3.4	1.6	1.5	0.5	0.6	0.4	1138	
M2	PKAC026	6857636	457215	43	40	43	443	361	242	79	34	4	34.3	18.0	9.6	3.2	1.9	1.5	2.5	0.5	0.3	1235	
M2	PKAC027	6857590	457221	51	48	51	660	535	324	101	42	6	60.2	24.5	12.8	4.9	2.5	2.3	1.3	0.8	0.5	1778	
M3	PKAC032	6859024	463947	4	0	4	591	324	216	59	24	4	27.6	11.7	6.1	2.2	1.3	1.1	0.8	0.4	0.2	1268	
M3	PKAC033	6859024	463899	9	8	9	1530	701	476	147	48	7	28.5	18.4	8.5	2.7	2.0	1.3	0.7	0.5	0.3	2972	
M4	PKAC046	6858922	462849	42	24	28	573	243	204	60	26	4	18.4	12.5	6.1	1.8	1.3	0.9	4.9	0.3	0.1	1157	
M4					32	36	615	276	210	56	29	5	43.6	18.2	10.7	3.8	2.1	1.9	2.7	0.6	0.3	1275	
M4	PKAC048	6858987	462743	42	32	36	745	398	304	86	39	6	41.2	21.3	10.3	3.8	2.3	1.8	4.0	0.6	0.4	1664	
M4					40	42	742	419	258	79	36	5	63.8	23.6	14.4	5.8	2.9	2.6	2.3	0.9	0.5	1655	
M4	PKAC049	6859013	462694	38	36	38	662	387	257	73	34	5	54.1	20.8	12.4	4.5	2.4	2.1	1.5	0.7	0.4	1517	
M4	PKAC051	6859072	462597	35	24	28	1350	670	412	121	50	8	56.8	26.0	14.2	5.0	3.0	2.5	1.9	0.8	0.4	2721	

Coordinates GDA94 z51. . All holes were drilled vertical with 1m samples laid on ground. 2.5kg composite samples up to 4m were collected by scoop. All samples were pulverised, then assayed by aqua regia digest/ICP-MS by Ultratrace Laboratory.

Cut-off 200ppm Nd. No high cuts applied. No internal dilution. M1 to M4 are prospect numbers on Figure 3.

The auger drilling program covered an area of structural complexity located approximately 8 km northeast of the original gold nugget discovery location at Point Kidman. No significant geochemical anomalies were generated from this program.

Metal detecting by prospectors originally discovered numerous gold nuggets in the Point Kidman area spread along a 2.5 km long zone overlying quartz vein stockworks in leached and weathered granite; the mineralization being associated with cross faulting between major regional shear zones.

The association of gold mineralization with granite at Point Kidman shows strong similarities to the Granny Smith gold mine 50 km to the southwest and the Golden Cities mine located north of Kalgoorlie. Both these large gold deposits are either partially or wholly located within granite.

This new gold discovery is in an area where there are no historical gold workings or previous exploration drilling.

The Laverton region is one of the best gold endowed areas within the Yilgarn Craton and is host to a number of world class gold deposits such as the Sunrise Dam, Granny Smith and Wallaby mines, all discovered and developed within the past 30 years. The total gold produced to date from the region is in excess of 28 million ounces.

The Company plans in the near future to drill lines of deep RAB holes across the 2.5 km long zone of surface gold nuggets.

The strongest shear related magnetic anomalies present within the tenements will also be tested by RAB drilling for potentially higher grades of REE.

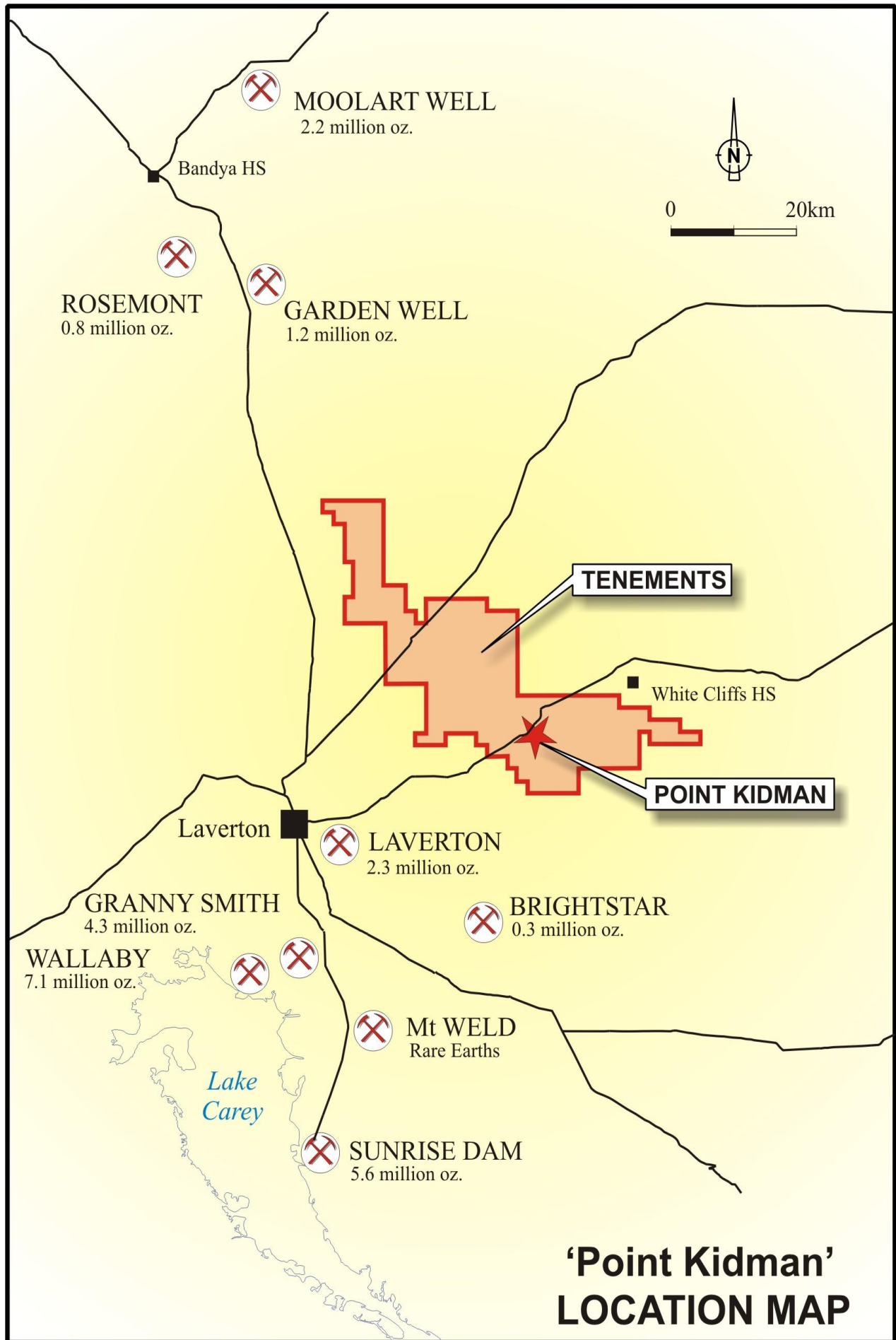


Figure 2

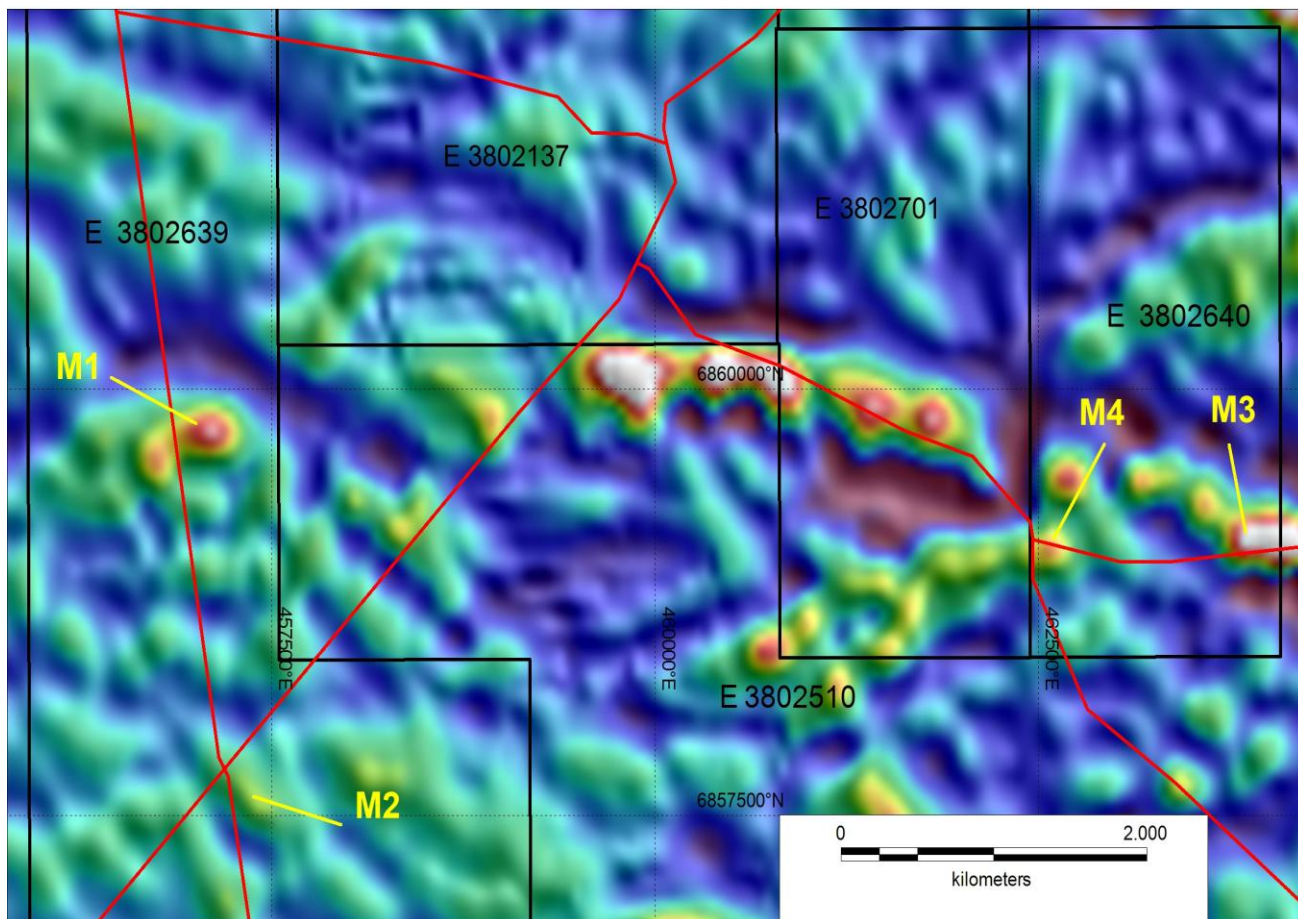


Figure 3 : Point Kidman Prospect Locations on Magnetics(RTP1VD)

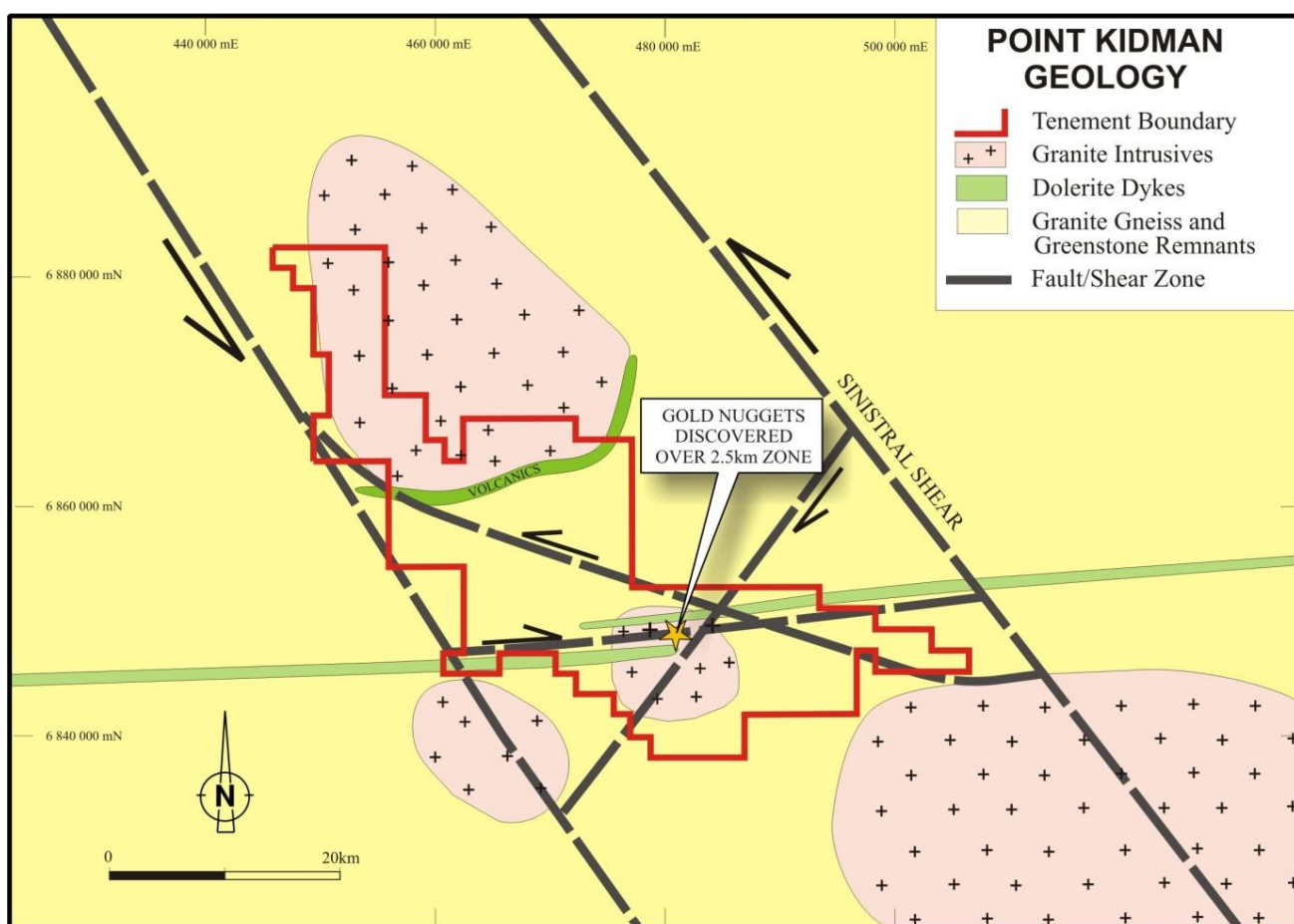


Figure 4 : Geological map and tenement outline

Yuinmery (WA): Copper - Gold Project

(100% interest and option to earn 91.44% interest on adjoining tenements)

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

The Company has already identified an indicated and inferred resource of **1,070,000 tonnes at 1.82% copper and 0.78g/t gold** at the **Just Desserts** prospect.

A second VMS deposit has also been discovered at the **A Zone** prospect 1.3km north of Just Desserts. The Company is currently working towards producing a maiden JORC resource for the **A Zone** deposit where high grade copper – gold mineralization remains open at depth.

These most advanced prospects at Empire's Flagship Yuinmery project, Just Desserts and A Zone, are now thought to occur in the same mineralized horizon which has been disrupted and offset by faulting. Based on this model, additional priority targets have been identified between the two deposits which if found to contain mineralization would greatly impact the size and economics of the project.

Increasing JORC resources as Yuinmery progresses toward development is a priority for the Company.

Corporate

As announced to the ASX on the 22 April 2013, the Company has had its work on the Yuinmery project recognised with a significant Federal Government research and development (R&D) tax offset payment of \$498,631.

The R&D tax offset payment was for metallurgical and processing techniques used by the Company to evaluate and advance the promising high grade A Zone deposit.

It is also in part an independent validation of Empire's confidence that Yuinmery and the pool of outstanding prospects within it, has excellent potential to emerge as a significant copper – gold mining operation.

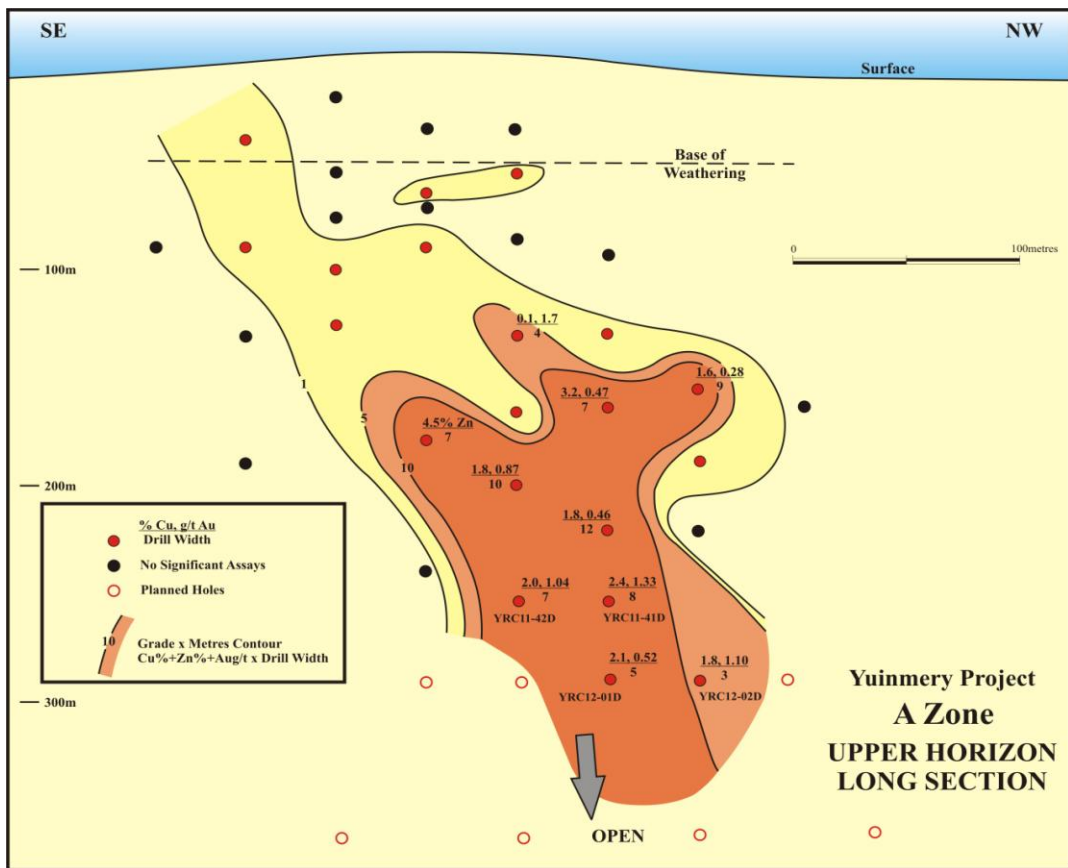


Figure 5

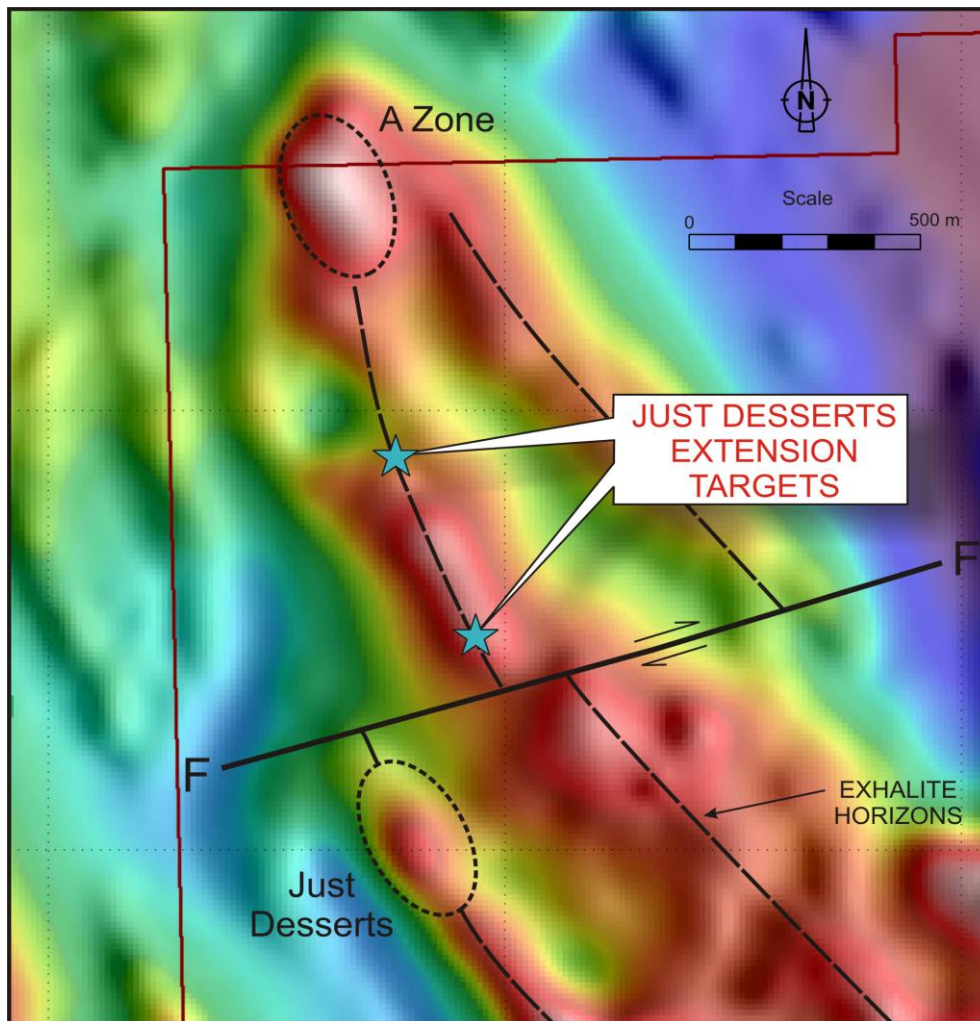


Figure 6 : YC23 Prospect - New EM Targets on Magnetics (RTP1VD)

Penny's Find (WA): Gold Project – 60% interest

Penny's Find contains a JORC compliant near surface resource of **314,000 tonnes @ 5.2g/t Au** for **52,500ozs**. Its location on a granted mining lease in close proximity to Kalgoorlie and the potential for mining a substantial portion of the deposit by open pit before progressing to underground mining, are all strong positives for the future development of the project.

Penny's Find's high grade, coarse gold mineralization is hosted by quartz veins at the contact between shale and basalt. Metallurgical testwork has shown both oxide and fresh mineralization to be free milling with a high gravity recoverable gold component of >60% and a total gold recovery of approximately 96%.

The current resource is defined to a vertical depth of 150m. Below this, faulting has moved the shale-basalt contact hosting the deposit 150m to the east. Locating the continuation of the Penny's Find deposit on the other side of the fault will be a priority.

Empire entered into a staged sale agreement in 2012 with Brimstone Resources Ltd for the latter to bring Penny's Find into production. To date Brimstone has undertaken limited RC and diamond drilling in an effort to expand and upgrade the existing resource.

Brimstone has not reported any field work was undertaken during the quarter.

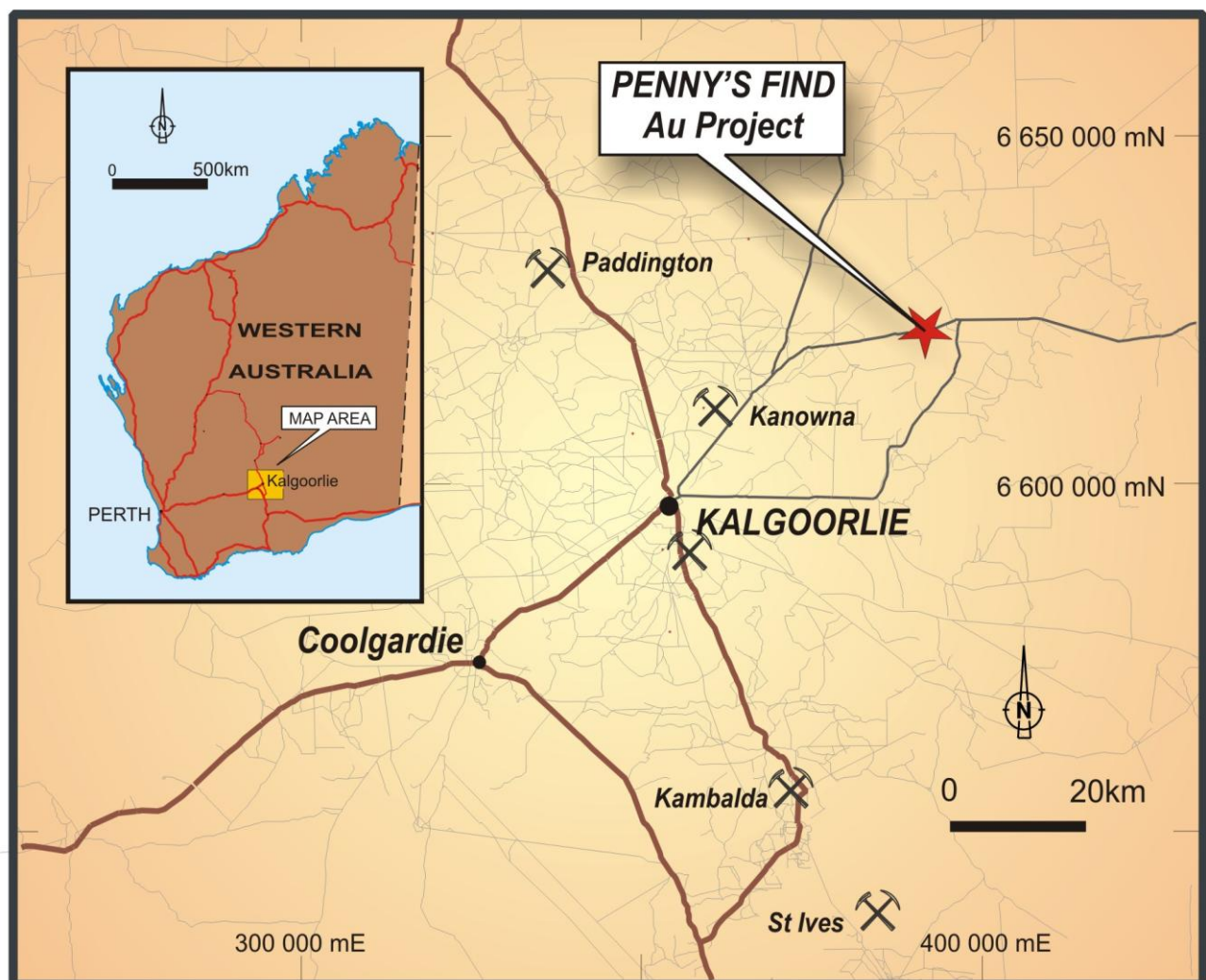


Figure 7 : Penny's Find Location Plan

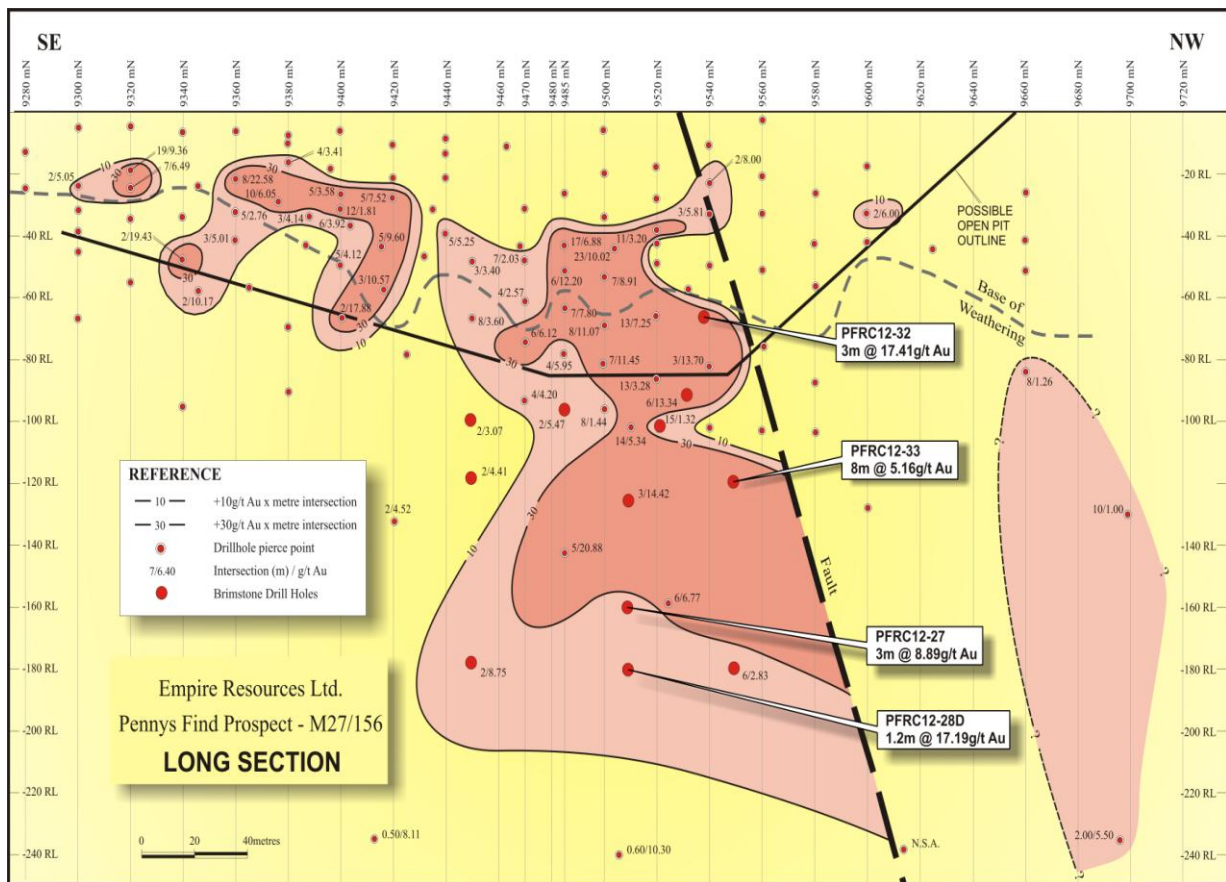


Figure 8 : Penny's Find Long Section

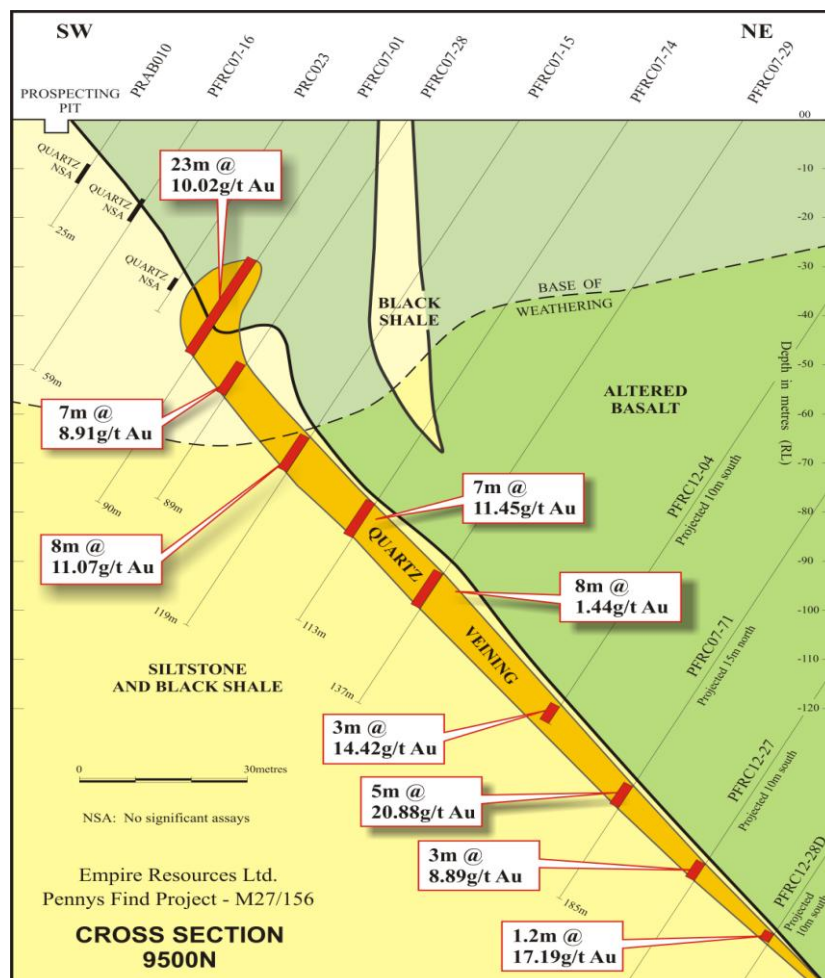


Figure 9 : Penny's Find Cross Section

Joanna (WA): Gold Project – 80% interest

The Company has an 80% interest in a 277 km² exploration licence application located in the Canning Basin, 270 km southeast of Broome. The tenement lies adjacent to the Admiral Bay Fault and is considered prospective for gold mineralization.

Along strike to the northwest, the Admiral Bay Fault is associated with substantial lead – zinc mineralization.

Initial prospecting activities are planned to commence on the property this coming quarter.

Damperwah (WA): Copper Project – Farm-in earning 70% interest

The Company has identified an area with potential for volcanogenic massive sulphide (VMS) copper mineralization in the Warriedar Fold Belt situated approximately 320km northeast of Perth and 60km southwest of the Golden Grove copper-zinc mine.

RC drilling in the June 2012 quarter discovered copper sulphides at the Sears prospect enhancing the overall prospectivity of the area. Thin section examination of these drill chips indicates the rock sequence at Damperwah may be part of the same stratigraphy as hosts the Golden Grove mine, 60km to the northeast.

No field work was undertaken during the quarter.

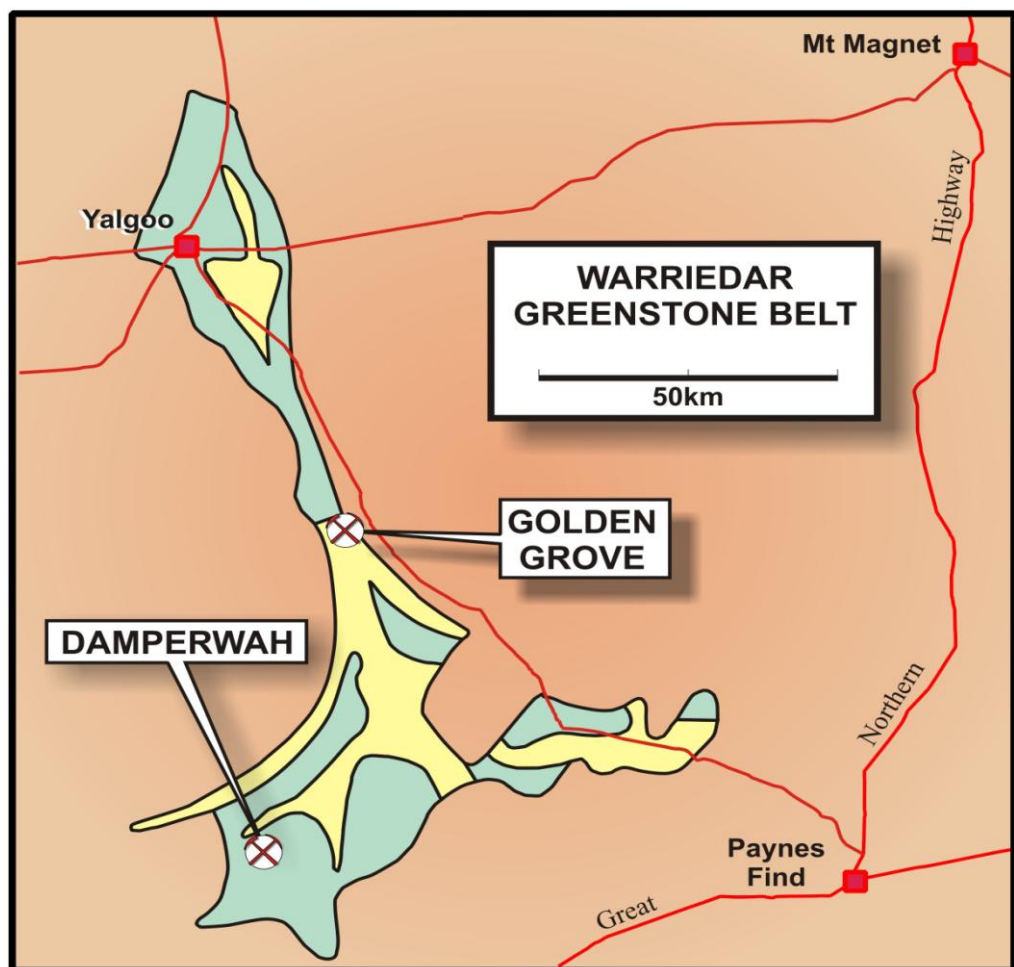


Figure 10 : Damperwah Location Plan

Wynne (WA): Copper Project - 100% interest

The Wynne project is located in the northern Gascoyne region of Western Australia, 260 km northeast of Carnarvon. Copper and lead mineralization has been identified associated with ironstones within meta-sedimentary rocks of the Proterozoic Morrissey Metamorphic Suite.

Surface sampling has identified base metal gossans outcropping in three horizons, over at least a 7km strike length. Assays in various samples showed up to 0.25% Cu, 0.39% Pb, 0.14% Zn, 0.5g/t Au, 4.6% As, 347ppm Bi, 114ppm Mo and 128ppm W.

Drilling has revealed a succession of calc-silicates and highly altered and sheared mafic rocks containing minor amounts of copper, lead and zinc sulphides.

No field work was undertaken during the quarter.

Troy Creek (WA): Copper - Gold - PGM Project - 45% 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 where the Company holds tenements covering an area of 270 sq km.

No field work was undertaken during the quarter.

Yarlarweelor (WA): Uranium Project (24.2% indirect interest)

The Yarlarweelor uranium project is located 125km north of Meekatharra in Western Australia. Empire Resources Ltd holds an indirect 24.2% interest in the project through its shareholding in ASX listed FYI Resources Ltd.

FYI has made application for two new exploration licences with the Dept. of Mines and Petroleum to cover extensions to radiometric anomalies previously outlined within its existing exploration licence, E52/2095.

FYI Resources is targeting significant uranium mineralization (in the form of uraninite) present within the Archaean Despair Granite where it is associated with biotite schists in shear zones.

Previous mineralised drill intersections on the project include:

- **35m @ 503ppm U₃O₈ from 125.1m, including 5m @ 1,069ppm U₃O₈; and**
- **7.8m @ 588ppm U₃O₈ from 47.8m, including 1m @ 1,873ppm U₃O₈**

Results from a detailed airborne radiometric survey and geological mapping indicate shear zones prospective for uranium mineralization have a combined strike length in excess of 25 kilometres exist within the Company's tenements.

FYI Resources plans to drill up to three diamond core holes at Yarlarweelor during the next quarter testing new uranium anomalies.

**DAVID SARGEANT
MANAGING DIRECTOR**

April 2013

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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.

Mineral Resource Estimates

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.

Notes on the Penny’s Find Resource

An updated resource estimate for the Penny’s Find gold mineralization 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 mineralization. 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*	Grade*	Grade*
			Cu%	Au g/t	Ag g/t
0.5%Cu cutoff	Indicated	184,000	1.11	0.54	0.8
	Inferred	2,159,000	1.24	0.54	1.7
	TOTAL	2,343,000	1.23	0.54	1.6
1%Cu cutoff	Indicated	104,000	1.65	0.86	1.3
	Inferred	966,000	1.84	0.77	2.1
	TOTAL	1,070,000	1.82	0.78	2.1
1.5%Cu cutoff	Indicated	46,000	2.11	1.14	1.6
	Inferred	536,000	2.34	0.92	2.7
	TOTAL	582,000	2.33	0.93	2.6

**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 mineralization. Assumed specific gravity values used were:- transitional 2.7t/m³; fresh 3.2t/m³.