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ASX Release

GRADE CONTROL DRILLING CONFIRMS SHALLOW HIGH GRADE GOLD AT PENNY'S FIND

Empire Resources Ltd ('Empire', ASX code: ERL, the "Company") is pleased to announce results from the first RC grade control drilling programme completed at the Penny's Find gold deposit located 50km northeast of Kalgoorlie, WA.

The programme was designed to provide grade control information to approximately 30m depth from surface in the planned open pit where mining is scheduled to commence this quarter.

A total of 86 holes for 2,534 metres were drilled on a 10m X 10m pattern at - 60 degrees along the length of the ore zone.

As anticipated, the grade control drilling returned numerous high grade gold intersections at shallow depths confirming the original geological interpretation. Better results include:

- **6m @ 3.52g/t Au from 11m depth in PGC010**
- **7m @ 11.39g/t Au from 27m depth in PGC032**
- **5m @ 13.58g/t Au from 32m depth in PGC036**
- **3m @ 13.44g/t Au from 35m depth in PGC039**
- **5m @ 6.33g/t Au from 23m depth in PGC040**
- **11m @ 5.36g/t Au from 28m depth in PGC047**
- **12m @ 4.94g/t Au from 4m depth in PGC056**
- **19m @ 5.85g/t Au from 3m depth in PGC060**
- **8m @ 2.77g/t Au from 3m depth in PGC064**
- **3m @ 10.93g/t Au from 9m depth in PGC071**

Results from all holes returning >0.5g/t Au over 2m are presented in Table 2.



Empire's Managing Director, Mr David Sargeant:

"The completion of the first round of grade control drilling has provided further strong confidence in the geological model being used for Penny's Find. This programme comes just twelve months after Empire resumed management of the project."

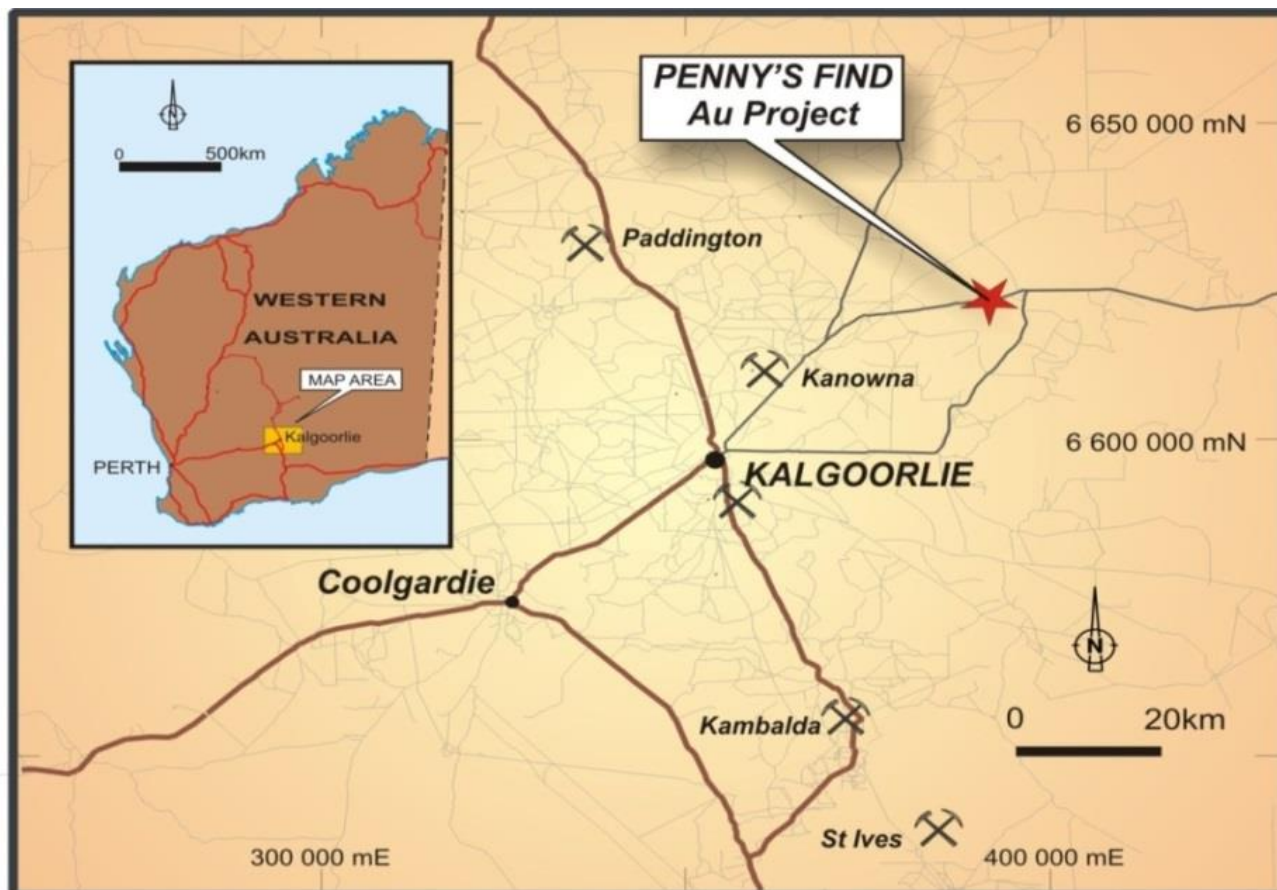
"With an average open-pit grade of 4.62g/t Au to a depth of 80m this project is an excellent production opportunity for Empire given the current high gold price."

"We also believe there is substantial upside at Penny's Find once an ongoing feasibility study into development of the underground resource has been completed. This along with exploration potential at depth bodes well for the long term future of the project".

Empire Resources Ltd holds a 60% direct interest in the Penny's Find gold project with the remaining 40% interest held by unlisted Brimstone Resources Ltd.

Penny Find's mineralization extends to 250m below surface and remains open at depth. High grade gold mineralization is hosted by quartz veins at the contact between shale and basalt.

Both oxide and fresh mineralization are free milling with 98% and 99% recoveries achieved in recent testwork respectively. There is also a high gravity recoverable gold component, 53% for oxide and 85% for fresh.



DAVID SARGEANT
MANAGING DIRECTOR
 July 2016

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The information in this report that relates to Exploration Results has been compiled by Mr David Reid B.Sc, who is a consultant to the Company. He is a member of 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Reid consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.

Table 1 - Ore Reserves

PENNY'S FIND OPEN PIT ORE RESERVE - FEBRUARY 2016			
DESCRIPTION	TONNES	GRADE	GOLD TO
		g/t Au	MILL (ozs)
PROVED	-	-	-
PROBABLE	146,000	4.62	21,700
TOTAL	146,000	4.62	21,700

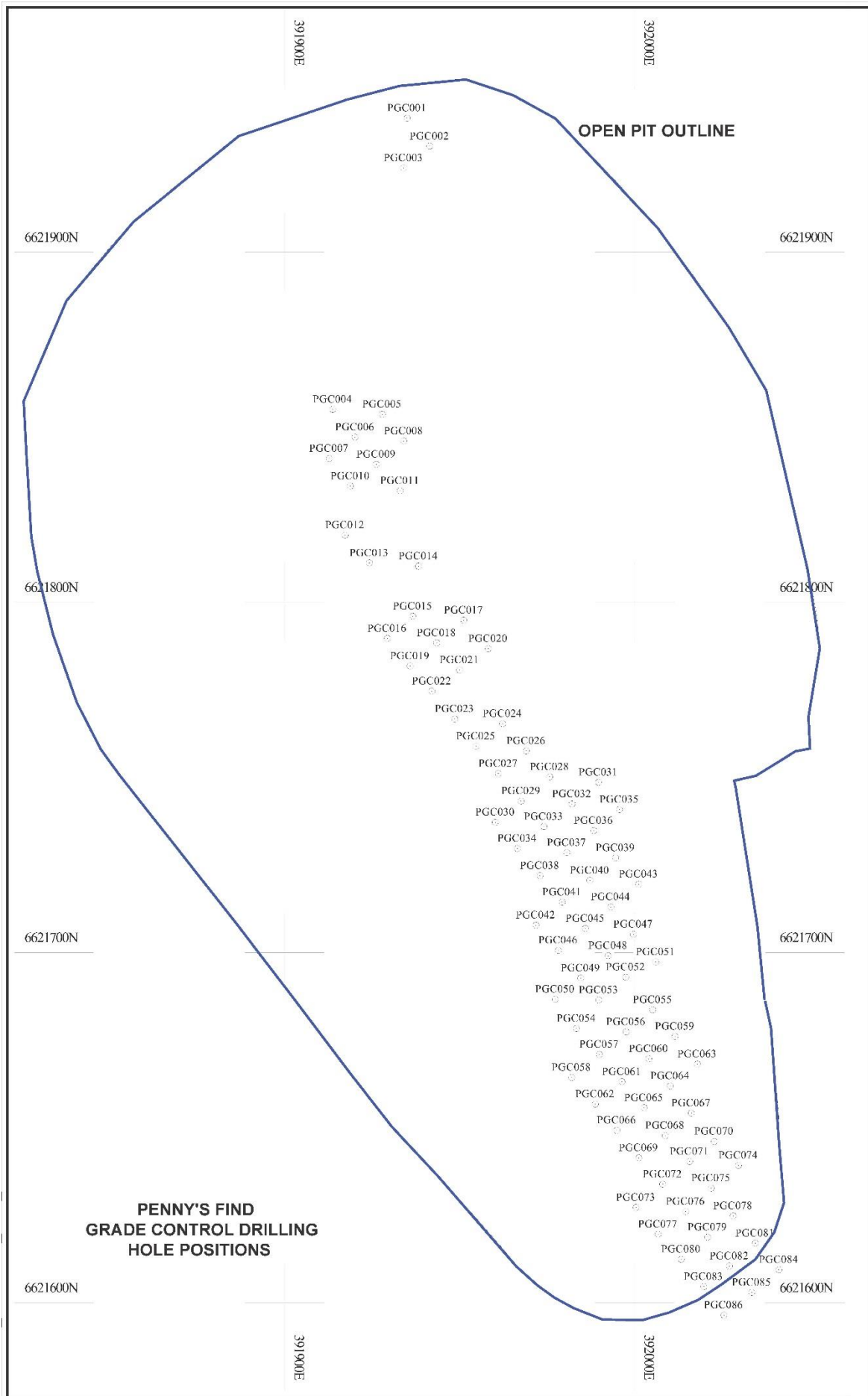


TABLE 2 : PENNY'S FIND GRADE CONTROL RC DRILLING RESULTS

HOLE ID	NORTH	EAST	AZ	DIP	EOH	FROM	TO	LENGTH	TRUE WIDTH	GRADE
	GDA94 z51				(m)	(m)	(m)	(m)	(m)	(g/t Au)
PGC005	6621854	391928	230	53	40	27	30	3	2.6	4.34
PGC006	6621847	391920	221	59	28	18	20	2	1.7	1.53
PGC008	6621846	391934	226	58	38	34	37	3	2.6	1.43
PGC009	6621839	391926	233	57	32	27	29	2	1.7	1.35
PGC010	6621833	391919	223	60	24	11	17	6	5.2	3.52
PGC012	6621819	391917	224	60	33	11	13	2	1.7	4.79
PGC014	6621810	391938	222	56	42	36	38	2	1.7	1.13
PGC017	6621795	391951	225	59	36	33	35	2	1.7	2.22
PGC024	6621765	391962	221	60	38	28	33	5	4.3	1.14
PGC026	6621758	391969	222	59	35	28	30	2	1.7	4.18
PGC027	6621751	391961	225	59	24	17	19	2	1.7	2.02
PGC028	6621750	391976	223	60	35	17	19	2	1.7	2.01
						23	25	2	1.7	5.28
						28	30	2	1.7	5.54
PGC029	6621743	391968	220	60	24	18	20	2	1.7	1.62
PGC030	6621737	391960	222	59	18	8	10	2	1.7	1.32
PGC032	6621742	391982	221	59	38	9	12	3	2.6	1.02
						27	34	7	6.1	11.39
					Incl.	27	29	2	1.7	36.45
PGC034	6621730	391967	223	60	18	9	11	2	1.7	0.70
PGC036	6621735	391988	223	59	40	6	8	2	1.7	0.64
						32	37	5	4.3	13.58
					Incl.	33	36	3	2.6	22.23
PGC039	6621727	391995	223	59	40	35	38	3	2.6	13.44
PGC040	6621721	391987	221	59	35	16	20	4	3.5	3.34
						23	28	5	4.3	6.33
						33	35	2	1.7	3.82
PGC041	6621714	391979	223	60	35	15	17	2	1.7	4.31
PGC042	6621708	391972	219	61	12	5	7	2	1.7	1.31
PGC044	6621713	391993	223	59	35	26	29	3	2.6	2.21
PGC046	6621701	391978	224	60	12	9	11	2	1.7	0.72
PGC047	6621705	392000	223	58	40	17	19	2	1.7	0.93
						28	39	11	9.5	5.36
					Incl.	31	34	3	2.6	17.01
PGC048	6621699	391992	224	58	28	16	20	4	3.5	3.65
						25	27	2	1.7	1.20
PGC049	6621693	391985	222	59	18	10	12	2	1.7	5.86
PGC052	6621693	391998	225	59	34	11	13	2	1.7	7.72
						22	24	2	1.7	9.61
PGC054	6621678	391983	221	59	12	2	4	2	1.7	0.65
PGC055	6621684	392005	224	57	36	8	11	3	2.6	0.61
						26	28	2	1.7	1.66
						32	35	3	2.6	2.83

PGC056	6621677	391998	222	59	34 Incl.	4 10	16 15	12 5	10.4 4.3	4.94 9.50
PGC059	6621676	392012	218	59	40	8 30	10 33	2 3	1.7 2.6	0.74 2.00
PGC060	6621670	392004	224	59	33 Incl.	3 13 25	22 20 27	19 7 2	16.5 6.1 1.7	5.85 12.48 2.86
PGC061	6621663	391996	223	59	21	8	10	2	1.7	0.60
PGC064	6621662	392010	221	58	30	3 23	11 25	8 2	6.9 1.7	2.77 2.46
PGC067	6621654	392016	226	59	32	6	9	3	2.6	1.45
PGC068	6621648	392009	221	60	32	22	29	7	6.1	1.05
PGC069	6621641	392001	205	60	32	8 16 25	13 22 29	5 6 4	4.3 5.2 3.5	0.64 0.96 0.90
PGC070	6621646	392023	223	56	40	28	33	5	4.3	1.20
PGC071	6621640	392016	221	58	42	9 17	12 22	3 5	2.6 4.3	10.93 2.90
PGC074	6621639	392030	227	56	42	34	37	3	2.6	1.35
PGC075	6621633	392022	225	58	42	10 21	12 27	2 6	1.7 5.2	0.93 4.81
PGC076	6621626	392015	221	60	36	4	6	2	1.7	0.96
PGC079	6621619	392021	221	60	36	10 23	12 25	2 2	1.7 1.7	4.63 1.98
PGC080	6621612	392013	214	59	24	0	4	4	3.5	1.05
PGC082	6621611	392027	220	59	36	11 23	13 25	2 2	1.7 1.7	6.22 0.61
PGC083	6621605	392020	217	59	25	3 22	5 25	2 3	1.7 2.6	0.57 3.80
PGC085	6621603	392034	219	58	33	10	12	2	1.7	1.09

Assays by 50gm fire assay/AAS. Lower cut 0.5g/t Au, no high cut. Maximum internal dilution 2m @ <0.5g/t Au.

JORC 2012 COMPLIANCE TABLE

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	A total of 86 Reverse Circulation drill holes were completed on a nominal 10m by 10m spacing across the top of the deposit to a maximum drill depth of 42 metres.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Two separate whole metre samples were split using a rig mounted, stationary cone splitter.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Reverse circulation drilling was used to obtain 1 m samples from which a nominal 3 kg was pulverised to produce a 50 g charge for fire assay.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Reverse circulation drilling used 5.5 inch face sampling hammer.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- RC sample recoveries remained consistent throughout the program. - The cyclone and splitter were routinely inspected and cleaned during the drilling ensuring no excessive material build-up. Care was taken to ensure the split samples were of a consistent volume.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. - The total length and percentage of the relevant intersections logged.	- RC drill holes were logged by colour and vein quartz content. - Logging was qualitative. - All holes were logged in full.

Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• No core drilled. • 1 metre RC samples were collected and split off at the drill rig using a stationary cone splitter. All the samples were dry in nature. • The sample preparation of the RC sample follows industry best practice in sample preparation involving weighing, oven drying, pulverising of the entire sample (total prep) to a grind size of 85% passing 75 micron. • QAQC procedures involved the use of certified standards and blanks. • A duplicate sample was taken at every metre and selected samples will be submitted to the assay laboratory for field duplicate check assays • The sample sizes are considered appropriate to the deposit type.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of	• The analytical technique used was a 50gm fire assay/AAS finish. This achieves total extraction of the gold from the sample. • No geophysical tools were used to determine any element concentrations. • Certified standards and blanks were inserted roughly every 20 samples. Assays returned acceptable levels of accuracy.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections are checked by the mine geologist. • No twinned holes were drilled. • Primary geological data was collected on paper logging sheets and entered into a standard Excel template on a computer. Logs and assays were checked by the mine geologist. • No adjustments were made to any assay data used in this report.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Hole collar coordinates have been picked up using a RTK GPS with all co-ordinates and RL data considered reliable. • downhole surveys were performed at the end of each drill hole using a single shot Eastman downhole camera. • The grid system used for the location of all drill holes is MGA_GDA94, Zone 51.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill spacing was 10m by 10m. • Not applicable • No compositing has been applied to the sample results.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• All holes were drilled at -60 degrees, roughly perpendicular to the mineralization. • Given the nature of the mineralizing system, no orientation based sampling bias has been identified in the data at this point. True widths of mineralization are reported in Table 1 in the text.
Sample security	• The measures taken to ensure sample security.	• Samples were delivered direct to the laboratory by an Empire Resources Limited employee.

Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No review has been carried out to date.
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Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- Penny's Find is located wholly within Mining Lease M27/156 of which Empire Resources Limited has a 60% interest. - There is no native title claim over the tenement. - The tenement is subject to one third party royalty. - The tenement is a granted Mining Lease, is in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Previous exploration has been conducted at Penny's Find by Croesus Mining, Defiance Mining and Brimstone Resources Ltd. They each carried out small drilling programs which intersected gold mineralization. - A Mineral Resource estimate by JV partners Brimstone Resources was released to the ASX in February 2015.
Geology	Deposit type, geological setting and style of mineralisation.	Gold mineralization at Penny's Find is hosted by quartz veins in a shear zone at the contact between mafic volcanics and sediments.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	See Table 2 in the text.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- All reported intersections are arithmetic averages. - No top cuts have been applied. - A 0.5g/t Au lower cut-off has been applied with a maximum of 2m @ < 0.5g/t Au internal dilution. - High grade gold intervals internal to broader zones of gold mineralization are reported as included intervals in Table 2. - No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- True widths are reported in Table 2. - The zone of gold mineralization at Penny's Find dips at approximately 55-60° to the northeast.

Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Not applicable
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All results are reported
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• The standing water table sits at approximately 6m depth with a maximum water flow encountered of one litre per second.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Not applicable