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ASX Release

UNDERGROUND RESOURCE AND GEOTECHNICAL DRILLING PENNY'S FIND GOLD MINE, WA

Gold miner, Empire Resources Ltd ('Empire', ASX code: ERL, the "Company") has commenced an underground resource drilling programme at the Company's Penny's Find gold mine 50km northeast of Kalgoorlie, WA.

The aim of the diamond core drilling campaign is to:

- Increase confidence in the already known underground gold mineralisation.
- Convert some JORC Inferred resources to Indicated category.
- Obtain important additional geotechnical data for underground mining studies, and
- Yield additional resources from the deeper drill holes.

Empire is working to eventually take the open pit mine underground as Penny's Find's gold mineralisation extends to at least 250m depth where it remains open with a current known underground Inferred and Indicated resource inventory of **170,000 tonnes @ 5.40g/t Au** beneath the open pit (Table 1).

Empire's Managing Director, Mr David Sargeant said: *"We believe there is substantial upside at Penny's Find once a 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."*

The RC drill rig used for the second round of grade control drilling in the Penny's Find open pit was able to prepare six diamond pre-collars in preparation for diamond core testing of the underground resource.

Completion of this drilling is a precursor to the commencement of a final underground mining feasibility study. The planned intercept points are shown with yellow stars on Figure 1 below.

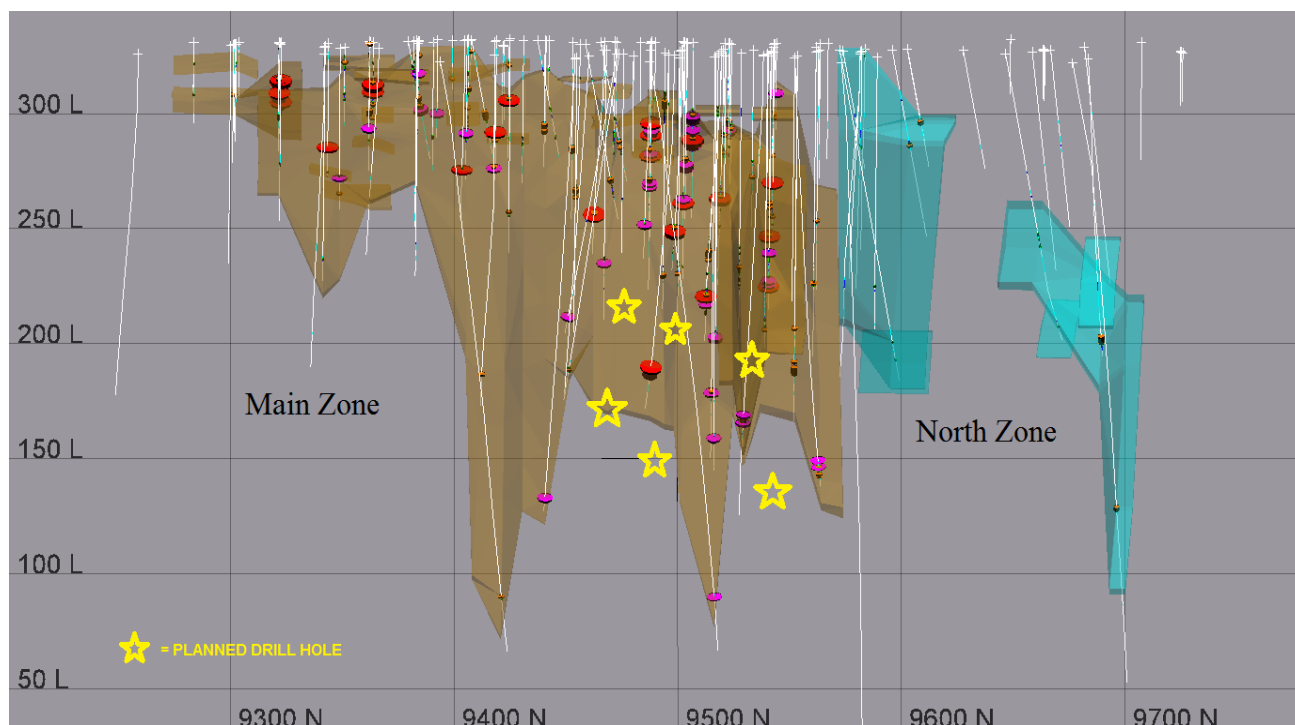


Figure 1 : Penny's Find long section showing drill hole pierce points

Table 1 : Penny's Find Resources - September 2015*

Reportable In Situ Mineral Resource by location and cut-off						
	Open Cut (0.5g/t)		Underground (1.5g/t)		Combined	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	-	-	-	-	-	-
Indicated	218,000	4.64	84,000	4.90	302,000	4.71
Inferred	82,000	1.79	86,000	5.89	168,000	3.89
TOTAL	300,000	3.86	170,000	5.40	470,000	4.42

*Announced to the ASX on 2 September 2015

Competent Persons Statement

The information in this release concerning the Mineral Resources for the Penny's Find deposit has 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 style of mineralization and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ball consents to the inclusion in this public release of the matters based on his information in the form and context in which it appears.

A preliminary underground mine design has been completed to ensure it is able to mesh smoothly with the completion of the open pit mining operation - Figure 2.

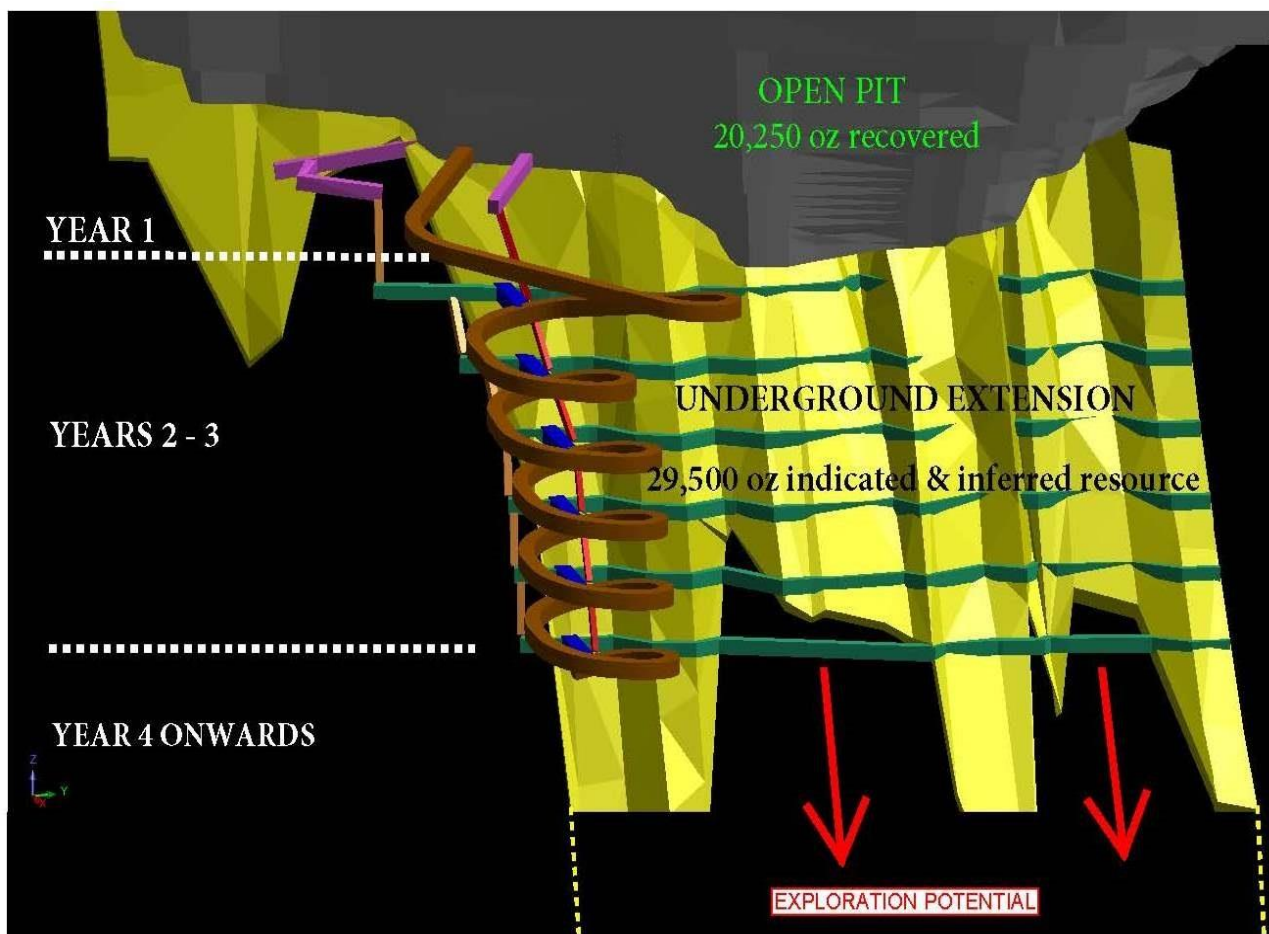
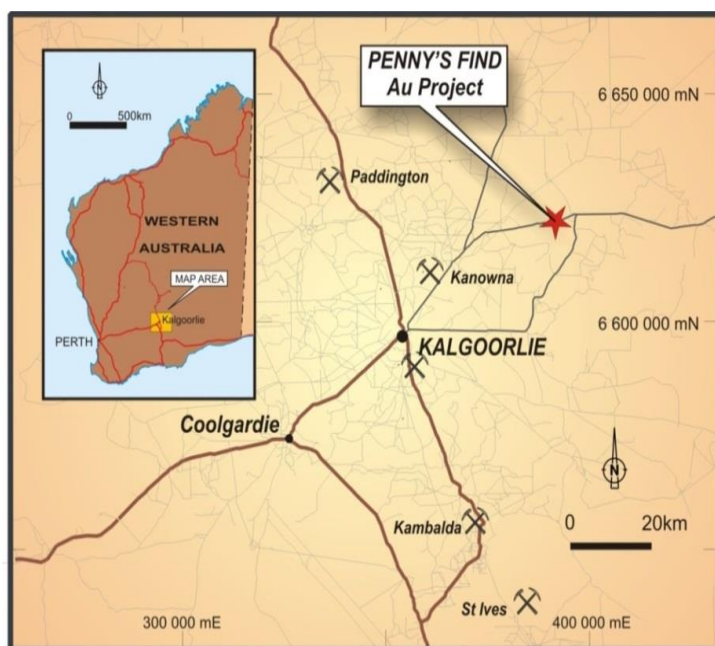


Figure 2 : Penny's Find Preliminary Underground Mine Design - Long Section



DAVID SARGEANT
MANAGING DIRECTOR
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