



ACN 092 471 513

**QUARTERLY REPORT FOR THE PERIOD ENDING
31 DECEMBER 2011**

HIGHLIGHTS

YUINMERY, WA : copper - gold - zinc

- RC drilling intersects further high grade copper mineralization at A Zone Prospect, including
 - 5m @ 2.8% Cu within 10m @ 1.8% Cu
 - 7m @ 2.2% Cu within 12m @ 1.8% Cu
- RC drilling at Just Desserts Prospect below existing resource intersects :
 - 6m @ 2.3% Cu within 22m @ 1.3% Cu
- Initial engineering studies undertaken at Just Desserts Prospect

DAMPERWAH, WA : copper

- Farm – in to new project with potential for VMS copper mineralization
- Immediate drill targets identified

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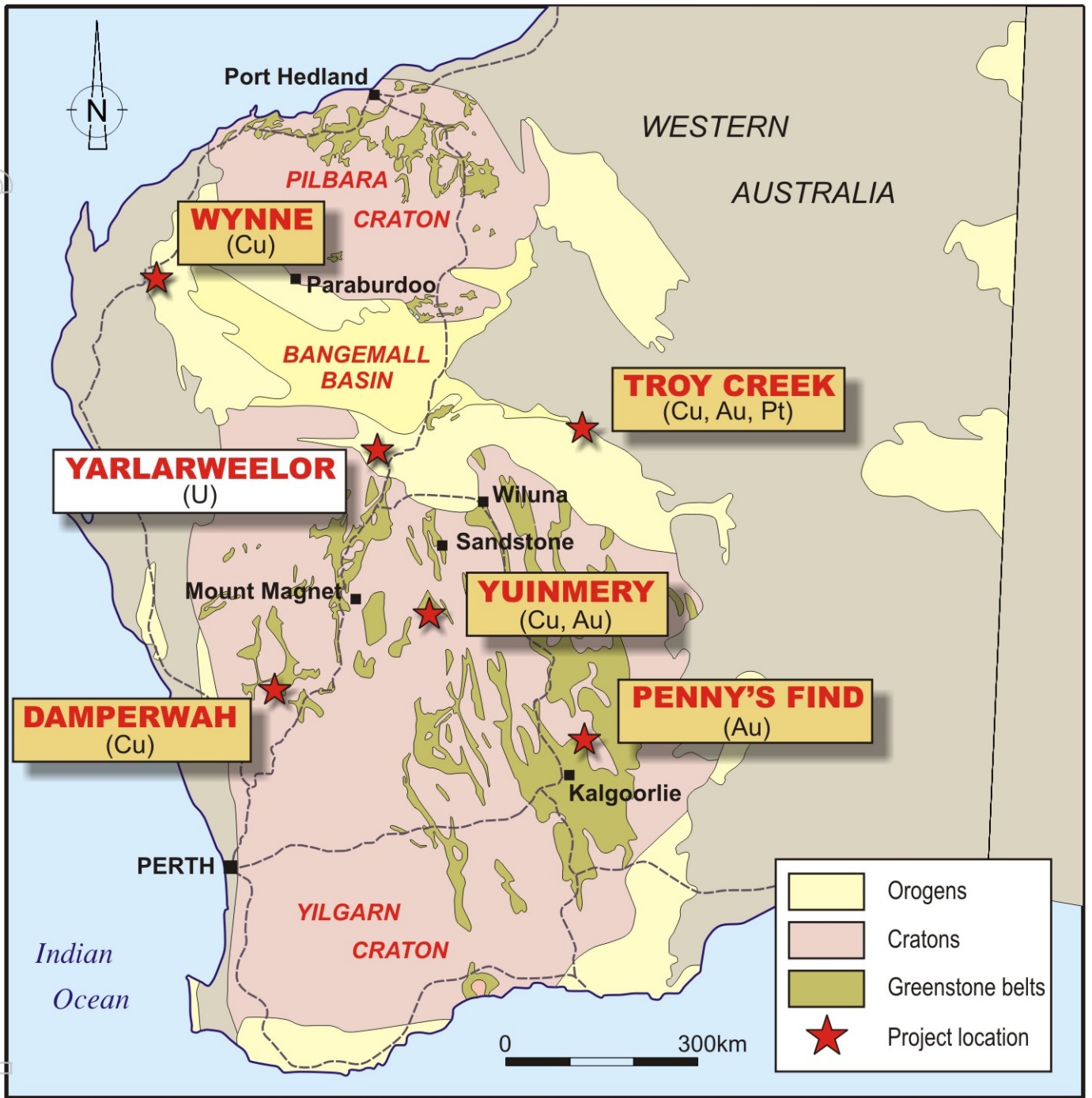


Figure 1 : Project Location Map

REVIEW OF OPERATIONS DECEMBER QUARTER 2011

Yuinmery (WA): copper - gold - zinc - PGM project (100% interest and option to earn 82% interest on adjoining tenements)

The Yuinmery project is a volcanogenic massive sulphide (VMS) copper - gold - zinc project located 80km southwest of Sandstone, WA with a large number of individual mineralized prospects.

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.

During the December quarter the Company continued an aggressive drilling program at the **A Zone** prospect to enable an initial resource estimation for that prospect to be undertaken in 2012.

Apart from these two deposits, copper – gold mineralization has been identified by past exploration at seven other prospects in the Yuinmery area (see Figure 4). More recent exploration by Empire in new areas has tested 14 of 22 selected VTEM geophysical anomalies. Significant new base metal or iron sulphide mineralization requiring further evaluation was encountered in 4 of these anomalies.

In addition the Company recently discovered large widths of low grade platinum – palladium mineralization at the **Constantine** prospect with downhole intersections of up to **80m @ 0.49g/t Pt+Pd**. The PGMs are associated with disseminated sulphide mineralization in at least two horizons of a major layered mafic-ultramafic intrusive complex.

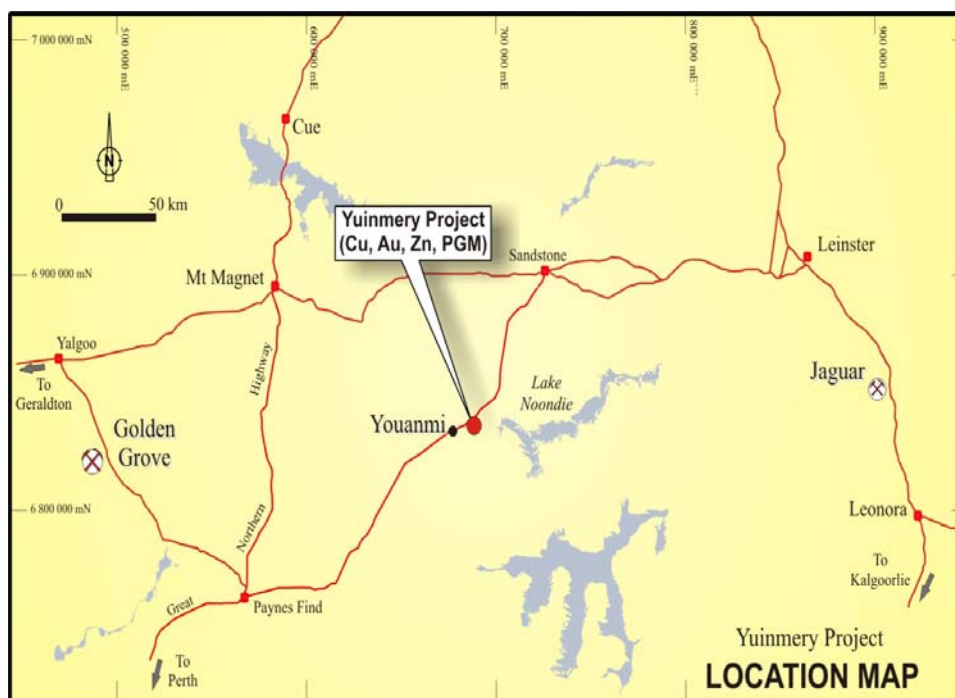


Figure 2 : Yuinmery Project location map

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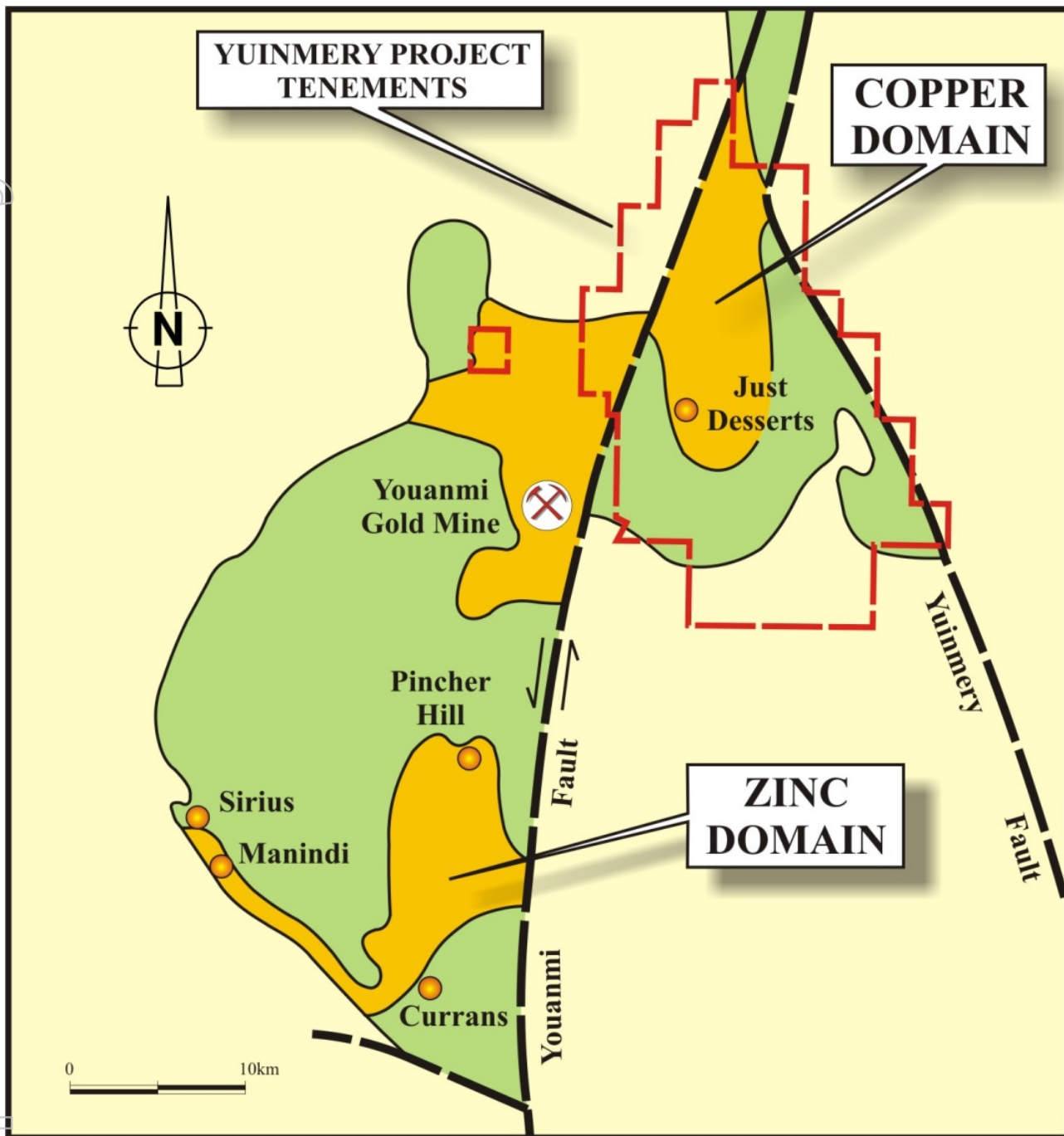


Figure 3 : Regional Geology

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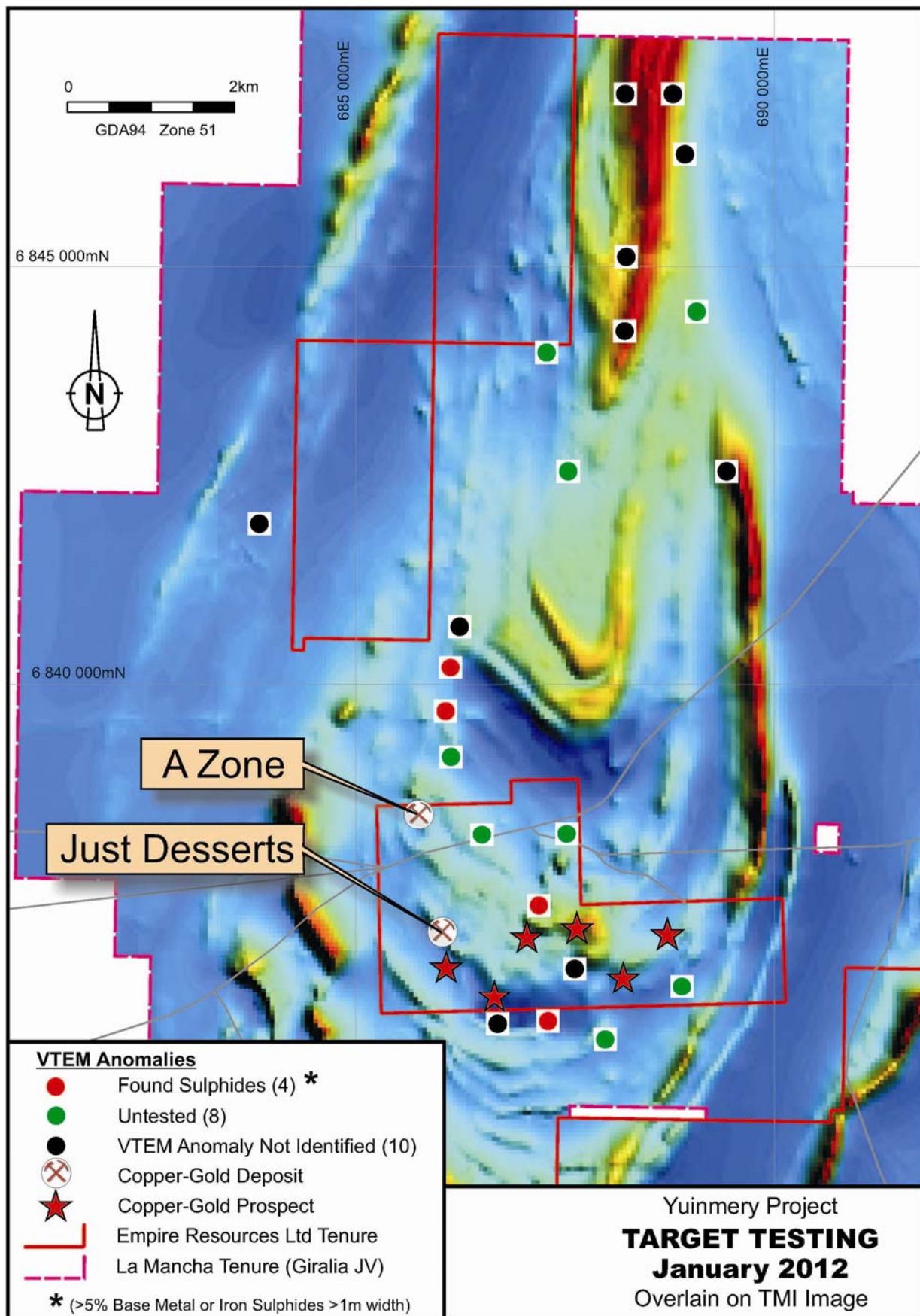


Figure 4 : Yuinmery Targets

Copper - Gold - Zinc VMS Prospects

RC and Diamond Drilling

During the December quarter 22 holes totalling 4,374 metres of RC drilling were completed. Diamond drill tails were added to 2 previously drilled RC holes and 4 of the current RC holes for a total of 808 metres. Most of this work was undertaken at the **A Zone** prospect following up on previous significant copper – gold and zinc intersections reported in the September quarterly. The **A Zone** prospect lies 1.3km north of the **Just Desserts** prospect.

RC holes were also drilled at six other prospects : YC6A, YC11, Trajan, Smith Well Gossan, Pete's Patch, and Just Desserts.

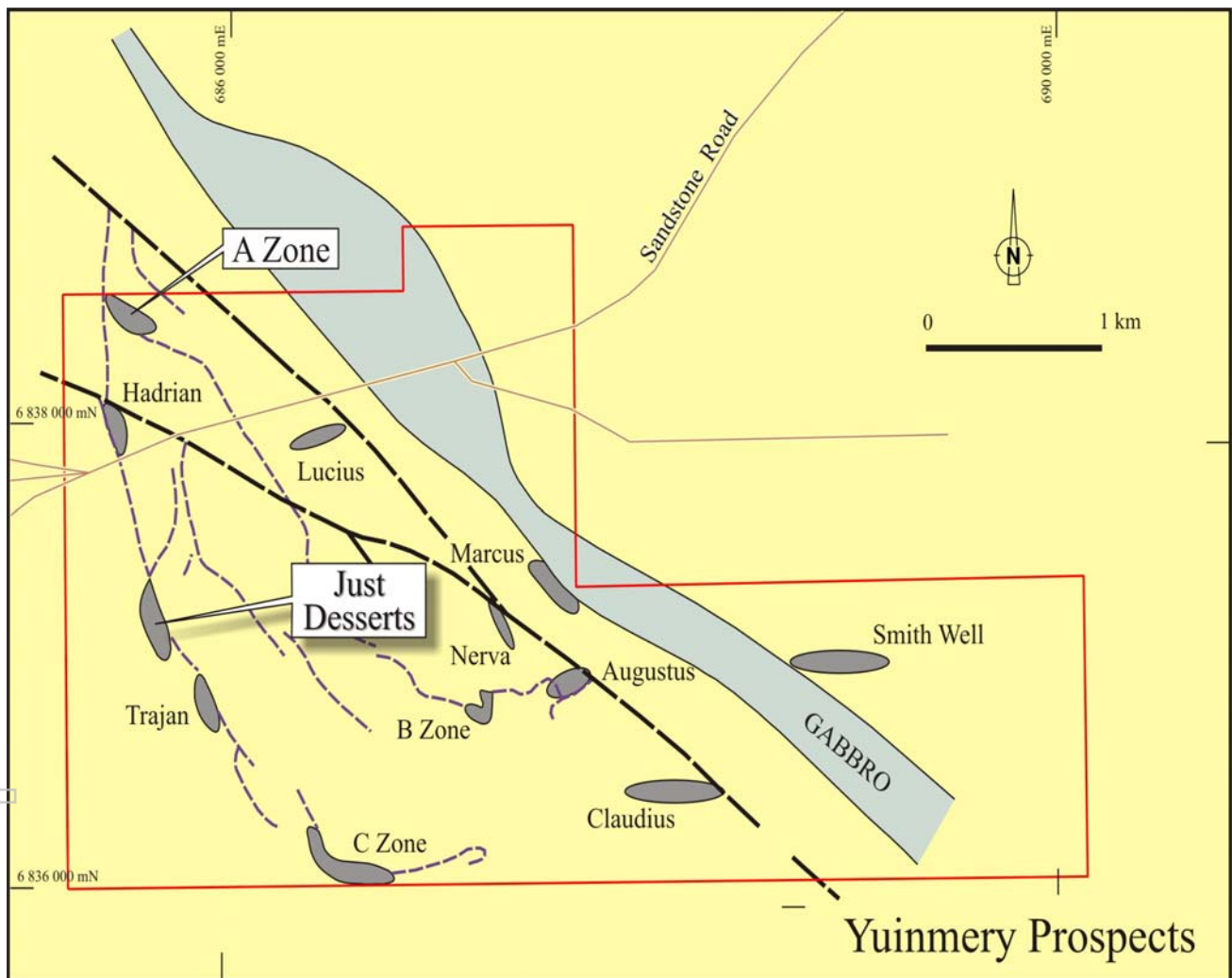


Figure 5 : Central Prospects

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A ZONE PROSPECT

Eight holes were drilled at A Zone prospect with significant copper-gold and zinc intersections returned from three holes. Samples containing visible copper mineralization from a further two diamond holes, YRC11-41D and YRC11-42D, have been submitted for assay.

Table 1 : Significant A Zone RC and Diamond Hole Intersections

Hole ID	Northing	Easting	Az	Dip	Depth (m)	From (m)	To (m)	Int (m)	Cu %	Zn %	Au g/t
A ZONE											
YRC11-30D	6838689	685691	225	-60	349	205	207	2	0.05	1.30	0.04
						218	219	1	1.16	0.04	
YRC11-39	6838640	685757	225	-55	300	222	232	10*	1.84	0.07	0.86
					incls	222	227	5*	2.76	0.07	1.23
						240	241	1	0.09	1.73	0.02
YRC11-40	6838669	685730	225	-55	300	240	252	12*	1.79	0.04	0.46
					incls	241	248	7*	2.22	0.05	0.56

* assays reported previously

Drilling at **A Zone** prospect has shown there are two separate zones of mineralization, one 30 - 40m stratigraphically above the other. The upper horizon contains copper-gold and zinc mineralisation while the lower horizon contains copper-gold mineralization. Figures 6 and 7 show a long section and a cross section through A Zone upper horizon.

The upper horizon is the main zone of mineralization. It remains open down plunge to the north with the deepest RC hole to date intersecting **12m @ 1.8% Cu, 0.5g/t Au**. Mineralization in the lower horizon is currently restricted to the shallower part of the A Zone deposit.

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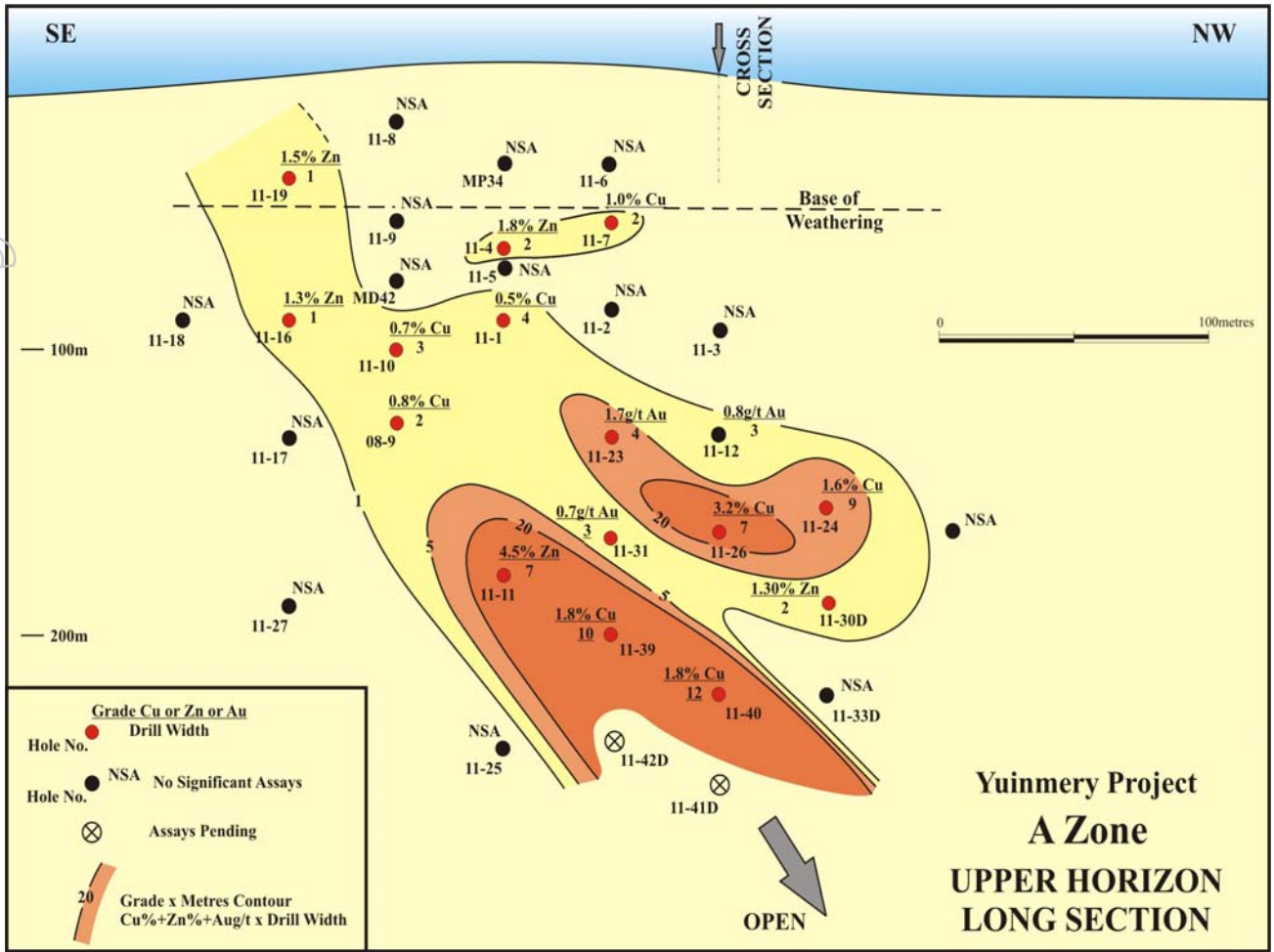


Figure 6 : A Zone Prospect Long Section, Upper Horizon



Photo 1 : A Zone Prospect. Chalcopyrite and pyrrhotite in lapilli tuff rocks from drill hole YRC11 - 41D approximately 280 metres down hole. Core approximately 5 cm wide.

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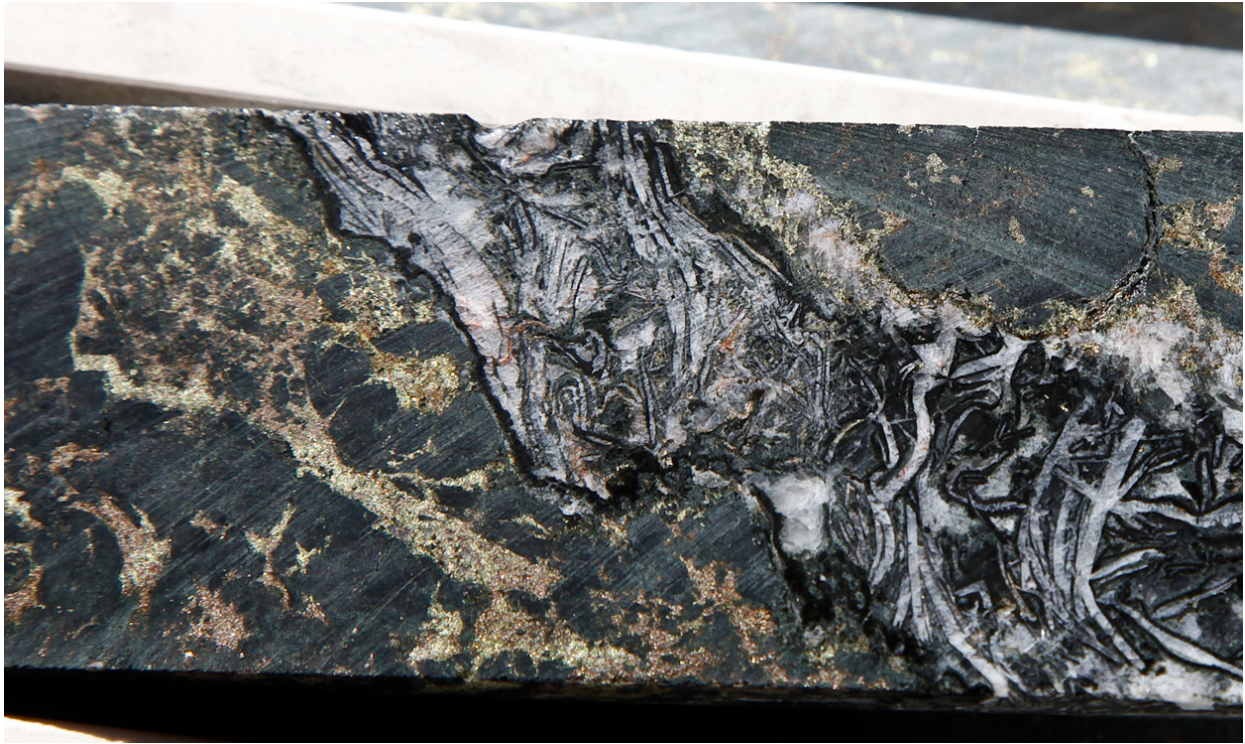


Photo 2 : A Zone Prospect. Interstitial chalcopyrite and pyrrhotite in lapilli tuff rocks cut by a quartz-carbonate dominated vein from drill hole YRC11 - 41D approximately 302 metres down hole. Core approximately 5 cm wide.

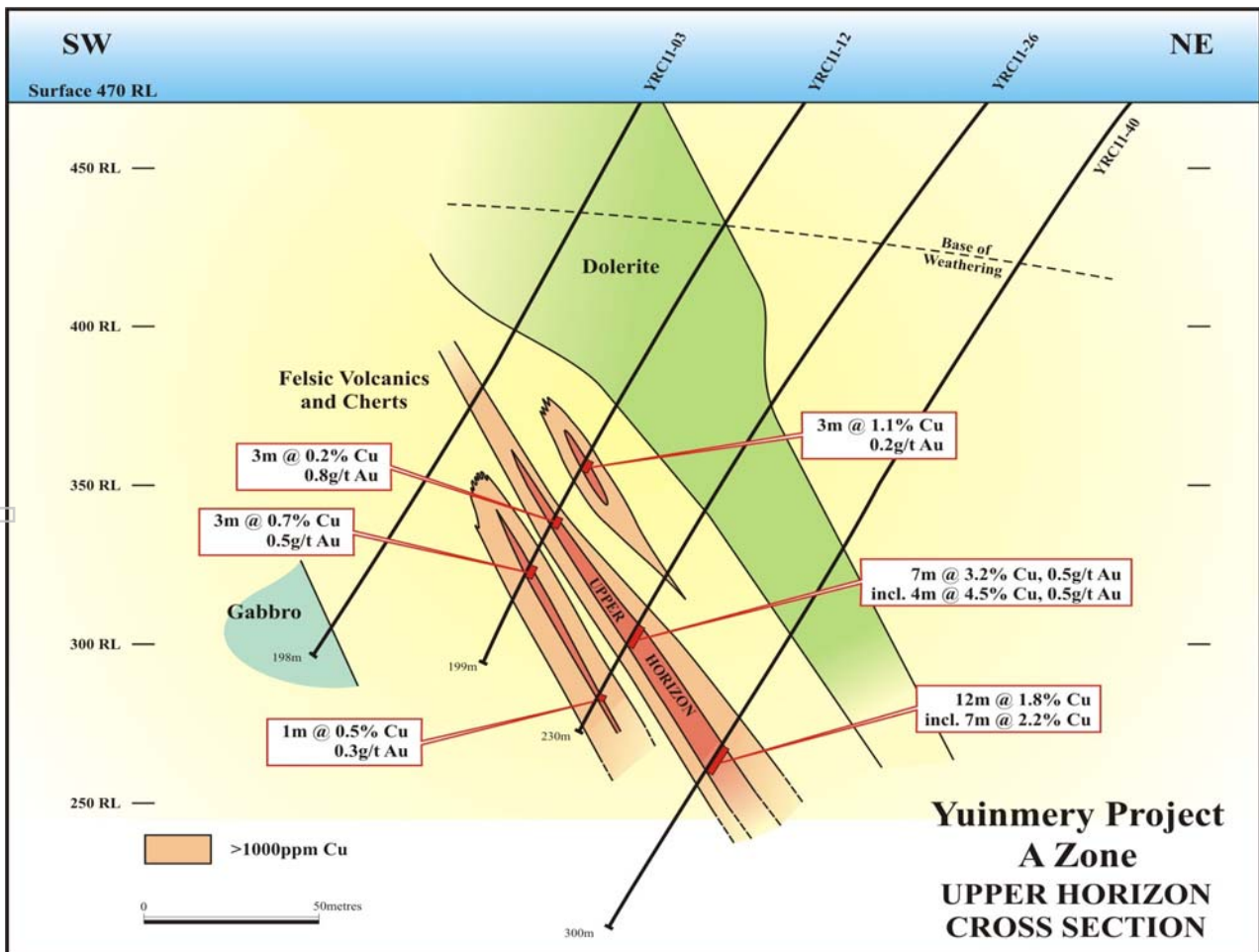


Figure 7 : A Zone Prospect Cross Section

Trajan Prospect

Four RC were drilled at the Trajan prospect situated immediately southeast of Just Desserts. Two of these holes, YRC11-35 and YRC11-37 intersected gold rich copper mineralization with intersections of **3m @ 1.1% Cu, 1.8g/t Au** and **3m @ 1.5% Cu, 1.4g/t Au**. Potential exists at Trajan for identifying a resource that could be incorporated in any mining studies of the Just Desserts prospect.

Just Desserts Prospect

Four RC holes were drilled at Just Desserts outside of the existing resource. One hole, YRC11-43, intersected **22m @ 1.3% Cu, 0.4g/t Au** indicating that the mineralization is continuing at depth.

Smith Well Gossan Prospect

Three RC holes totalling 474m were drilled at Smith Well Gossan prospect following up an intersection of **8m @ 1.4% Cu** in the previous quarter. Hole YRC11-52 intersected **2m @ 1.13% Cu** from a depth of 68m.

YC11 Prospect

An RC pre-collar was established in the September quarter to drill this large EM conductor. A diamond tail, YRC11-29D, was completed during the current quarter. Minor base metal mineralization was encountered and samples have been submitted for assay.

Other Prospects

RC drilling at the YC6A prospect did not intersect any significant mineralization.

Drilling of a gold prospect at Pete's Patch was undertaken with three RC holes testing an area where previous RAB drilling had intersected gold values up to 1m averaging 4.46 g/t Au. Only low gold values were intersected in these three holes.

Yuinmery – Engineering Studies

Preliminary engineering studies were undertaken on the Just Desserts prospect involving potential pit designs. These studies were based on the current JORC Mineral Resource as tabulated below in this report.

The study was designed to identify targets from within and adjacent to the current JORC mineral resource with the potential to be extracted based on the study parameters. It does not imply that these are production scenarios at this time.

Current metal prices, indicative metal recoveries, factors for dilution and ore loss, processing costs and mining costs for each option were used as a guide to determine the better development targets to pursue in future exploration.

The investigation reviewed the impact of mining all the Just Desserts resource as a total open cut development versus a smaller open cut to gain access for underground development, using assumptions for many variables.

The result was that it is unlikely most of the resource will be mined as an open cut. A combined open cut start to gain access into underground development will be the target for ongoing exploration.

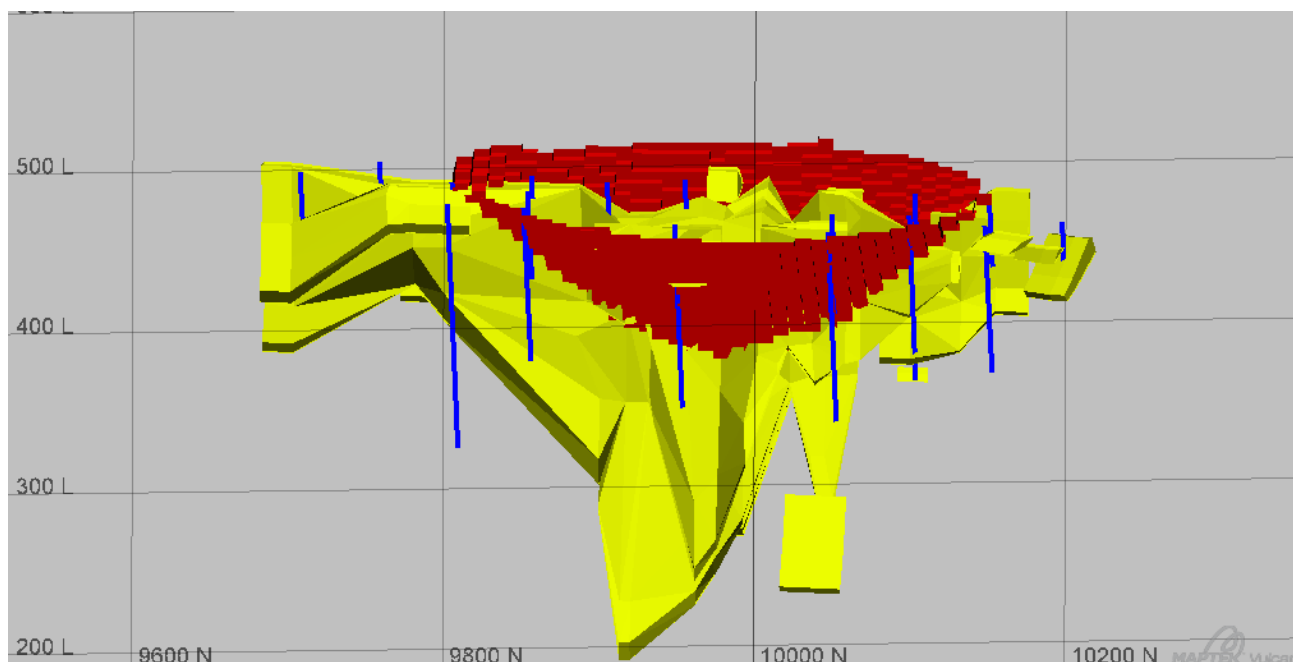


Figure 8 : Schematic Target Pit Development and Ore Resource Outline

The result for a combined development depicted in Figure 8 can be summarised as follows in Table 2.

Table 2 : Just Desserts Potential Target Material

Target material within pit shell - **0.9 Mt @ 1.1% Cu and 0.6g/t Au** using a 0.5%Cu cutoff:

Class	tonnes	Cu %	Au g/t
Indicated	160,000	1.07	0.54
Inferred	719,000	1.16	0.59
Total	879,000	1.14	0.58

Target material **available from u/g - 1.1 Mt @ 1.5% Cu and 0.6g/t Au** using a 0.75%Cu cutoff:

Class	tonnes	Cu %	Au g/t
Indicated	20,000	1.49	0.54
Inferred	1,057,000	1.51	0.59
Total	1,077,000	1.51	0.59

This compares with the previously identified resource of an indicated and inferred resource of 1,070,000 tonnes at 1.82% copper and 0.78g/t gold at the Just Desserts prospect using a 1% Cu cutoff.

It was concluded from these preliminary engineering studies that additional drilling is required to increase the mineral resource confidence, namely convert inferred resources into indicated resources.

Additional resources are required before development can be determined.

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.

In September 2010, the Company announced that it had entered into a staged sale agreement with an unlisted company, Brimstone Resources Ltd. This agreement involved an initial payment by Brimstone of \$500,000 together with expenditure obligations. The terms of this agreement with Brimstone are currently being re-negotiated in order to speed up exploration activities and increase development possibilities.

During the December quarter Brimstone collected an additional 63 soil samples covering areas to the north and south of Penny's Find. Assays are pending. Assays from soil sampling undertaken in the September quarter were received and highlighted potential drill targets north of Penny's Find.

Wynne (WA): Copper 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, lead, tungsten and bismuth 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.

Empire Resources has been successful in receiving funding of \$75,000 under the Western Australian Government's Incentive Scheme Co-Funded Drilling Program. This grant will be used to fund an 1,800m RC drilling program planned for the first half of 2012.

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.

High grade copper sulphide drill intersections have previously been announced for the Main Gossan prospect. 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, Zodiac Resources Limited (Manager) commenced exploration activity on the Troy Creek project tenements with a 17 hole reverse circulation (RC) drill programme totalling 2685m at the Main Gossan prospect. The programme was designed to extend a zone of copper sulphide mineralisation intersected previously by Empire near the northwest end of a 1km-long gossan-chert unit hosted by pyritic black shale.

The better results are tabulated below.

Table 3 : Troy Creek RC Drilling Results – December Quarter 2011

Hole	MGA (mE)	MGA (mN)	From (m)	To (m)	Total (m)	Cu
TCZRC03	319968	7189310	54	60	6	0.36%
TCZRC04	319951	7189274	75	102	27	0.25%
incl.			75	90	15	0.35%
TCZRC05	319939	7189248	156	159	3	0.56%
TCZRC06	320045	7189241	69	90	21	0.64%
incl.			69	75	6	1.81%
TCZRC07	320029	7189212	114	117	3	0.68%
TCZRC15	320138	7189201	84	93	9	0.21%
TCZRC17	319852	7189297	90	99	9	0.27%

The drill intercepts, notably from hole TCZR06, replicate those obtained previously in the immediate vicinity but do not significantly extend the mineralisation along strike, as was hoped.

A review of previous exploration data has revealed that the Main Gossan prospect area is part of a regionally extensive zone of pyritic black shale and gossan-chert outcrops containing anomalous copper and gold in surface rock chip samples and shallow drill holes. Several zones more highly anomalous than the Main Gossan prospect outcrop are evident and require further definition followed by drill testing.

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

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

An agreement was subsequently negotiated whereby the Company can earn a 70% interest in an exploration licence held by prospectors by reimbursing past expenditure and spending a total of \$1,000,000 over a 5 year period.

Sampling by the Company has located three gossanous ironstone lenses in areas where only minimal previous exploration has been undertaken.

The gossanous ironstones occur as sub outcrop and are geochemically anomalous in copper with rock chip values up to a maximum of 2,880 ppm Cu.

The largest lens has a strike length in excess of 250 metres and a width of 15 metres.

The ironstones represent immediate drill targets and a drill testing program is planned to commence in the June quarter.

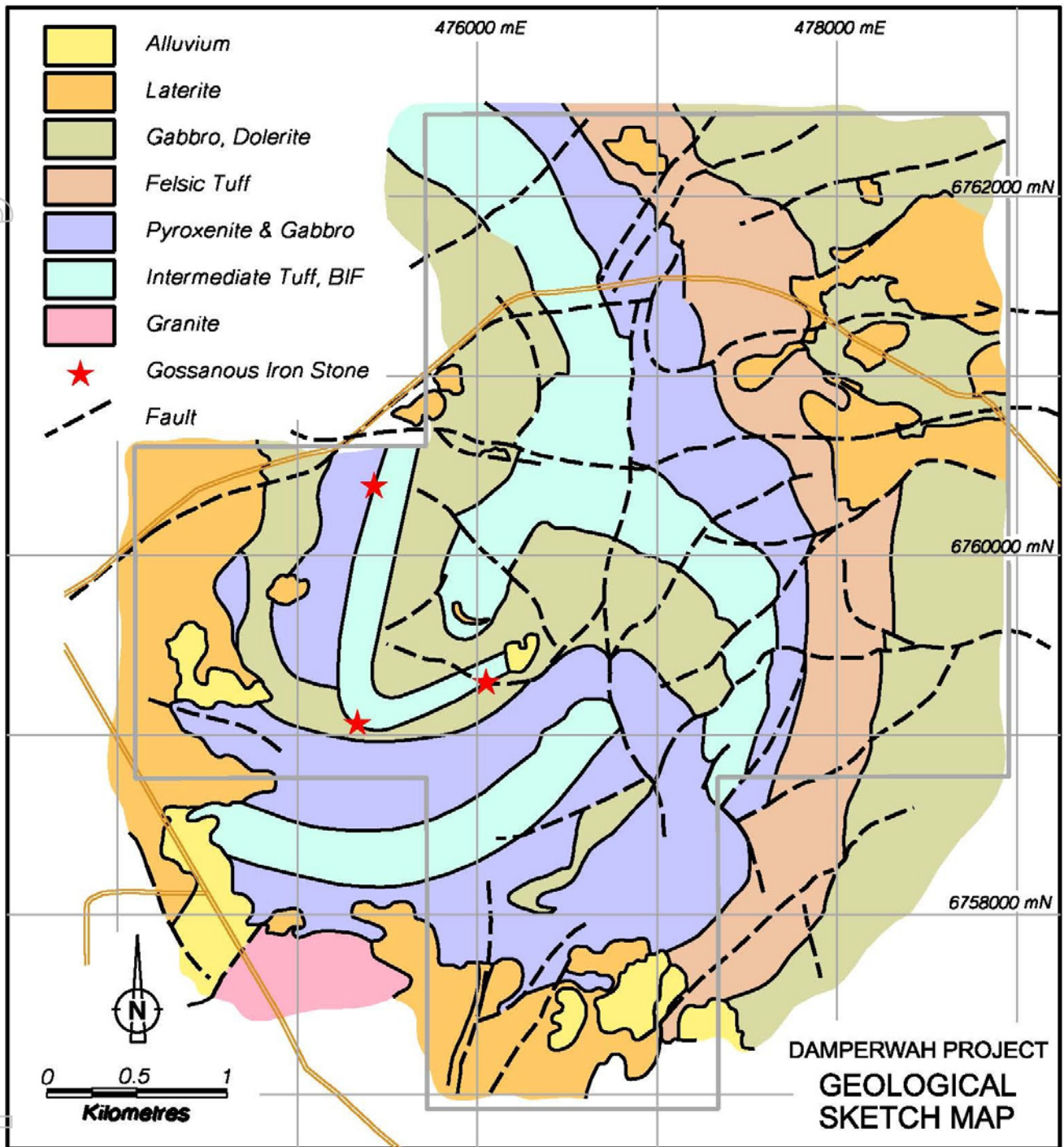


Figure 9 : Geological Map Damperwah Prospect

Yarlarweelor (WA): Uranium project (28% indirect interest)

The Yarlarweelor uranium project is located 125 km north of Meekatharra in Western Australia. Empire Resources Ltd holds an indirect 28% interest in the project through its shareholding in FYI Resources Ltd.

No field work was undertaken during the quarter.

**DAVID SARGEANT
MANAGING DIRECTOR**

January 2012

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

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The information in this report that relates to Exploration Results has been compiled by Mr. Adrian Jessup B.Sc(Hons), who is a director 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”. Adrian Jessup 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 4 : Yuinmery RC and Diamond Drilling Results – December Quarter 2011

Hole ID	Northing	Easting	Az	Dip	Depth	From	Int	Cu	Zn	Au	Ag
					(m)	(m)	(m)	%	%	g/t	g/t
A ZONE											
YRC11-30D	6838689	685691	225	-60	349	205	2	0.05	1.30	0.04	0
						218	1	1.16	0.04	0.17	1.0
YRC11-31	6838610	685729	225	-55	240	189	3	0.35	0.05	0.73	0
YRC11-32D	6838695	685643	225	-55	282	NSA					
YRC11-33D	6838723	685729	225	-55	346	NSA					
YRC11-39	6838640	685757	225	-55	300	222	10	1.84	0.07	0.87	2.3
					incls	222	5	2.76	0.07	1.23	3.4
						240	1	0.09	1.73	0.02	0
YRC11-40	6838669	685730	225	-55	300	240	12	1.79	0.04	0.46	1.5
					incls	241	7	2.22	0.05	0.56	2.0
YRC11-41D	6838690	685754	225.0	-55	353	TBA					
YRC11-42D	6838668	685786	225	-55	322	TBA					
YC11											
YRC11-29D	6837219	687397	215	-55	478	TBA					
YC6A											
YRC11-34	6839020	685950	270	-55	228	NSA					
TRAJAN											
YRC11-35	6836693	686110	225	-57	140	79	3	1.08	0.07	1.77	3.7
YRC11-36	6836677	686159	225	-57	180	NSA					
YRC11-37	6836728	686156	225	-55	200	147	3	1.51	0.08	1.37	5.0
YRC11-38	6836724	686101	225	-57	180	140	1	0.83	0.03	0.05	1.0
JUST DESSERTS											
YRC11-43	6837045	685870	225	-65	216	48	4	0.51	0.02	0.02	0
						162	22	1.34	0.02	0.44	1.0

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					incls	168	6	2.31	0.03	0.99	2.0
YRC11-44	6837041	685922	225	-55	240	204	5	0.78	0.02	0.38	0
YRC11-45	6836998	685939	225	-55	228	194	1	0.81	0.03	0.10	2.0
						198	1	0.66	0.02	0.04	0
YRC11-46	6836969	685966	225	-55	228	200	1	0.56	0.03	0.03	0
						211	5	1.06	0.02	0.58	1.0
PETES PATCH											
YRC11-47	6840027	682096	120	-60	120	NSA					
YRC11-48	6840040	682060	120	-60	120	NSA					
YRC11-49	6840060	682025	120	-60	120	NSA					
SMITH WELL GOSSAN											
YRC11-50	6836849	688714	150	-60	156	NSA					
YRC11-51	6836831	688680	150	-60	162	120	2	0.57	0.11	0.12	1.0
						127	2	0.73	0.12	0.07	0
						134	1	0.58	0.06	0.11	1.0
YRC11-52	6836871	688747	150	-60	156	61	2	0.68	0.01	0.01	0
						68	2	1.13	0.01	0.07	1.0
						105	3	0.56	0.01	0.09	0

Coordinates GDA94 z50

NSA no significant assays

TBA assays pending

Gold by 40gm fire assay, ICP-MS. Copper, Zinc and Silver by mixed acid digest, ICP-AES/MS

Cut-offs 0.5%Cu or 1.0% Zn or 0.5g/tAu. Maximum internal dilution 2m <0.5%Cu or 1m <1.0% Zn or 1m <0.5g/tAu.

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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 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
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	1.32
	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.

Target Study parameters used in the development study options for the Yuinmery Resource

For each option, the following criteria are included;

- | | | |
|---------------------------------------|---|-----------------------------|
| • Current metal prices | Copper \$4/lb | Gold \$1700/oz |
| • Indicative metal recoveries | Copper 95% | Gold 85% |
| • Factors for dilution/ore loss | Dilution 10% | Ore Loss 5% |
| • Pit slope angles | Oxide 40 degrees | Transition/fresh 45 degrees |
| • Refining charge | Copper \$0.12/lb | Gold \$8.00/oz |
| • Government royalty | Base metals 5.0% | Gold 2.5% |
| • Mining costs | Surface (RL 475m) \$4.36/bcm to RL 245m \$10.36/bcm | |
| • Recovery to concentrate factor | Copper 95% | Gold 85% |
| • Concentrate transport/treatment | \$60/wmt / \$80/dmt | |
| • Concentrate payable factor | Copper 97% | Gold 90% |
| • Concentrate process and other costs | \$41.50/ t milled | |

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.