



ACN 092 471 513

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| <p>QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008</p> |
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HIGHLIGHTS

Larkin's Find : Nickel – gold project – WA (earning 80% interest)

- **Drilling confirms lateritic nickel – cobalt mineralisation with intersections of 11m @ 1.04% Ni, 0.10% Co and 11m @ 1.13% Ni, 0.12% Co**

Penny's Find : Gold project – WA (100% interest)

- **Advanced negotiations on project development or sale**

Troy Creek : Copper-gold-platinum project – WA (100% interest)

- **RC drilling commenced shortly after the end of this quarter. Zones of sulphides were intersected in two holes. Analytical results are awaited**

Corporate : Strong cash position maintained

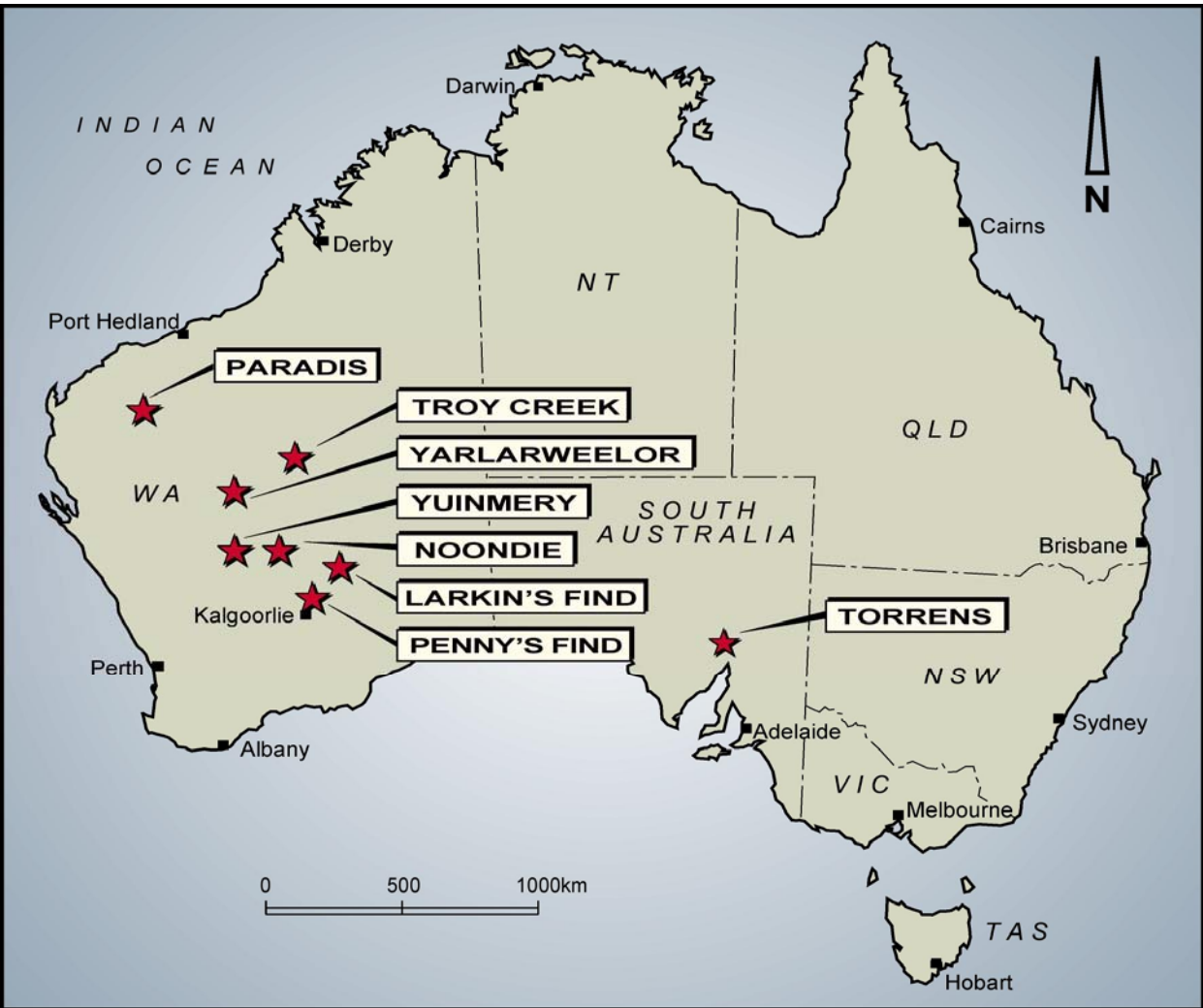


Figure 1 : Project location map

Empire Resources Ltd is a **gold** and **copper** focused exploration company.

Since listing in February 2007, the Company has discovered a new **gold** resource near Kalgoorlie at the Penny's Find project, which has a JORC resource of **314,000 tonnes @ 5.2g/tAu**. (See Notes on the Resource at the end of this report)

In addition, high grade **copper-gold** zones have also been discovered at the Yuinmery project, south of Sandstone, WA. Intercepts such as **23m @ 2.68%Cu, 1.28g/tAu; 14m @ 2.63%Cu, 1.91g/tAu; 13m @ 2.55%Cu, 1.67g/tAu; 6m @ 3.79%Cu, 12.85g/tAu and 10m @ 4.23%Cu, 6.01g/tAu** at the Just Desserts prospect were announced during the December 2007, March 2008 and June 2008 quarters.

The Company is continuing its active exploration.

REVIEW OF OPERATIONS SEPTEMBER QUARTER 2008

Corporate

Empire Resources Ltd has maintained a strong cash position during the current economic climate after raising \$850,000 during the previous quarter. As of 30 September 2008, the Company has cash on hand of \$1.65 million.

Yuinmery Copper - Gold Project – 100% interest

The Yuinmery copper-gold project is situated 475 km northeast of Perth, WA. It lies within the Archaean Youanmi Greenstone Belt and covers a synclinal sequence of chloritised felsic tuffaceous rocks with interbedded sulphide bearing chert horizons.

Copper-gold mineralisation, previously identified from a number of prospects at Yuinmery, is of volcanogenic massive sulphide (VMS) style similar in nature to orebodies currently being mined at Golden Grove and Jaguar in Western Australia. It occurs as massive sulphides associated with chert exhalite horizons, as matrix sulphides in lapilli tuff, and associated with mafic and ultramafic intrusions.

High grade copper –gold zones were intersected at the Yuinmery project and reported in the December 2007, March 2008 and June 2008 quarterly reports. These included **23m @ 2.68%Cu, 1.28g/tAu; 14m @ 2.63%Cu, 1.91g/tAu; 13m @ 2.55%Cu, 1.67g/tAu; 6m @ 3.79%Cu, 12.85g/tAu and 10m @ 4.23%Cu, 6.01g/tAu** at the Just Desserts prospect.

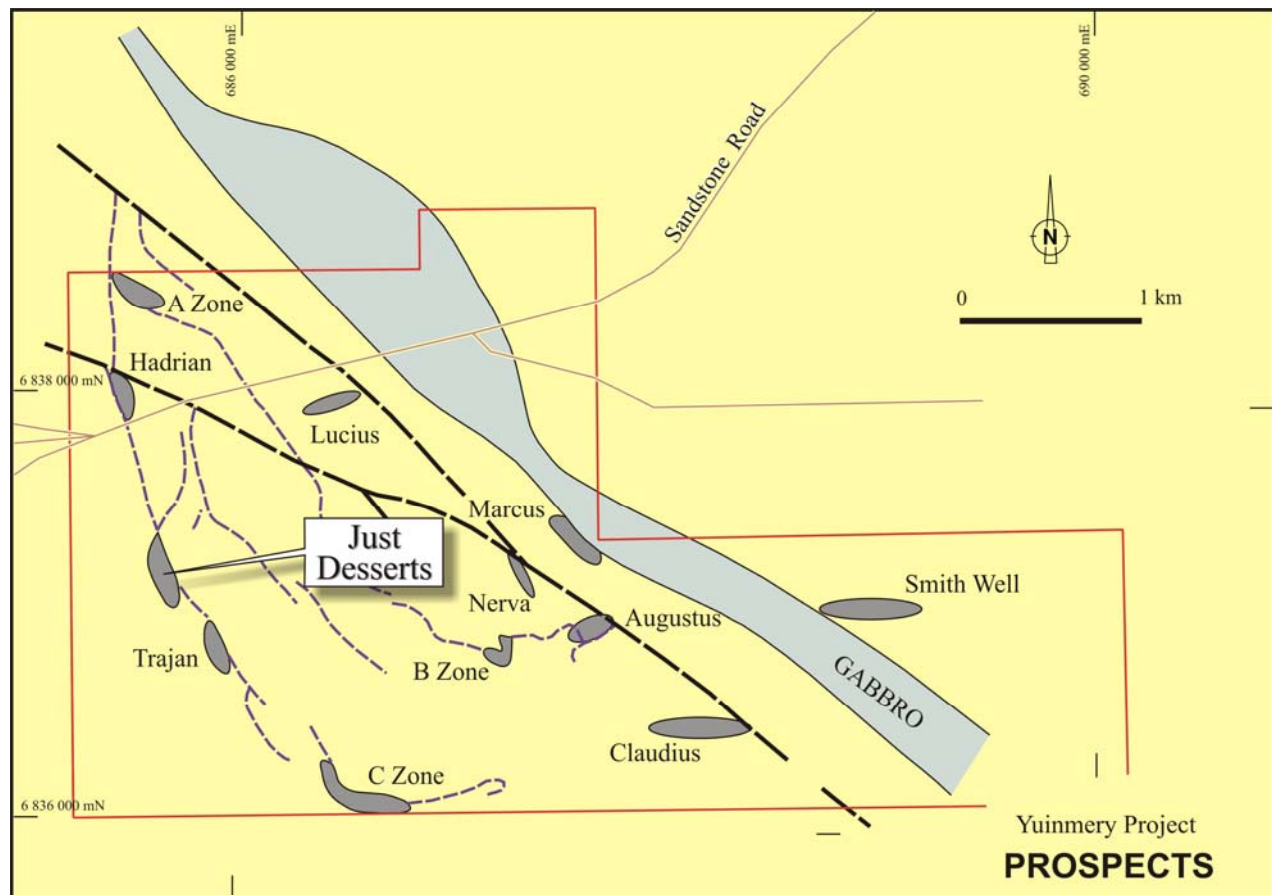


Figure 2 : Yuinmery prospect location map

Just Desserts Prospect

Resource modelling consultancy, Datageo, was engaged during the September quarter to calculate an initial JORC resource estimate for the Just Desserts mineralization, utilising all drill hole information available to the end of June 2008.

Copper – gold mineralization at Just Desserts is hosted by two zones of sulphide mineralisation dipping about 60 degrees to the northeast and plunging 45 degrees to the southeast. Both zones have a strike length of 150m and a down-plunge extent of at least 250m. They both remain open down-plunge to the southeast and also appear to be merging at depth to form one horizon of about 12 metres true width.

No drilling below a vertical depth of 250 metres has yet been undertaken at Just Desserts or anywhere else on the Yuinmery project, highlighting the potential for a major discovery within the tenement area.

Diamond drilling is planned to test the down-plunge extensions to both sulphide zones.

Penny's Find Gold Project – 100% interest

Discussions are continuing with various parties to maximise the return for shareholders from the development or sale of the Penny's Find resource, **314,000 tonnes @ 5.2g/tAu**. Finalisation of an agreement is expected in the December quarter.

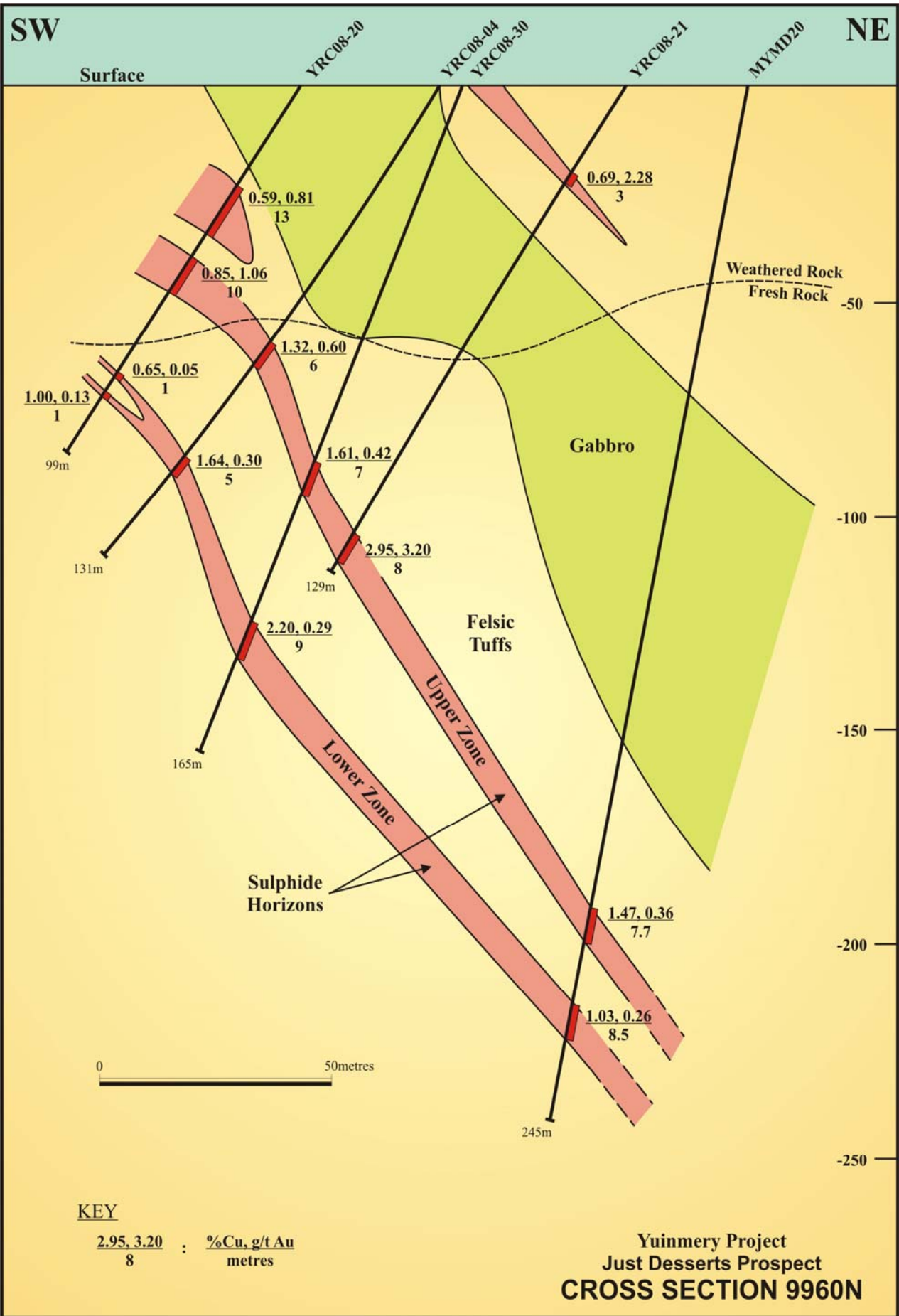


Figure 3 : Just Desserts prospect - cross section – 9960N

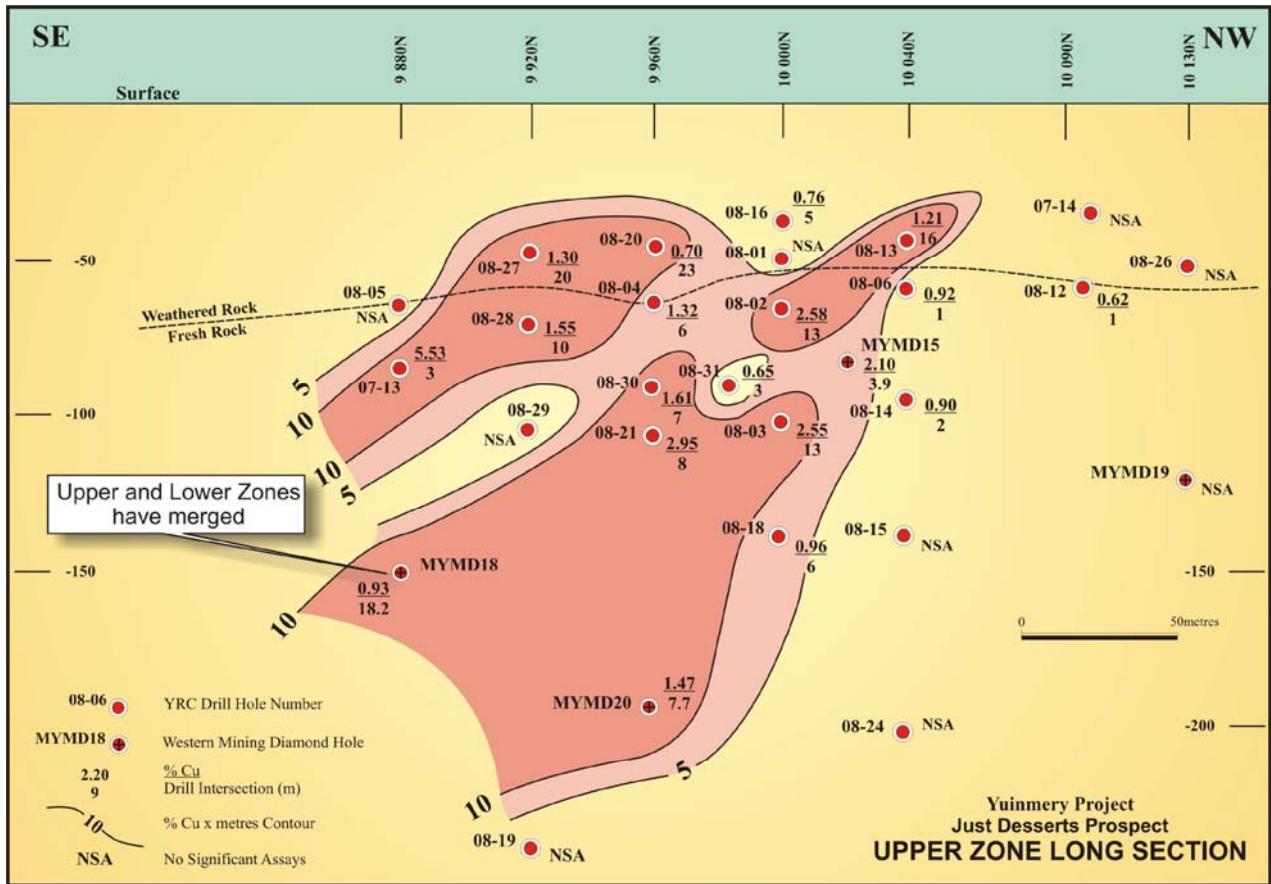


Figure 4 : Just Desserts prospect - long section – Upper Zone

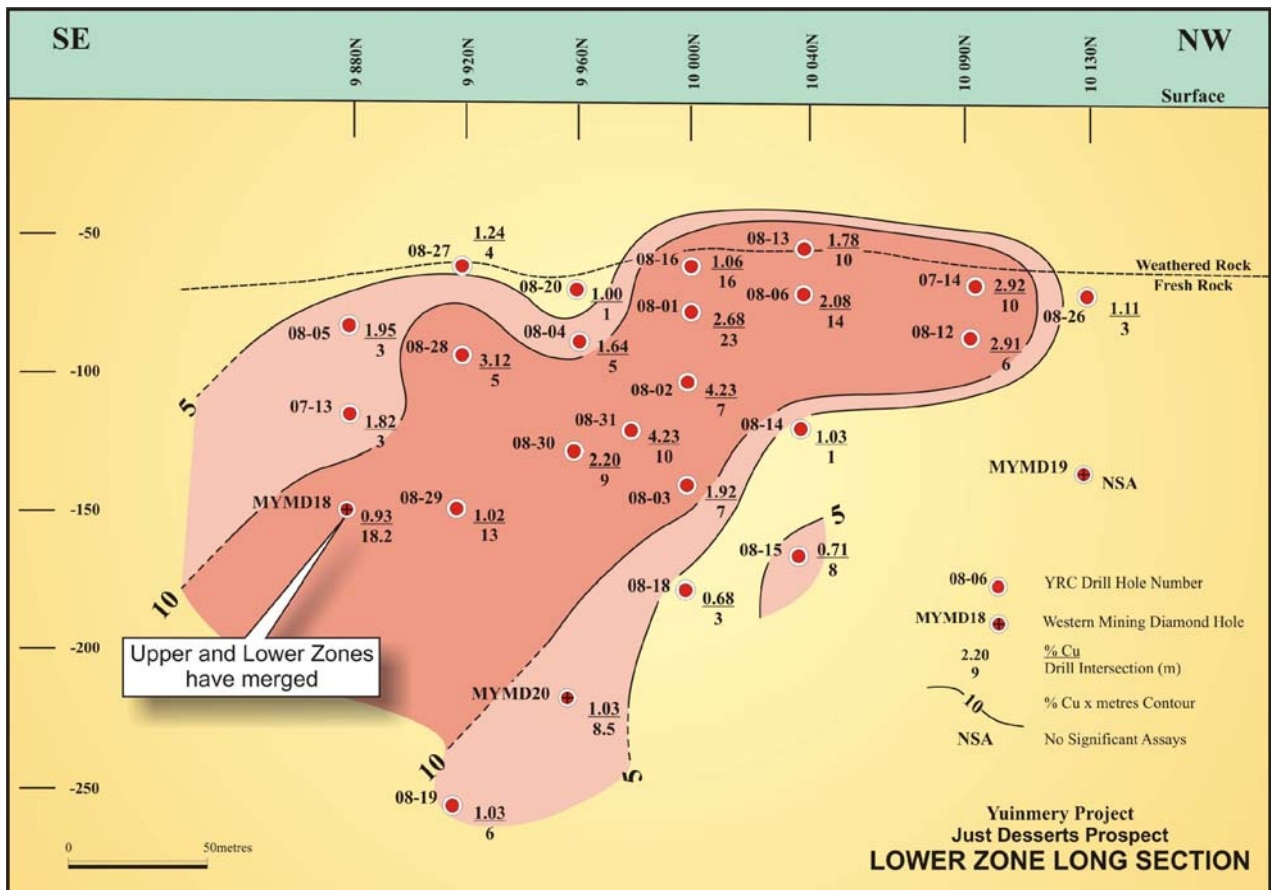


Figure 5 : Just Desserts prospect - long section – Lower Zone

Larkin's Find Nickel-Gold Project – Earning 80% interest

The Larkins Find nickel and gold project is situated approximately 85km southeast of the Murrin Murrin Nickel Mine and 155km north-northeast of Kalgoorlie in Western Australia. It covers an area of approximately 33sq km. The Company believes that the Larkin's Find project area is under-explored for both nickel and gold.

Previous exploration in the Larkin's Find area located widespread lateritic nickel-cobalt mineralisation and outlined an Inferred resource of 5.2 million tonnes assaying 0.8% nickel and 0.08% cobalt using a 0.6% nickel cutoff grade. Additional untested areas with further nickel potential were identified.

During the quarter, a small aircore drilling program of 10 holes, for a total 452 metres, was undertaken to verify the previous nickel exploration and test a number of gold targets. Four holes in this program confirmed the earlier nickel work with intersections such as 12m @ 0.71%Ni, 0.18%Co; 11m @ 1.04%Ni, 0.10%Co and 11m @ 1.13%Ni, 0.12% Co.

The remaining six holes tested areas where quartz veining had been logged in previous drill holes. None of these gold targets returned any significant assays.

Future exploration for gold will target northeast trending splay structures that strike from a regionally extensive north trending structure known as the Claypan Fault. This fault and structural zone hosts gold mineralisation approximately 3 km north of the tenement boundary at Gardner's Find. Future nickel exploration will be directed towards drilling untested targets to increase the size of the resource.

Table 1 : Larkins Find Lateritic Nickel Holes

| Hole No | North | East | Depth(m) | Az | Dip | From(m) | To(m) | Length | Ni% | Co% |
|----------|---------|--------|----------|----|-----|---------|--------|--------|------|------|
| LAC08-03 | 6740558 | 427037 | 61 | - | -90 | 44 | 56 | 12 | 0.72 | 0.18 |
| LAC08-06 | 6740358 | 426637 | 28 | - | -90 | 17 | 28 EOH | 11 | 1.04 | 0.10 |
| LAC08-07 | 6740158 | 426537 | 34 | - | -90 | 27 | 30 | 3 | 0.58 | 0.08 |
| LAC08-09 | 6739558 | 427237 | 19 | - | -90 | 8 | 19 EOH | 11 | 1.03 | 0.12 |

Intersections are an arithmetic average calculated using a 0.5%Ni lower cut-off. No high cut has been applied.

Maximum internal dilution within an intersection is 1m @ less than 0.5%Ni

Assays were done on 1 metre speared samples using a mixed acid digest and ICP Optical Emission Spectrometry for Nickel and Cobalt.

Coordinates GDA94 zone 51

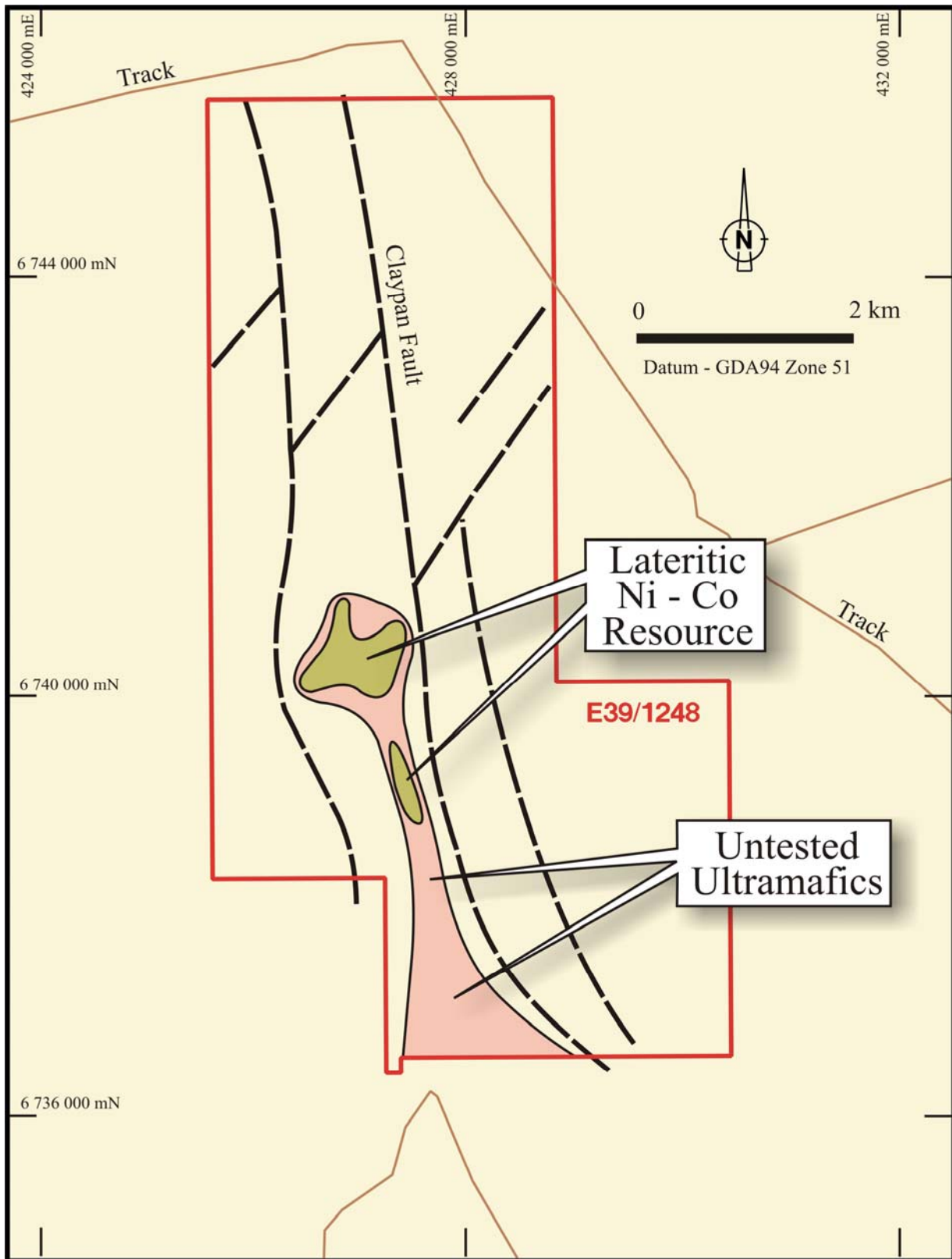


Figure 6 : Larkins Find Geological Map

Yarlarweelor Uranium Project– 100% interest

The Yarlarweelor uranium prospect (E52/2095) is located 125 km north of Meekatharra in Western Australia.

During the June quarter, a detailed airborne radiometric and magnetic survey was completed over the eastern half of the project area. The survey results outlined numerous uranium anomalies overlying Proterozoic schists and Archean granites and gneisses (Figure 7). A number of these anomalies were drilled in the 1980s with intersections up to 24m @ 310ppm uranium.

Ground checking of all prominent uranium anomalies will be undertaken prior to planning a drilling program.

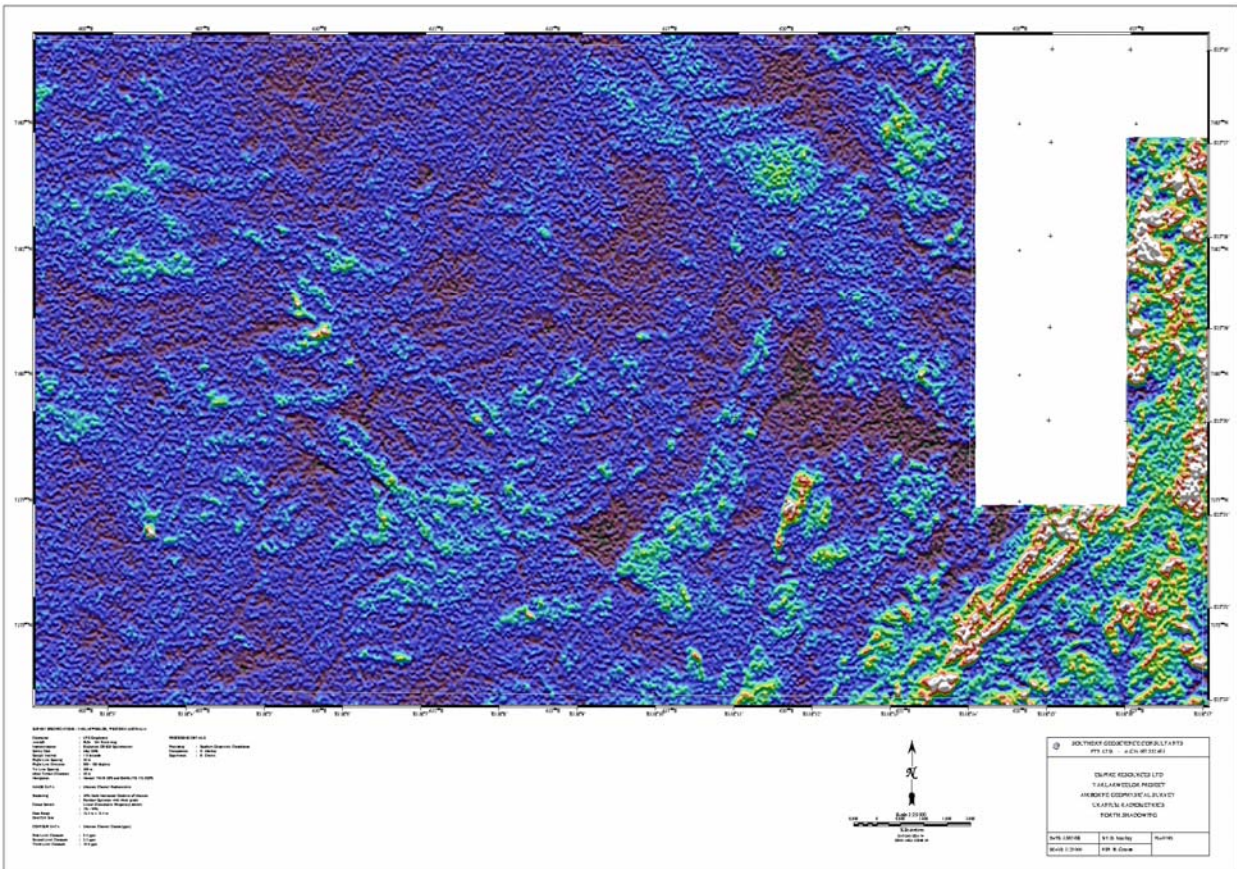


Figure 7 : Yarlarweelor Uranium Anomalies

Troy Creek Copper - PGM - Gold Project – 100% interest

The Troy Creek copper-PGM-gold project is situated 900km northeast of Perth. Previous exploration has identified multi-element anomalous geochemistry in sedimentary rocks over a widespread area, extending for over a 20km strike length. Within this area, drill intersections of 1.5 metres @ 2.98% copper, 9.6 metres @ 0.34% copper and 8.0 metres @ 0.79g/t PGM and gold have been obtained.

RC drilling of three holes commenced shortly after the end of this quarter, testing two magnetic targets and the Main Gossan prospect. Zones of sulphides were intersected in two holes while the third failed to reach target depth. Analytical results are awaited.

Torrens Copper-Gold-Uranium Project – 100% interest

The Torrens Project lies on the eastern margin of the Gawler Craton in South Australia. The Gawler Craton is a recognised world-class Iron Oxide-Copper-Gold province that includes the Olympic Dam, Prominent Hill and Carrapateena deposits.

No field work was undertaken during the quarter.

Noondie Uranium Project – 100% interest

The Noondie uranium project consists of two granted exploration licences totalling 138km² located at Lake Noondie, southwest of Sandstone and east of the Yuinmery Project. The ELs, which contain a number of radiometric anomalies, are prospective for calcrete-type uranium deposits similar in style to the Yuinmery uranium deposit located on the north shore of Lake Noondie.

No field work was undertaken during the quarter.

Paradis Gold-Platinum Project – 100% interest

The Paradis gold and PGM project, located 25km west of Paraburdoo in Western Australia, contains late Archaean rocks on the southern margin of the Pilbara Craton. The Company has a 100% interest in two exploration licences, covering an area of 230km².

The project is situated within the Ashburton Structural Corridor which hosts the Mt Olympus, Waugh and Paulsens gold deposits. Previous exploration has revealed widespread anomalous gold and platinum values in stream sediments, and rock chip samples assaying up to 0.3g/t Pt + Pd.

During the quarter, a helicopter reconnaissance survey was undertaken in an area where high gold and platinum stream sediment samples were found by previous explorers. Assays are pending.

DAVID SARGEANT
MANAGING DIRECTOR
October 2008

For further information on the Company visit www.resourceempire.com.au

David Sargeant – Managing Director
Adrian Jessup – Executive Director

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The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc. M.Sc., who is an employee of the Company and is a member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AIMM). David Ross 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 that relates to Exploration Results and Mineral Resources for the Larkin’s Find has been compiled by Mr. Peter Burger B.Sc, who is a director of Burger Geological Services Pty. Ltd. and is a member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AIMM). Peter Burger 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”. Peter Burger 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 Resource 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 (AIMM). Peter 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Peter 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 is 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.

Table 1 :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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

| |
|--------------------------|
| EMPIRE RESOURCES LIMITED |
|--------------------------|

ABN

| |
|----------------|
| 32 092 471 513 |
|----------------|

Quarter ended ("current quarter")

| |
|-------------------|
| 30 SEPTEMBER 2008 |
|-------------------|

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (..3... months) \$A'000 |
|---|----------------------------|--|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (476) | (476) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (109) | (109) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 29 | 29 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other – Rent refund | 75 | 75 |
| Net Operating Cash Flows | (481) | (481) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a)prospects | (90)- | (90) |
| (b)equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: | | |
| (a)prospects | - | - |
| (b)equity investments | - | - |
| (c)other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | (90) | (90) |
| 1.13 Total operating and investing cash flows (carried forward) | (571) | (571) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (571) | (571) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 850 | 850 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | (1) | (1) |
| Net financing cash flows | | 849 | 849 |
| Net increase (decrease) in cash held | | 278 | 278 |
| 1.20 | Cash at beginning of quarter/year to date | 1,361 | 1,361 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1,639 | 1,639 |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 73 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Directors fees, consultancy charges and remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

| |
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Financing facilities available

Add notes as necessary for an understanding of the position.

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | | \$A'000 |
|--------------|----------------------------|------------|
| 4.1 | Exploration and evaluation | 200 |
| 4.2 | Development | - |
| Total | | 200 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 120 | 120 |
| 5.2 Deposits at call | 1,519 | 1,519 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,639 | 1,639 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | - | - | - |
| 6.2 | Interests in mining tenements acquired or increased | | | |
| | Penny's Find Project P27/1922- P27/1923 M27/241 | Tenements Granted | 0% | 100% |
| | Troy Creek Project E69/2357, E69/2358. P69/40 to P69/69/45 inclusive | Tenements Granted | 0% | 100% |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|-------------------------|---------------|---|--|
| 7.1 Preference + securities <i>(description)</i> | - | - | - | - |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 +Ordinary securities - ERL | 71,918,192 | 63,976,998 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Escrow release | 5,000,000 | 5,000,000 | 17c | 17c |
| 7.5 +Convertible debt securities <i>(description)</i> | - | - | - | - |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 Options ERLAU ERLO | 3,000,000 27,709,075 | 27,709,075 | Exercise price 25c 25c | Expiry date 31/12/2010 30/06/2009 |
| 7.8 Issued during quarter | - | - | - | - |
| 7.9 Exercised during quarter | - | - | - | - |
| 7.10 Expired during quarter | - | - | - | - |
| 7.11 Debentures <i>(totals only)</i> | - | - | | |
| 7.12 Unsecured notes <i>(totals only)</i> | - | - | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 28 October 2008
Company Secretary

Print name: SIMON STORM

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.