



ACN 092 471 513

**QUARTERLY REPORT FOR THE PERIOD ENDED
31 DECEMBER 2008**

HIGHLIGHTS

TROY CREEK: Copper – gold – platinum project – WA (100% interest)

- **High grade copper discovery made at the Main Gossan prospect.
Intersections include:**
 - **2m @ 4.65% Cu**
 - **17g/t Ag from 91m**
 - **3m @ 1.97% Cu, 3g/t Ag from 117m**

- **Exploration tenement interest more than doubled at Troy Creek to 1,230 sq km**

- **New high priority drill targets identified at Troy Creek**

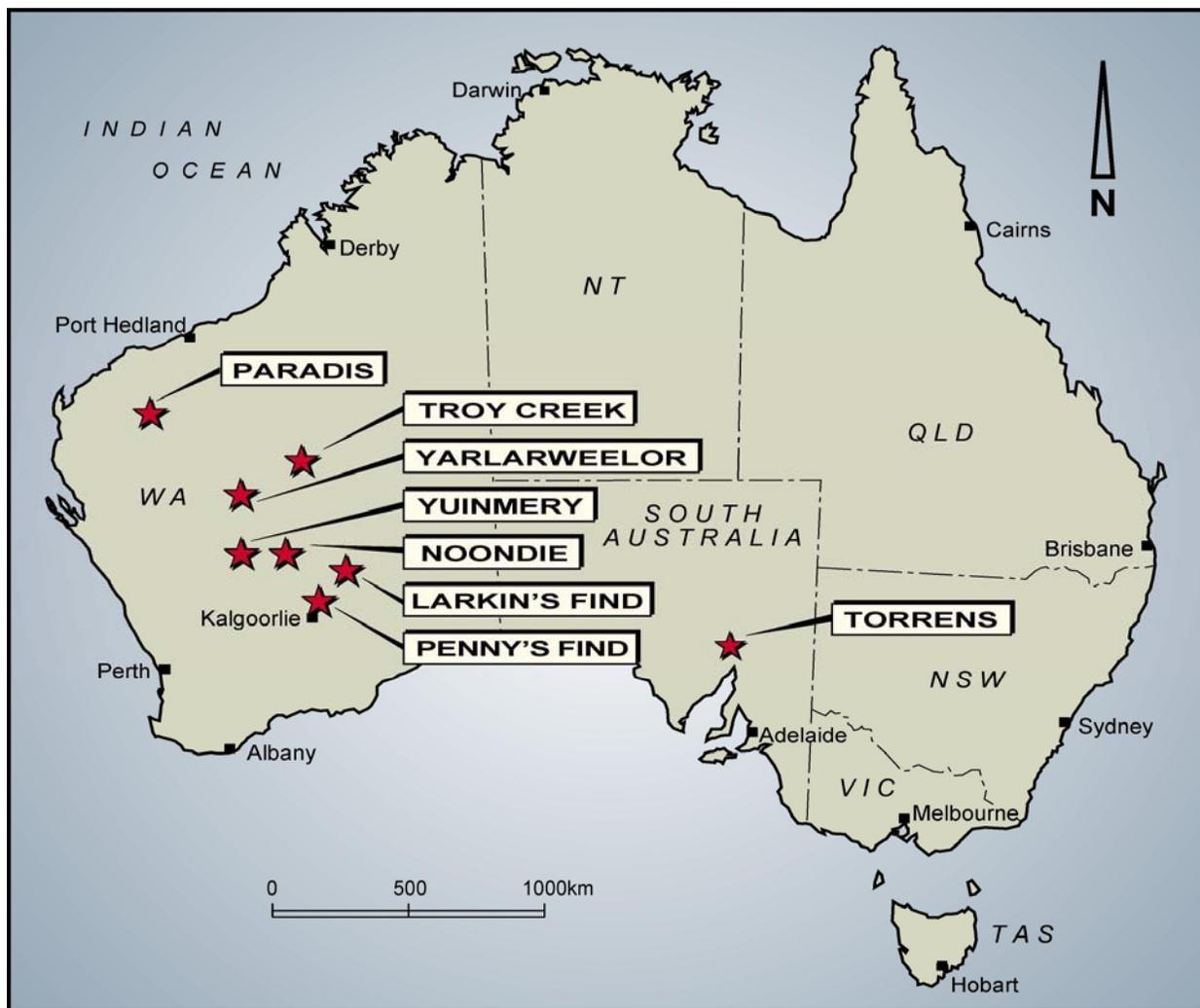


Figure 1: Project location map

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, and which has a JORC compliant resource of **314,000 tonnes @ 5.2g/tAu**.

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/t Au; 14m @ 2.63% Cu, 1.91g/t Au; 13m @ 2.55% Cu, 1.67g/t Au; 6m @ 3.79% Cu, 12.85g/t Au and 10m @ 4.23% Cu, 6.01g/t Au** at the Just Desserts prospect were announced during the December 2007, March 2008 and June 2008 quarters.

During the December 2008 quarter, a discovery of high grade copper sulphide mineralisation was made at the Troy Creek project, 180km northeast of Wiluna in Western Australia. The drill intersections consisted of **2m @ 4.65% Cu and 3m @ 1.97% Cu** - forming part of a **36m** intersection grading **0.76% Cu**.

REVIEW OF OPERATIONS

DECEMBER QUARTER 2008

Troy Creek (WA): Copper - Gold - PGM Project **100% interest** **Earning selected 70% interest in adjoining blocks**

The Troy Creek copper-gold-PGM project is situated 900km northeast of Perth on the northern margin of the Palaeoproterozoic Eoraheedy Basin. Within the Empire tenement area of 585 square kilometres, several prominent geochemical and magnetic targets have been identified.

One of the geochemical targets, the Main Gossan prospect, lies within a large zone of multi-element anomalous geochemistry in sedimentary rocks which extend along strike for a distance of more than 20 kilometres. This zone, defined by rock chip sampling, soil geochemistry and limited drilling, is anomalous in copper, gold, PGM, arsenic, silver and antimony. Previous separate drill intersections within this zone include 1.5m @ 2.98% Cu, 9.6m @ 0.34% Cu and 8m @ 0.79 g/t PGM and Au.

During the December quarter, three Reverse Circulation (RC) holes, totalling 598 metres, were drilled to test three separate targets within the Troy Creek project area. Details of these holes are shown in Table 1.

One of these holes, TCRC08-02, was drilled at the Main Gossan prospect where it intersected high grade copper sulphide mineralisation. These intersections included:

- **2 metres @ 4.65% Cu from 91metres, and**
- **3 metres @ 1.97% Cu from 117metres.**

These high grade intersections form part of a **36m** sulphide mineralised zone assaying **0.76% Cu and** extending from 91m to the end of hole. The mineralisation occurs as steeply dipping stratiform fine grained copper and iron sulphides in graphitic shale and is open in both directions along strike and at depth. The true width of mineralisation is estimated to be 60% of the intersected width.

As well as the aforementioned high grade intersections, semi-massive pyrrhotite/pyrite mineralisation with anomalous copper was intersected at the TC37 prospect, while a third hole at the TC21 prospect was abandoned prior to intersecting the source of a magnetic anomaly.

As reported during the December quarter, Empire Resources has now more than doubled its copper, gold and PGM exploration interests in the Troy Creek area by concluding an agreement with United Orogen Ltd (formerly Uranium Oil and Gas Ltd). Under the terms of this agreement, Empire may earn up to a 70% interest in minerals other than iron, uranium and diamonds within three tenement applications made by United Orogen immediately to the east of, and abutting, Empire's existing Troy Creek holdings. These tenement applications cover an area of 645 sq Km, generating a total area of interest of 1,230 sq km at Troy Creek.

A review by Empire of all exploration, including the Company's, completed in the Troy Creek area within the past 20 years was undertaken following the significant exploration data obtained from the December quarter new drilling results. This review identified a number of high priority drill targets. In the current March 2009 quarter, the Company plans to undertake sampling and geological assessment of several of these targets ahead of securing a joint venture partner to fund exploration on this major, highly prospective project.

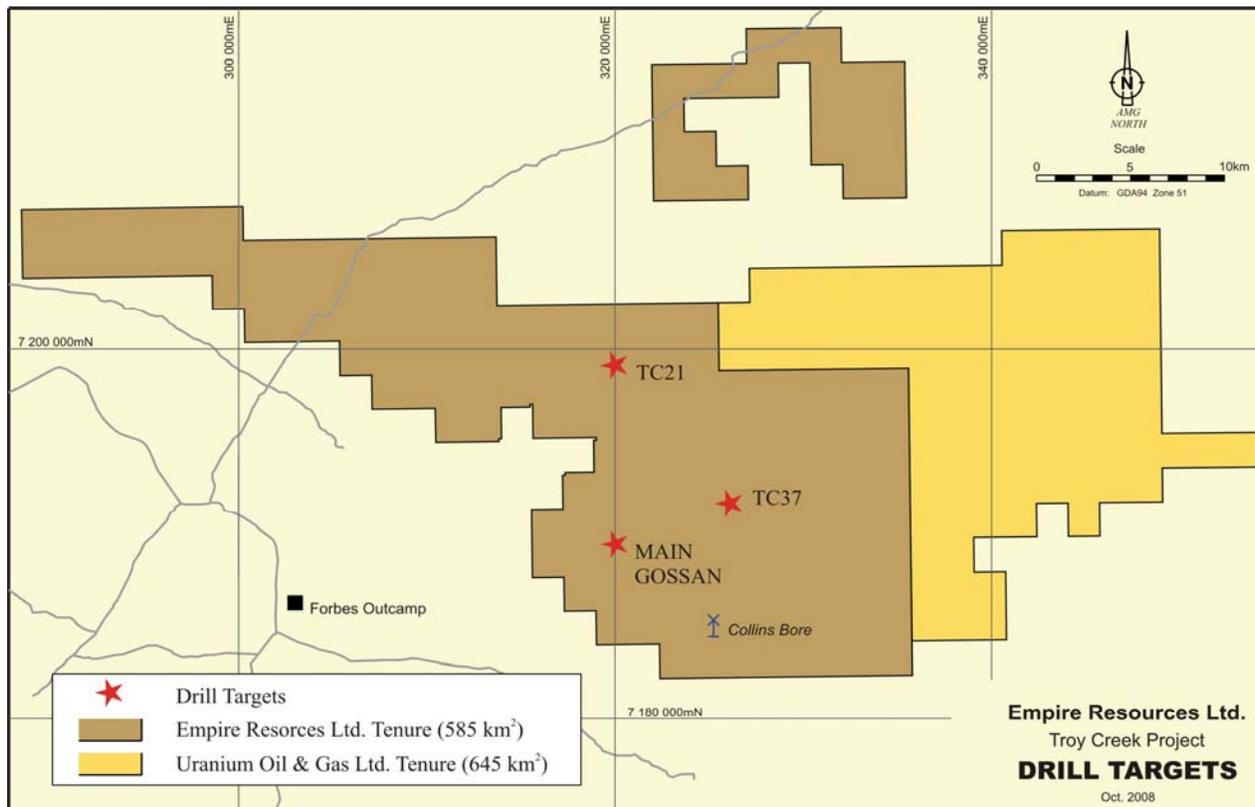


Figure 2 : Drill targets

Table 1 : RC drill intersections

HOLE ID	NORTH	EAST	DEPTH (m)	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Cu GRADE %Cu	Ag GRADE g/t Ag	COMMENTS
TCRC08-01	7191675	326104	289	-	-90	-	-	-	-	-	TC37 magnetic target
TCRC08-02	7189344	320041	127	200	-60	75	76	1	1.32	9.5	Main Gossan Prospect
						91	93	2	4.65	17.5	
						104	105	1	1.01	4.5	
						117	120	3	1.97	3.0	
TCRC08-03	7199333	320600	182	-	-90	-	-	-	-	-	TC21 magnetic target

Intersections are an arithmetic average calculated using a 1%Cu lower cut-off. No high cut has been applied. There is no internal dilution less than 1% Cu. Assays were done on 1m riffle split samples using a mixed acid digest and ICP-OES for Cu and ICP-MS for Ag. Coordinates are GDA94 zone 50.

Yuinmery (WA): 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.

No field work was undertaken during the quarter. Information relevant to the preparation of a JORC resource statement was collected.

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/t Au; 14m @ 2.63% Cu, 1.91g/t Au; 13m @ 2.55% Cu, 1.67g/t Au; 6m @ 3.79% Cu, 12.85g/t Au and 10m @ 4.23% Cu, and 6.01g/t Au** at the Just Desserts prospect.

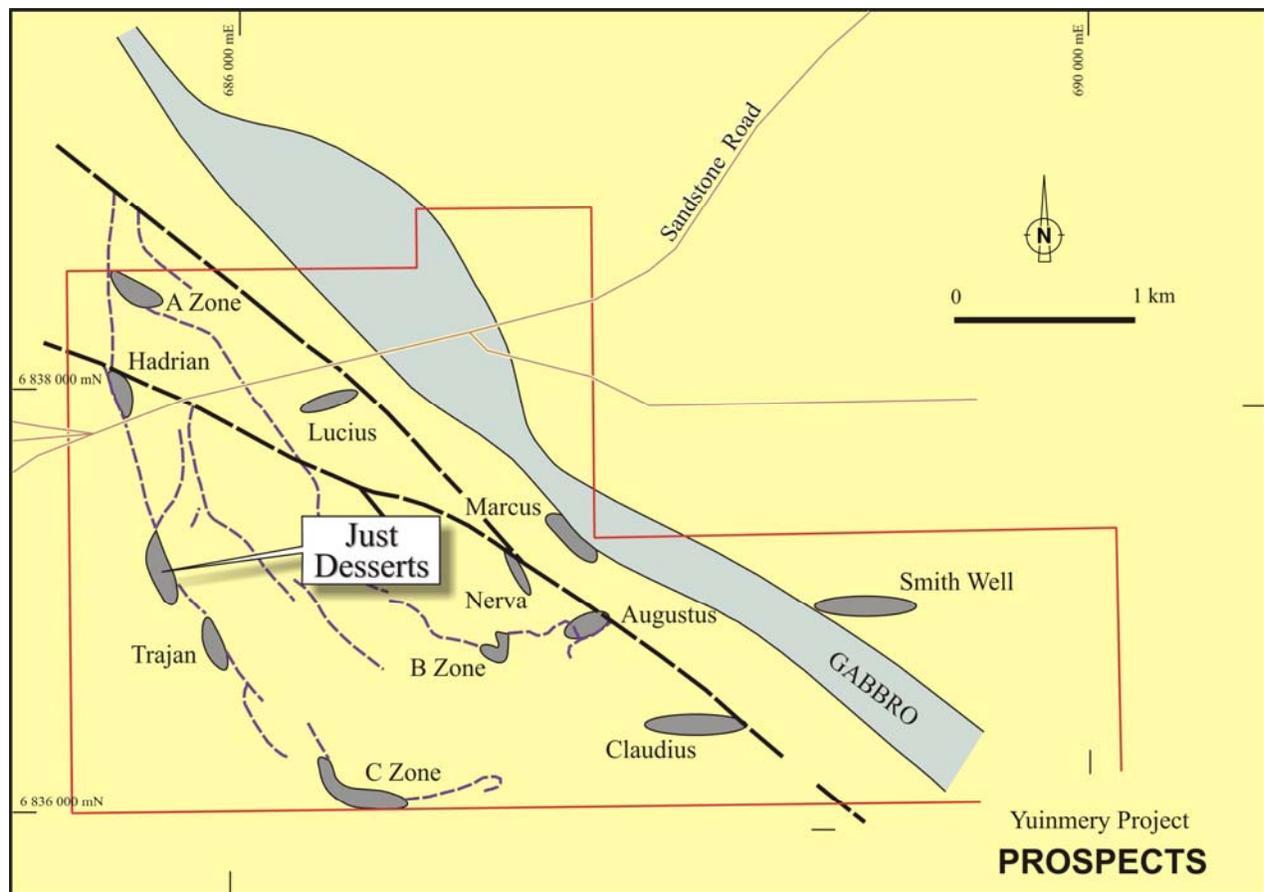


Figure 3 : Yuinmery prospect location map

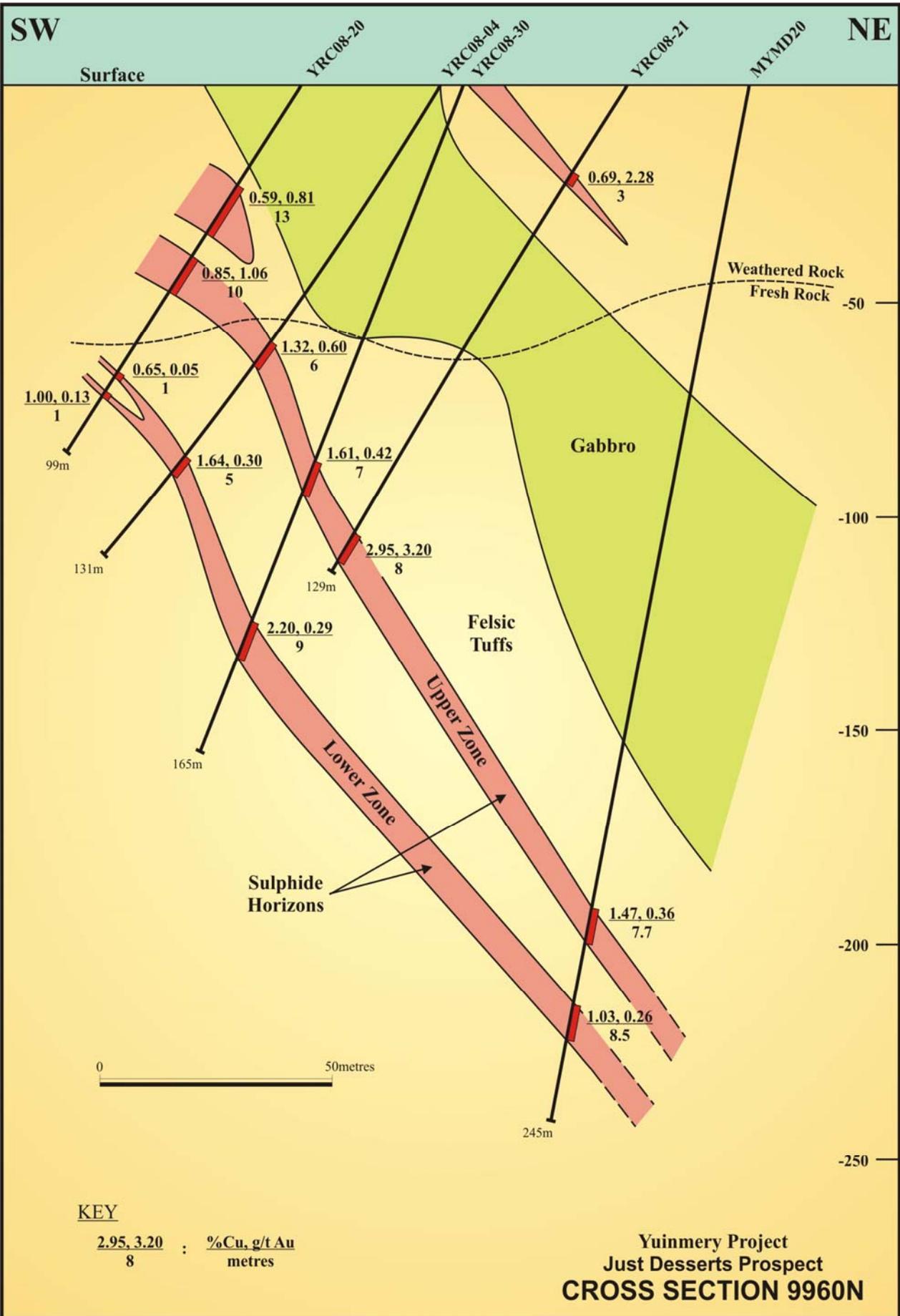


Figure 4 : Just Desserts prospect - cross section – 9960N

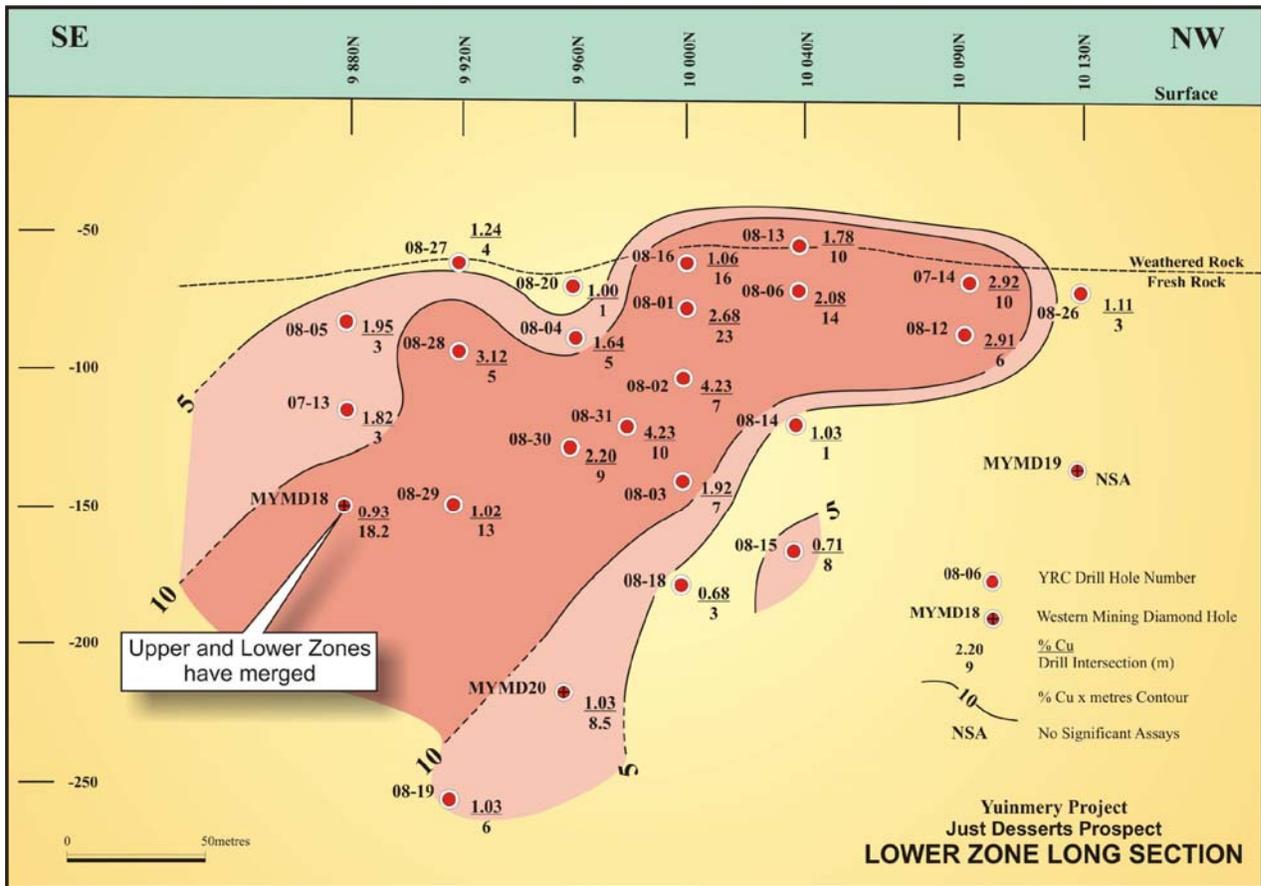


Figure 5 : Just Desserts prospect - long section – Lower Zone

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

During the December 2008 quarter, a small Rotary Air Blast (RAB) drilling program comprising 9 holes for a total 495 metres, was completed on E27/255 to test a weak soil gold anomaly. No significant assays were returned from this drilling.

Discussions are continuing with various parties to maximise the return for shareholders from the development or sale of the Penny's Find resource of **314,000 tonnes @ 5.2g/t Au**. The Company appreciates the commercial appeal of a high grade open-pit gold resource situated close to Kalgoorlie, and in the current economic environment, is keen to obtain full value for this resource.

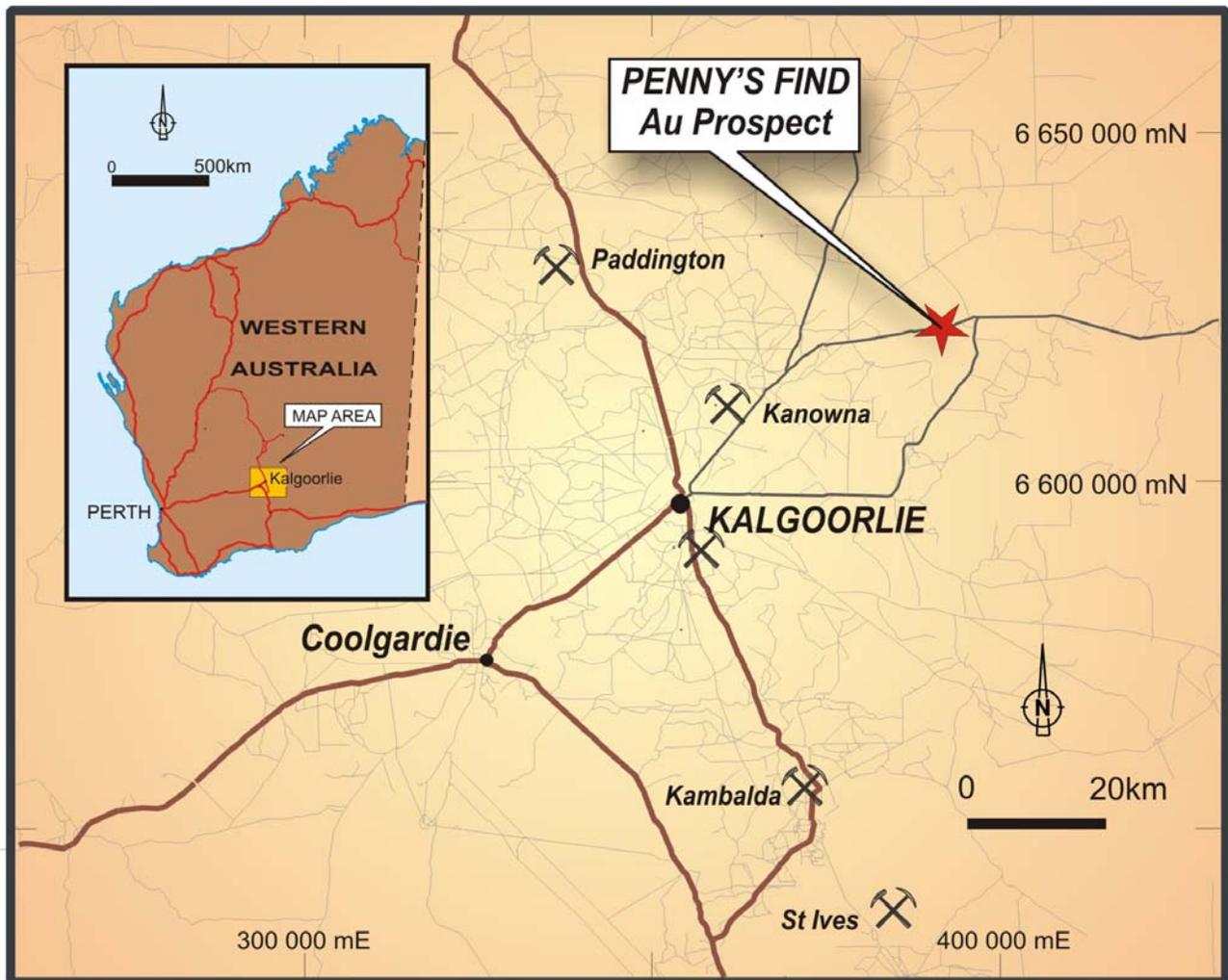


Figure 6 : Penny's Find Project location map

Larkin's Find (WA): Nickel-Gold Project – Earning 80% interest

The Larkin's 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.

No field work was undertaken during the quarter.

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 cut-off grade. Additional untested areas with further nickel potential have been identified.

Yarlarweelor (WA): Uranium Project – 100% interest

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

No field work was undertaken during the quarter. During the current March 2009 quarter, a joint partner will be sought to evaluate several prominent untested uranium anomalies.

In the June 2008 quarter, a detailed airborne radiometric and magnetic survey completed over the eastern half of the project area outlined numerous uranium anomalies overlying Proterozoic schists and Archean granites and gneisses (Figure 5). A number of these anomalies were drilled in the 1980s with intersections of primary mineralisation of up to 24m @ 310 parts per million (ppm) uranium.

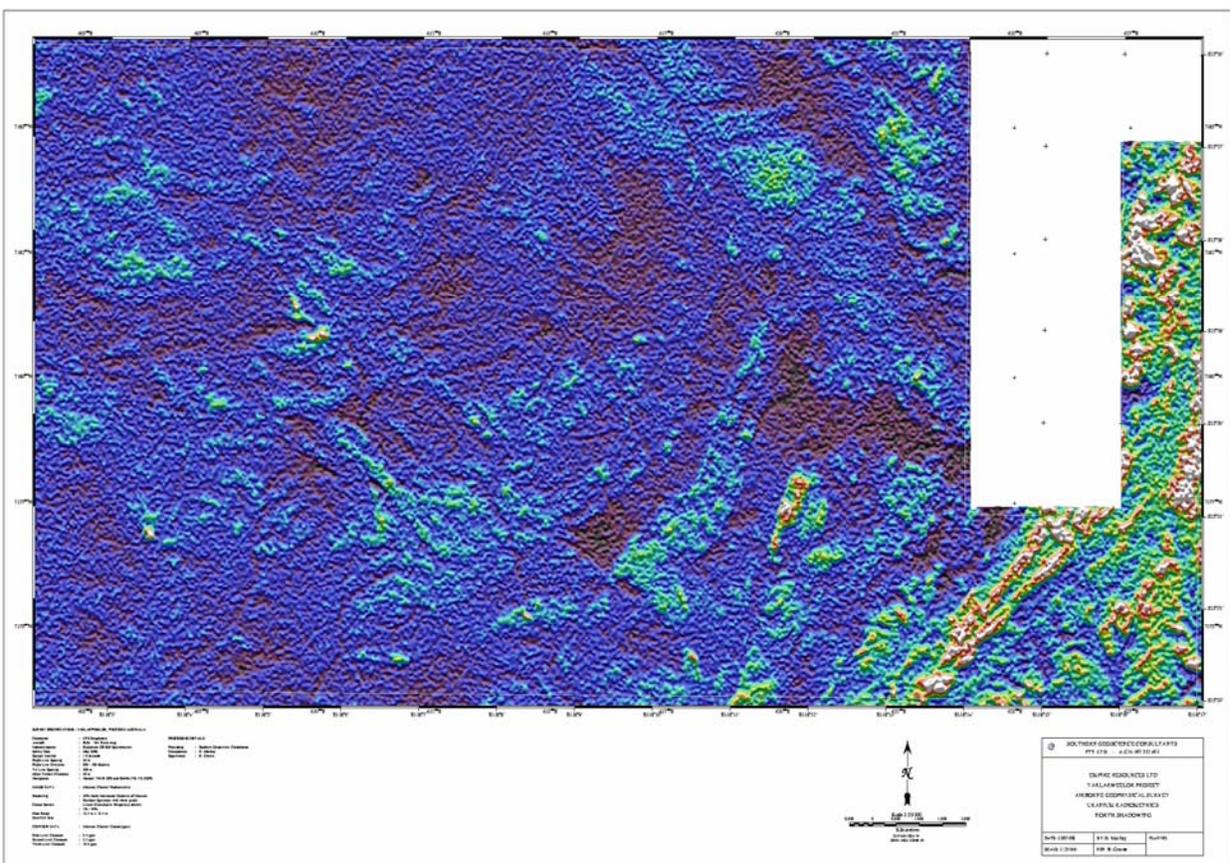


Figure 5: Yarlarweelor Uranium Anomalies

Torrens (SA): 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 (IOCG) province that includes the Olympic Dam, Prominent Hill and Carrapateena deposits.

No field work was undertaken during the quarter.

Noondie (WA): Uranium Project **– 100% interest**

The two exploration licences comprising the Noondie Project were surrendered during the quarter.

Paradis (WA): 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 an exploration licence and an exploration licence application 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 by other companies has revealed widespread anomalous gold, platinum and nickel values in stream sediments and some rock samples.

During the September 2008 quarter, a helicopter reconnaissance survey was undertaken in an area where high gold and platinum stream sediment samples were found by previous explorers. Assays received in the latest December quarter from this survey, failed to verify the previous results.

DAVID SARGEANT
MANAGING DIRECTOR

January 2009

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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 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.