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ASX Release

GRADE CONTROL DRILLING UNDERWAY AT EMPIRE'S PENNY'S FIND GOLD MINE IN WA

Gold miner, Empire Resources Ltd ('Empire', ASX code: ERL, the "Company") today announced the commencement of the second round of grade control drilling at the Company's Penny's Find gold mine located 50km northeast of Kalgoorlie, WA.

The programme is designed to provide grade control information from 30m to 60m depth in the mine's open pit. A total of 60 holes for 2,400 metres will be drilled on a 10m X 10m pattern at 60 degrees along the length of the high grade ore zone.

Empire's Managing Director, Mr David Sargeant: *"The completion of the second round of grade control drilling will provide further strong confidence in the geological model being used for Penny's Find. This second programme comes just over three months since open pit mining commenced.*

"The open pit is now accessing the higher grade part of the orebody providing an excellent production opportunity for Empire given the current high gold price of more than AUD\$1600/oz."

Upon completion of the grade control programme, the Reverse Circulation (RC) rig will drill six diamond pre-collars in preparation for further testing of the mine's known underground resource.

"We also 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," Mr Sargeant said.

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

ERL has been hauling ore to the Burbanks mills for all of August and will commence processing ore very shortly.

DAVID SARGEANT
MANAGING DIRECTOR
August 2017

For further information on the Company,

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First round of grade control drilling – drilling 0 to 30 metres - Penny's Find



Start of current (2nd) round of grade control drilling – drilling 30 to 60 metres - Penny's Find

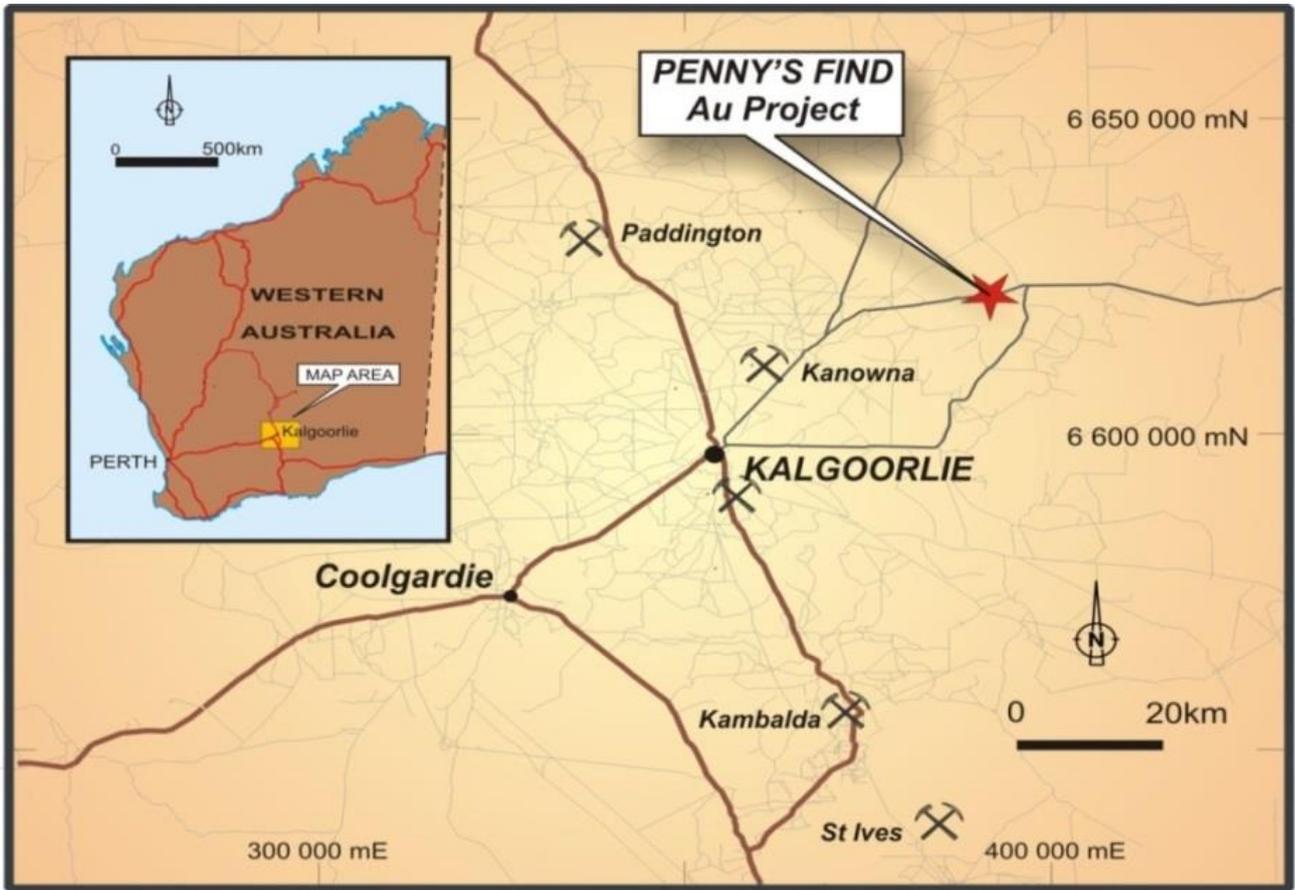


Table 1 - Ore Reserves

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

The scientific and technical information in this report that relates to Ore Reserve estimates for the Penny's Find Deposit is based on information compiled by Mr Roselt Croeser, an independent consultant to Empire Resources Limited. Mr Croeser is a Member of the Australasian Institute of Mining and Metallurgy. Mr Croeser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr Croeser consents to the inclusion in the report of the matters related to the Ore Reserve estimate in the form and context in which it appears.