



ACN 092 471 513

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2010

HIGHLIGHTS

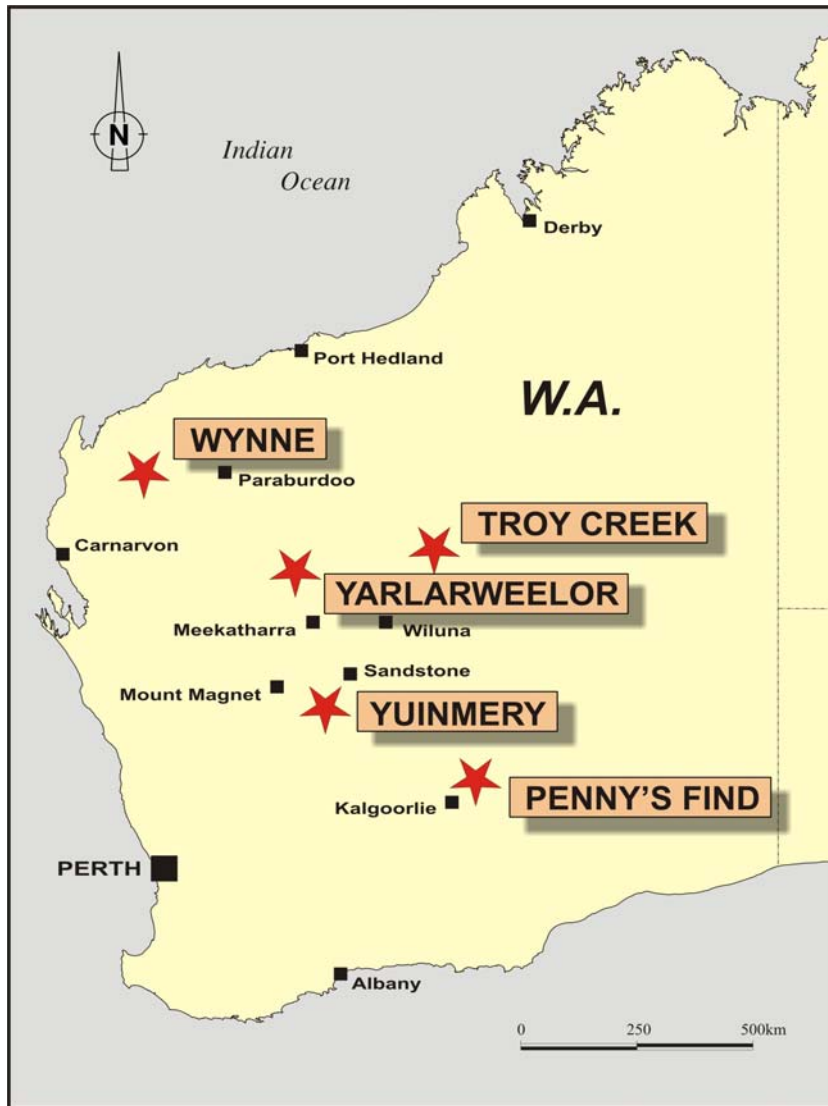
YUINMERY : Copper – gold project – WA (100% interest)

- **First high grade intersections made at the Trajan prospect :
5m @ 3.1% Cu, 0.38g/t Au, including 2m @ 6.1%Cu, 0.58g/t Au**
- **Mineralisation remains open at depth**
- **Encouraging copper intersections at Augustus prospect**

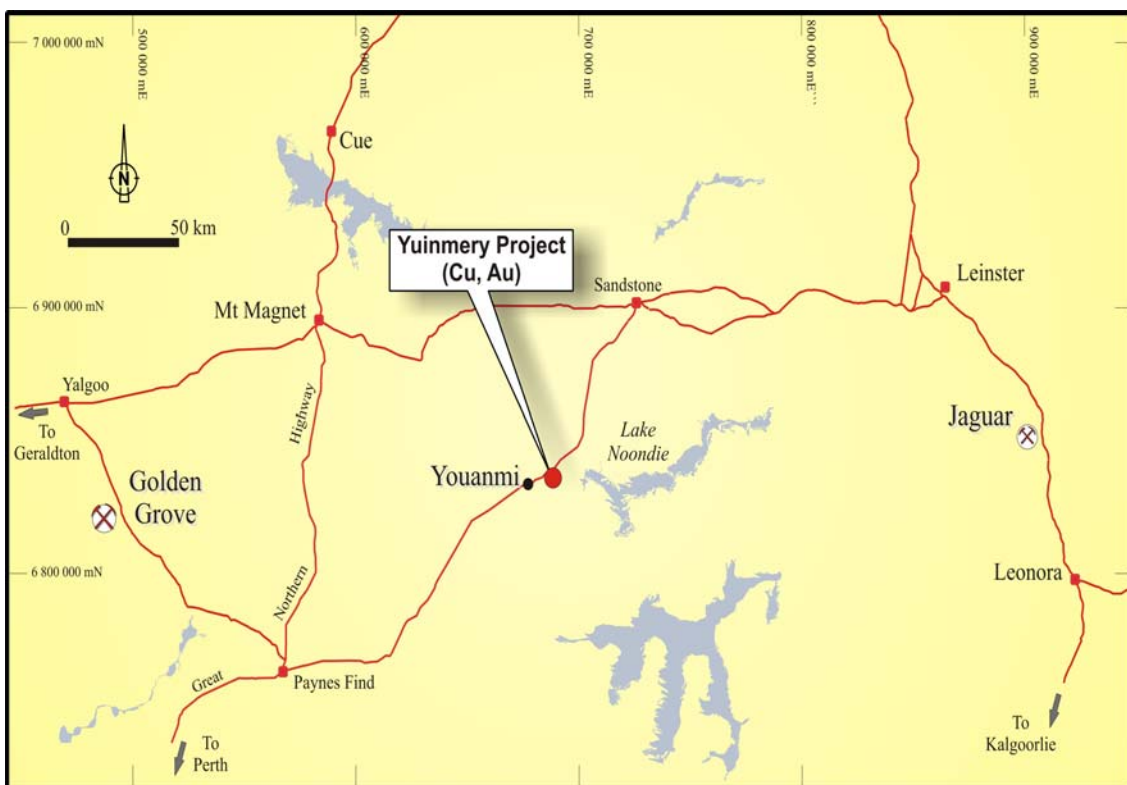
YARLARWEELOR : Uranium project – WA (32% indirect interest)

- **FYI Resources Limited (“FYI”) re-commenced trading on the ASX. Empire holds a 32% shareholding in FYI.**
- **Wide zones of uranium oxide intersected in initial drilling :**
 - 35m @ 503ppm U₃O₈ including 5m @ 1,069ppm U₃O₈**
 - 7.8m @ 588ppm U₃O₈ including 1m @ 1,873ppm U₃O₈**
 - 14m @ 221ppm U₃O₈ including 1m @ 844ppm U₃O₈**
- **FYI announces a bonus 1:2 option issue**

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Project location map



Yuinmery Project location map

REVIEW OF OPERATIONS JUNE QUARTER 2010

Yuinmery (WA): Copper - Gold Project – 100% interest

During the June Quarter a total of 13 RC holes (2,614m) and one diamond core hole (354m) was drilled at the Trajan, Just Desserts, Augustus and B Zone prospects. Assays are still pending for several of these drillholes.

At the Just Desserts prospect, previous drilling by the Company intersected high grade copper-gold zones with assays including **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.** This mineralisation is of volcanogenic massive sulphide (VMS) style similar in nature to orebodies currently being mined at Golden Grove and Jaguar deposits in Western Australia.

Based on the above drilling, an Indicated + Inferred JORC resource of **1,070,000 tonnes @ 1.82%Cu, 0.78g/t Au** was estimated for the Just Desserts prospect and reported on previously. This resource lies between 50 and 250 metres below surface and is open down plunge to the southeast.

Initial access to the resource may be possible by open pit mining.

Trajan Prospect

Three RC holes (630m) were drilled at the northern end of the Trajan prospect targeting the top of a large southerly plunging electromagnetic (EM) anomaly. To date, assay results from only two of these holes have been received with hole YRC10-08 intersecting two zones of mineralization returning **7m @ 1.1% Cu, 0.63g/t Au** from 110m and **5m @ 3.1% Cu, 0.38g/t Au** from 136m, including **2m @ 6.1% Cu, 0.58g/t Au**. True widths are estimated to be 75% of downhole intersections.

These are the first high grade copper intersections returned from the Trajan prospect, which in the past has only had very limited drilling. Trajan possesses the largest ground EM anomaly of all the prospects at Yuinmery.

A diamond pre-collar has been established to 198m to test the depth extent of the mineralization at Trajan.

Trajan RC Drilling Assays

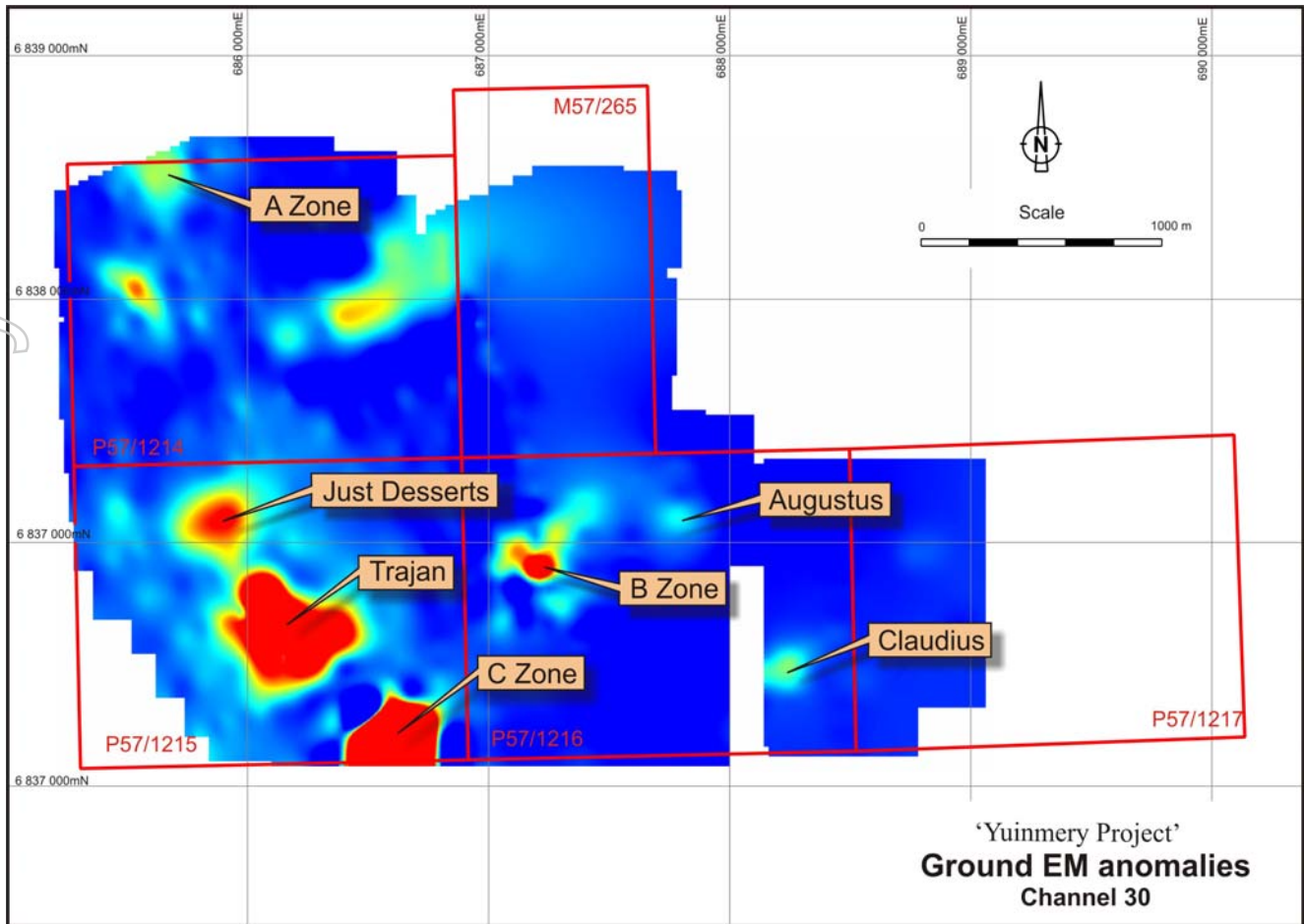
HOLE ID	NORTH	EAST	DEPTH (m)	AZ	DIP	FROM (m)	LENGTH (m)	Cu GRADE % Cu	Au GRADE g/t Au	Ag GRADE g/t Ag
YRC08-07	6836670	686088	162	225	-60			Assays pending		
YRC10-08	6836708	686130	210	225	-60	110	7	1.09	0.63	-
					incls	112	3	1.53	0.93	-
						136	5	3.01	0.38	5.5
					incls	138	2	6.14	0.58	9.0
YRC10-09	6836749	686176	258	225	-60	211	2	1.27	0.17	1.0
YRC10-11	6836715	686265	198	225	-60			Diamond pre-collar		

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

Maximum width of any internal dilution within an intersection is 1m @ <0.5%Cu.

Assays were done on 1 metre split samples using a 40gm Fire Assay for gold and mixed acid digest/ICP-OES for copper and silver.

Coordinates GDA94 zone 50



Augustus Prospect

One diamond drill hole (353.6m) and one diamond pre-collar (132m) were completed at the Augustus prospect during the quarter.

The diamond hole, targeting a strong EM anomaly, intersected a sequence of chloritic felsic tuffs and rhyolitic breccias containing banded and disseminated sulphides, mainly pyrrhotite and pyrite along with minor chalcopyrite. Within a wide mineralized interval assaying **20.57m @ 0.32% Cu** were narrow, higher grade sections assaying up to **3.4% Cu**. True widths are estimated to be 90% of down hole intersections.

Augustus Diamond Core Assays

HOLE ID	NORTH	EAST	DEPTH (m)	AZ	DIP	FROM (m)	LENGTH (m)	Cu GRADE % Cu	Au GRADE g/t Au
YD10-01	6837136	687774	353.6	220	-70	260.81	20.57	0.32	0.07
						261.81	0.64	1.05	0.14
						269.40	0.38	3.44	0.91
						279.68	0.70	1.22	0.03
YRC10-10	6837240	687835	132	215	-65	Diamond pre-collar			

Intersections are an arithmetic average calculated using a 0.1%Cu lower cut-off. No high cut has been applied.

Maximum width of any internal dilution within an intersection is 3m @ <0.1%Cu.

Assays were done on half core using a 40gm Fire Assay for gold and mixed acid digest/ICP-OES for copper.

Coordinates GDA94 zone 50

Further diamond drilling is being planned to follow up on these encouraging results.

Just Desserts Prospect

A total of seven RC holes (1,576m) were drilled at the Just Desserts prospect mainly targeting southerly extensions to the existing resource. Each hole intersected the mineralized horizon with average grades around 1% copper. True widths are estimated at 80% of intersected widths.

Diamond drilling is being planned to further test the down plunge extent of the Just Desserts mineralization.

Just Desserts RC Assays

HOLE ID	NORTH	EAST	DEPTH (m)	AZ	DIP	FROM (m)	LENGTH (m)	Cu GRADE % Cu	Au GRADE g/t Au	Ag GRADE g/t Ag
YRC10-01	6836978	685919	258.0	225	-80	225	5	1.28	0.23	2.0
YRC10-02	6836864	685951	160.0	225	-60	90	2	0.91	0.21	3.0
YRC10-03	6836889	685980	198.0	225	-60	154	4	1.01	0.32	5.0
YRC10-04	6836838	686036	192.0	225	-60	156	10	0.84	0.21	-
						179	2	1.09	0.47	3.0
YRC10-05	6836867	686076	228.0	225	-60	204	2	1.46	0.07	1.0
YRC10-06	6836854	686167	276.0	225	-60			Assays pending		
YRC10-13	6836965	686285	102.0	225	-60			Diamond pre-collar		

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

Maximum width of any internal dilution within an intersection is 1m @ <0.5%Cu.

Assays were done on 1 metre split samples using a 40gm Fire Assay for gold and mixed acid digest/ICP-OES for copper and silver.

Coordinates GDA94 zone 50

B Zone Prospect

One RC hole (240m) was drilled at B Zone during the quarter. This hole, targeting a large EM conductor, intersected a sequence of felsic tuffs and chert containing minor disseminated sulphides, but nothing to explain the observed EM anomaly. Follow up downhole geophysical surveys will be undertaken to pinpoint the location of the conductor.

B Zone RC Drilling

HOLE ID	NORTH	EAST	FINAL DEPTH (m)	AZ	DIP	FROM (m)	LENGTH (m)	Cu GRADE % Cu	Au GRADE g/t Au
YRC10-12	6837006	687152	240	180	-70			Assays pending	

Yarlarweelor (WA): Uranium project (32% indirect interest)

The Yarlarweelor uranium project is located 125 km north of Meekatharra in Western Australia. Empire Resources Ltd holds an indirect 32% interest in the project through its shareholding in FYI.

During its first quarter of exploration since re-listing on the ASX, FYI completed four diamond drill holes, totalling 652 metres, at the Kangaroo Ridge (3 holes) and Doris (1 hole) prospects. These holes intersected wide zones of uranium mineralization associated with biotite rich shear zones in granite and confirm the presence of significant uranium mineralization at Yarlarweelor. Results from the drilling at Kangaroo Ridge include :

- 35m @ 503ppm U₃O₈ including 5m @ 1,069ppm U₃O₈ in KRD10-02
- 7.8m @ 588ppm U₃O₈ including 1m @ 1,873ppm U₃O₈ in KRD10-01
- 14m @ 221ppm U₃O₈ including 1m @ 844ppm U₃O₈ in KRD10-03

The single diamond core hole drilled at the Doris prospect, DD10-01, intersected seven zones of biotite schist ranging in true widths from 1.3m to 4.0m. To date assays from only two of these biotite schist zones and the adjacent granite have been received :- 2.94m @ 184ppm U₃O₈ from 97.66m and 5.37m @ 185ppm U₃O₈ from 117.02m.

Preliminary testwork on a core sample from Kangaroo Ridge gave an **89% extraction of uranium to liquor in 12 hours** and **91% extraction in 24 hours** under mild acid leaching conditions. This testwork confirms the potential that a significant proportion of the Yarlalweelor uranium mineralization would be amenable to recovery by simple acid leaching.

Also during the June quarter, FYI Resources identified nine new radiometric anomalies returning either rock chip assays or spectrometer readings of >100ppm U₃O₈. None of these new uranium targets has been drill tested in the past. Better assays include :

Rock chip assays :

- **7,992ppm, 4,062ppm and 3, 241ppm U₃O₈ at Anomaly 41**
- **2,470ppm U₃O₈ at Anomaly 2**
- **441ppm U₃O₈ at Anomaly 13**

Further details on the above drilling, metallurgical testwork and prospecting results can be seen in FYI's June 2010 Quarterly Report.

FYI announced to the ASX on 22 July 2010 it will be making a bonus issue of options on a one for two basis to eligible shareholders as at the 5th August 2010.

Penny's Find (WA): Gold Project – 100% 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, the current gold price in Australian dollar terms and the possibility of mining a substantial portion of the deposit by open pit methods, enhances the value of this resource.

In October 2009, the Company announced to the ASX it had secured an interest in a joint venture with Rubicon Resources Ltd whereby it may earn a 51 % interest in Rubicon's Mt McLeay tenements which lie adjacent to and along strike from Empire's 100% owned Penny's Find gold deposit.

During the March quarter 2010 the Company had completed 10 RC holes totalling 1069 metres, testing the mineralized contact which extends northwards from the Penny's Find deposit for over two kilometres. As part of the same RC program, 3 RC holes, 384m, were drilled on the Mt McLeay tenements testing beneath historical gold workings and a black shale horizon containing anomalous copper values.

Assay results from the above drilling were received during the June quarter and are tabulated below. Only narrow, low grade intersections were returned from those sections of the contact zone tested. No significant copper values were found in the drilling on the Mt McLeay tenements.

Penny's Find and Mt McLeay RC Assays

HOLE ID	Northing	Easting	Final Hole Depth (m)	Azimuth	Dip	From (m)	Width (m)	Grade g/t Au
Penny's Find								
PFRC10-01	6621579	392063	78	230	-60			nsa
PFRC10-02	6621555	392070	96	230	-60			nsa
PFRC10-03	6622099	392135	150	270	-60			nsa
PFRC10-04	6622300	392220	108	270	-60			nsa
PFRC10-05	6623100	392482	108	270	-60			nsa
PFRC10-06	6623294	392489	102	270	-60			nsa
PFRC10-07	6623896	392467	84	270	-60	32	4	1.63*
						43	2	2.57
PFRC10-08	6623900	392491	120	270	-60	62	2	1.21
PFRC10-09	6623916	392570	120	270	-50			nsa
PFRC10-12	6624108	392546	102	270	-60			nsa
Mt McLeay								
PFRC10-10	6624362	391330	162	90	-60			nsa
PFRC10-11	6624501	392307	102	270	-60	40	4	0.55*
						48	1	1.25
PFRC10-13	6624580	393567	120	240	-60	16	4	0.57*

Coordinates are MGA94 zone 50

nsa : no significant assays.

Intersections are an arithmetic average calculated using a 0.5g/tAu lower cut-off. No high cut has been applied.

Assays were done by 40gm Fire Assay on 1m riffle split samples, except for those intersections marked with an * where 4m speared composites were assayed by 40gm Fire Assay.

Wynne (WA): Copper – Lead 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 and lead 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 four kilometres. No previous drilling has been undertaken in the prospect area.

A ground based electromagnetic survey is being planned to pinpoint any major accumulation of sulphides at depth. This will be followed by a RC drilling program.

No field work was undertaken during the quarter.

Troy Creek (WA): Copper - Gold - PGM Project -100% 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 and where the Company holds tenements covering an area of 585 sq km.

High grade copper sulphide drill intersections have previously been announced for the Main Gossan prospect in the December 2008 and December 2009 quarterly reports. 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 shales. The true width of mineralisation is estimated to be 60% of the intersected width.

No field work was undertaken during the quarter.

Torrens (SA): Copper-Gold-Uranium Project – 100% interest

After reviewing the data on this project the decision was taken to relinquish the tenements.

**DAVID SARGEANT
MANAGING DIRECTOR**

July 2010

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The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee 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". 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 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 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.

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*	Grade*	Grade*
			Cu%	Au g/t	Ag g/t
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.