



ACN 092 471 513

**QUARTERLY REPORT FOR THE PERIOD ENDED
31 MARCH 2007**

HIGHLIGHTS

- Empire Resources Ltd successfully listed on the Australian Securities Exchange on 1st February 2007 after raising \$5.5 million.
- Initial drilling at the Penny's Find prospect intersects wide high grade gold mineralization. Intersections include:
 - PFRC07-01 23 metres assaying 10.02g/t gold
 - PFRC07-03 5 metres assaying 9.60g/t gold
- A follow up drilling program is currently underway at Penny's Find to define high grade gold shoots.
- A detailed gravity survey completed at the Torrens project in South Australia has defined additional drill targets.
- The Yuinmery copper – gold project was flown with an airborne EM geophysical survey
- The Company enters into an option to purchase a 100% interest in the Yarlalweelor uranium prospect in Western Australia where previous exploration included drill intersections of 2m assaying 630ppm uranium and 24 m assaying 310ppm uranium including 9m assaying 570ppm uranium.
- The Company enters into a farm-in and joint venture of the Larkins Find gold and nickel project in Western Australia.

CAPITAL RAISING AND ASX LISTING

Empire Resources Ltd listed on the Australian Securities Exchange on 1st February 2007 after successfully raising \$5,500,000 by the issue of 27,500,000 shares. The total number of listed shares on issue is currently 55,418,192.

REVIEW OF OPERATIONS



Fig 1
Location of Empire Resources Projects

Penny's Find Project (100% interest)

The Penny's Find gold project is situated 50km north east of Kalgoorlie. Exploration commenced during the quarter with the completion of an initial reconnaissance reverse circulation drilling program.

The drilling was completed on mining lease M27/156 in the vicinity of a previously announced small inferred gold resource. The drilling was designed to test possible extensions of gold mineralization outside of this resource. Within M27/156 gold mineralization is associated with quartz veining developed at or near the sheared contact between mafic volcanics and sediments. Previous drilling at this location has shown strong surface leaching to variable vertical depths together with supergene

enrichment of gold resulting in erratic gold distribution. Eight holes totaling 521 metres were completed.

The results are shown below:

Hole No.	Northing	Easting	Angle	Azimuth	From (m)	To (m)	Width (m)	Grade (g/t Au)
PFRC07-01	6621819	391948	-60	230	33	56	23	10.02
Incls					37	40	3	12.54
Incls					44	45	1	18.06
Incls					48	53	5	30.63
PFRC07-02	6621730	391978	-60	230	n.s.a			
PFRC07-03	6621744	391998	-60	230	46	51	5	9.60
Incls					46	47	1	34.66
PFRC07-04	6621769	392012	-70	230	80	83	3	2.87
PFRC07-05	6621675	392007	-60	230	4	12	8	1.21
					23	27	4	0.99
PFRC07-06	6621679	392028	-70	230	59	61	2	10.17
Incls					60	61	1	18.98
PFRC07-07	6621614	392033	-60	230	9	12	3	1.00
PFRC07-08	6621622	392030	-60	230	n.s.a			

These results are based on 1 metre sample intervals with a low grade cut off of 0.5g/t Au and no high cut off applied. The reported intersections were calculated using a maximum of 2 metre internal dilution with material less than 0.5g/t Au. Assays were done by 50gm fire assay/AAS, except for hole PFRC07-03 which was assayed by 25 gm aqua regia/AAS. n.s.a. denotes gold values less than 0.5g/t Au. The drill intersections obtained are believed to be close to true width.

The wide high grade intersections obtained in holes PFRC07-01 and PFRC07-03 are particularly encouraging and indicate potential for high grade shoots of mineralization. A follow up forty drill hole reverse circulation drilling program is currently in progress to further evaluate the results obtained to date. This drilling is planned over an approximate 300 metre strike length to a vertical depth of 100 metres.

Torrens Project (100% Interest)

A detailed gravity survey has been completed in two separate areas within the Torrens copper-gold-uranium project. The locations of these areas are shown in Figure 2.

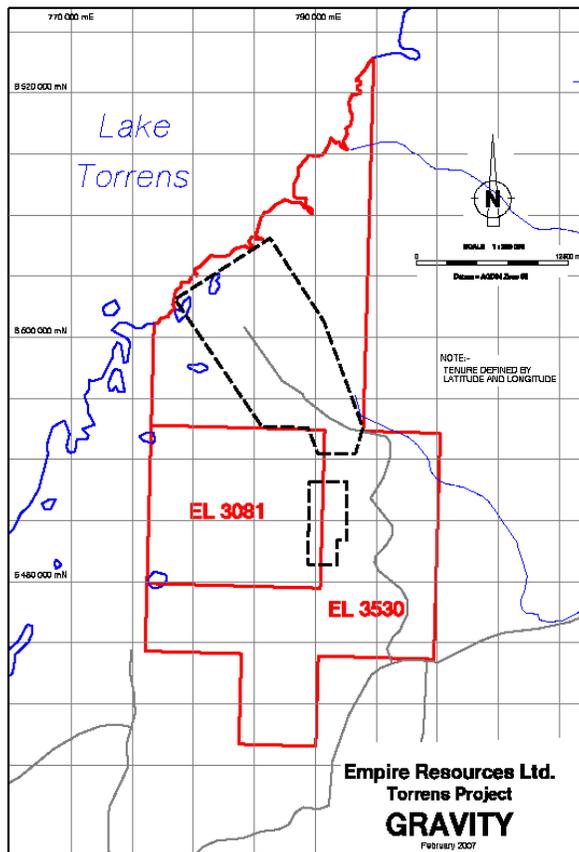


Fig 2
Torrens Project Tenements and the Location of Gravity Surveys

In the southern area this survey was designed to define drill targets and to extend to the east and upgrade the existing gravity coverage using a 200m x 200m grid pattern. Data was collected at 519 new gravity stations in this phase of the survey.

In the northern area the survey completed a first pass assessment of a poorly defined north-westerly striking gravity high previously identified in an AGSO regional gravity survey. Data was collected on a 500m x 500m grid pattern from 558 new gravity stations in this phase of the survey.

The gravity data from this survey is currently being processed and merged with the existing data set. A preliminary residual gravity image, (Figure 3), shows in the southern area the extension and clearly defined south eastern limits of the high density domain that has been the focus of interest to date in the Torrens Project. The survey in the northern area has confirmed the presence of a large, complex gravity high within the tenement consisting of north-westerly trending high density unit and at least one large ovoid discrete gravity high. The source of the gravity anomalism is unknown.

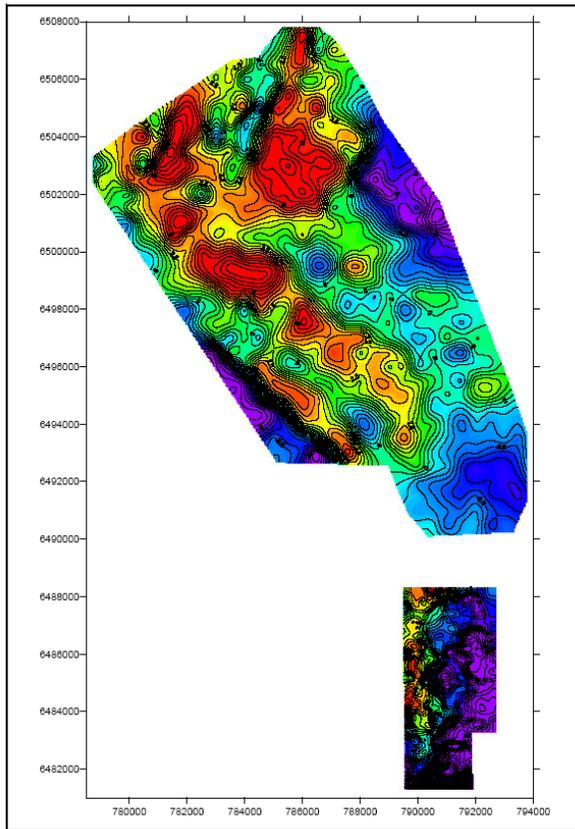


Fig 3
 Torrens Project
 Residual gravity image with detailed gravity contours (0.5 milligal intervals)

Empire has continued to attempt to source a suitable drilling rig to enable a program of testing existing targets to commence.

Yuinmery Project (Earning up to 90% Interest)

Since listing on the ASX the Company has acquired detailed aeromagnetic data covering the Yuinmery copper-gold project. This survey, which was flown in 1997, totalled 407 line km. The data was collected at a height of 40 metres with a line spacing of 50 metres. It is currently being processed and interpreted.

Following a review of some trial ground EM surveys, an aerial EM survey was flown over the tenements. A helicopter borne Skytem system was used with a sensor height at 30 metres and a line spacing of 100 metres. The data from this survey is currently being processed and interpreted in conjunction with the aeromagnetic survey.

Following a compilation of the aeromagnetic and EM data with the existing exploration database, a number of high priority drill targets are expected to be defined. A reverse circulation drilling program is planned for the coming quarter to test the project area for gold bearing high grade supergene massive copper sulphide mineralization.

Troy Creek Project (100% Interest)

The Troy Creek copper-gold-PGM project is situated 900km north east of Perth. A reverse circulation drilling program was planned in early March to test a number of targets previously identified in the project area. These included previous drill intersections of 1.5metres @ 2.98% copper, 9.6metres @ 0.34% copper, and 8metres @ 0.79g/t PGM and gold, as well as magnetic anomalies. However due to extensive flooding, the drilling program had to be deferred. This drilling is now planned to be undertaken later in the year.

Processing and modeling of existing aeromagnetic data was undertaken over a number of discrete magnetic anomalies. These anomalies have not been previously drill tested and represent high priority exploration targets. A gravity survey covering magnetic anomalies is planned for the coming quarter.

Yarlarweelor Project (Option for 100% Interest)

The Company has been granted an option by Zetek Resources Pty Ltd to acquire a 100% interest in the Yarlarweelor uranium project. Details of this option were announced in March. The project is situated in the Wilthorpe area approximately 125 km north of Meekatharra in Western Australia.

Previous exploration within the project area between 1978 and 1982 located both primary and secondary uranium mineralization at a number of locations. This mineralization occurs in Palaeoproterozoic quartz-biotite schist units that are folded and faulted into the Archaean Despair Granite. Elsewhere within the project area anomalous radioactivity is associated with older Archaean leucocratic granitic gneisses.

Exploration reports held by the Department of Industry and Resources record many drill intersections with anomalous radioactivity. These include intercepts of 2metres assaying 630ppm uranium and 24 metres assaying 310ppm uranium. While the true widths of these intersections are not known, the Company is encouraged by the geological setting, the widespread anomalous radioactivity and the presence of potentially economic grades of primary uranium mineralization in drill holes. A major exploration program is planned upon exercise of the option.

Larkin's Find Project (Earning 80% Interest)

The Company has entered into a farm-in and joint venture of the Larkin's Find gold and nickel project. The project area of approximately 33sq km is the subject of a tenement application and is situated approximately 155 km north-north east of Kalgoorlie in Western Australia. Under the terms previously announced, Empire may earn an 80% interest in the tenement.

The Company believes that this area is under explored for both gold and nickel. Exploration for gold will target north east trending splay structures that strike from a regionally extensive north west trending structure known as the Claypan Fault. This fault and structural zone hosts gold mineralization approximately 3 km north of the tenement boundary at Gardners Find. Past gold exploration on the tenement area is sparse and many drill holes failed to test bedrock.

Most past exploration for nickel was undertaken testing the ultramafic rock units that trend parallel and to the west of the Claypan Fault for shallow laterite hosted nickel-cobalt deposits. This work culminated in the defining of laterite hosted targets by Anaconda Nickel Ltd in 1999 that contain nickel and cobalt at approximately 0.8% and 0.1% respectively in drill holes approximately spaced 100 metres along lines on traverses from 200 to 400 metres apart.

Empire proposes to carry out a detailed review of past exploration data and results with a view to planning an exploration program including drilling to test the gold potential of the prospect. An additional exploration and drilling program will be undertaken to define a JORC compatible resource of lateritic nickel-cobalt mineralization.



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For further information on the Company visit www.resourceempire.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 and is a member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AIMM). Adrian Jessup 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 this report of the matters based on his information in the form and context in which it appears.