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ASX Release

ORE PROCESSING UPDATE PENNY'S FIND GOLD MINE (WA)

Highlights:

- **Significantly more ore being processed through the nearby Lakewood Mill.**
- **Empire intends to terminate processing at the Burbanks Mill and focus on mills closer to the Penny's Find gold mine.**
- **Empire expects to announce a new underground resource shortly.**

Gold miner, Empire Resources Ltd ('Empire', ASX code: ERL, the "Company") provides the following update on the processing of open-pit ore from the Penny's Find gold mine, located 50 km northeast of Kalgoorlie in Western Australia and for which Empire acts as Manager for the Penny's Find Joint Venture (PFJV).

Lakewood Mill, Kalgoorlie

A new Penny's Find gold ore treatment campaign is currently underway at the Lakewood Mill near Kalgoorlie which has, to 30 November 2017, processed 21,194 dry tonnes of ore at a calculated head grade of 3.60g/t Au to recover 2,289 ounces of gold (71.2 kg Au).

This current campaign allocation by Lakewood Mill was for the treatment of 25,000 tonnes of ore. This has subsequently been increased to allow for the treatment of up to 36,000 tonnes of ore. Processing is proceeding on schedule.

To the end of November, the processing statistics* for this campaign include:

- Overall gold recovery - 93%
- Gold recovered - 2,289oz*
- 38.1% of the gold recovered in the gravity circuit
- Average calculated head grade is 3.60g/t Au*

Burbanks Mill, Coolgardie

To 30 November 2017, 21,239 tonnes of Penny's Find gold ore have been processed at the Burbanks Mill to recover 576 ounces of gold. In addition, there have been 200 ounces as dore bars, forwarded to the Perth Mint for refining. Assuming a similar result as for previous refining of dore bars, a calculated head grade of approximately 2.83g/t Au is expected to be realised up to the present time. There is also additional gold partly owned by the PFJV contained on carbon within the treatment plant, known as Gold in Circuit (GIC), which can be recovered during or at the end the processing campaign. Please note that this is provisional data to be confirmed once Mint refining has been completed.

Treatment of Penny's Find ore through the Burbanks Mill at Coolgardie has not met the Company's expectations. As a consequence, Empire has issued a Notice of Termination to Eastern Goldfields Milling Services Pty Ltd, operator of the Burbanks Mill. As required under the Toll Milling Agreement, the PFJV will continue to deliver ore to the Burbanks Mill for processing, for up to the next 30 days.

After completion of the Burbanks campaign, Penny's Find open-pit ore in future is expected to be processed through the Lakewood Mill, or some other facility closer to the mine site, potentially resulting in a significant saving in haulage costs.

A new underground resource is being finalised. Empire expects to be able to announce the updated results shortly.

DAVID SARGEANT
MANAGING DIRECTOR
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**Based on provisional gold recovery data from the Lakewood Mill. Final production details will be known after Mint refining data become known.*