

ACN 092 471 513

<p>QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2019</p>
--

EXPLORATION AND MINING ACTIVITIES

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

Following a comprehensive review of its operations and financial position, the Company elected to execute a binding Term Sheet with Orminex (ASX:ONX) for the sale of the Penny's Find mining tenements (refer ASX Announcement 4 March 2019, and Figure 2 below) for \$600,000 plus an ongoing royalty stream.

The Company retains upside from ownership of highly prospective tenements surrounding and north of the Penny's Find mine lease (Figure 2).

Details of the sale include:

- Empire has signed a binding Term Sheet to sell 100% of its Penny's Find Mine Tenements to WA minerals project developer, Orminex Limited ('Orminex', ASX:ONX) via the Orminex subsidiary Orminex Penny's Find Pty Ltd ('OPF')
- Consideration for the deal includes a tiered \$600,000 cash payment to Empire by Orminex in three equal milestones; on signing of an agreement, upon commencement of mining and at the first gold pour.
- Empire will also receive vendor royalty payments consisting of a 5% net smelter royalty (NSR) on the first 50,000 ounces of gold recovered. After the first 50,000 ounces of gold, the NSR reverts to a 2.5% of gold recovered for the life of mine. Orminex will pay all State royalties
- ERL retains full ownership and all rights to approximately 32 km² of highly prospective exploration tenements within the broader Penny's Find project but outside of the mining area sold to Orminex (Figure 2)
- Prepayments of vendor royalties apply if mining has not commenced within an agreed time frame or if mining ceases for an extended period
- The Term Sheet is subject to full form legal documentation and any necessary ASX, ASIC, Shareholder or other Regulatory requirements. The Company has subsequently received advice from the ASX indicating that shareholder approval is not required for the sale.

The sale of the Penny's Find mining leases is a timely disposal as it provides Empire a significant cash injection and the ability to participate in a vendor royalty stream resulting from development of the project in a strong gold price regime. The income from the transaction will enable Empire to continue exploration on its prospective Penny's North exploration tenements and existing copper-gold Resources at its Yuinmery Project.

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

The Yuinmery project is a volcanogenic massive sulphide (VMS) copper - gold project located 80km southwest of Sandstone, WA. The Just Desserts Cu-Au deposit at Yuinmery hosts a JORC compliant Indicated and Inferred Resource of 1.27 million tonnes @ 1.9% Cu, 0.7g/t Au to a depth of 170m below surface (refer ASX Announcement 17 May 2016).

The 2012 JORC reportable Resource of primary and transitional copper-gold sulphide mineralisation above a 1.0% copper cut-off are summarised in Table 1 below.

Table 1 : Just Desserts Reportable Mineral Resources – May 2016

Reportable Mineral Resource to depth of 170m						
Cut-off	Weathering	Class	Tonnes	Cu %	Au ppm	Ag ppm
1% Cu	Partial	Indicated	47,000	1.37	0.37	1.09
		Inferred	31,000	2.14	0.22	2.20
		sub-total	78,000	1.68	0.31	1.53
	Fresh	Indicated	752,000	1.65	0.84	1.54
		Inferred	435,000	2.31	0.49	2.81
		sub-total	1,187,000	1.89	0.71	2.01
	All	Indicated	799,000	1.63	0.82	1.51
		Inferred	467,000	2.30	0.47	2.76
		Total	1,266,000	1.88	0.69	1.97

A mining lease application has been granted by the DMIRS to cover the Just Desserts deposit and surrounding prospective ground (refer ASX Announcement 2 August 2018).

Empire continues to assess opportunities in the region that complement the known Resources on its Yuinmery Project, including further development of the highly prospective A-Zone Cu-Au deposit located within granted mining lease M57/636 (Figure 3).

No fieldwork was undertaken at Yuinmery during the quarter.

Barloweerie (WA): Zinc - Lead - Silver Project (100% interest - application)

The Company has applied for a 113km² exploration licence located approximately 155km west of Cue, WA.

The exploration licence application covers part of the Barloweerie greenstone belt where historical exploration discovered highly anomalous zinc, lead, silver, gold and copper mineralisation in a volcanogenic massive sulphide (VMS) setting. The exploration licence has been recommended for approval by the Minister.

CORPORATE ACTIVITIES

Rights Issue

During the previous quarter, Empire (ASX code: ERL) conducted a 1:3 Rights Issue which raised \$1,310,982 by issue of 131,098,100 fully paid shares, before costs.

In addition, and during the quarter, the Company issued to the Underwriter 5,015,000 Shares representing a fixed underwriting fee of \$16,100 plus 3% of the Underwritten Amount (\$34,050) being a total of \$50,150.

Project Assessment

Empire continues to assess opportunities in the eastern goldfields complimentary to its existing portfolio. The Company assessed several prospective projects during the quarter.

Eastern Goldfields Mining Services (EGMS)

Empire is in dispute with Eastern Goldfield Mining Services Pty Ltd regarding unaccounted gold following a toll treatment milling campaign conducted by EGMS at its Burbanks Gold Processing facility in late 2017. The Company is seeking to recover gold to a value in excess of \$1 Million. The matter has been referred to Arbitration. The first Arbitration hearing occurred on 13 March 2019.

DAVID SARGEANT
MANAGING DIRECTOR
29 April 2019

For further information on the Company,
David Sargeant – Managing Director Phone: +61 438 690 699
Visit: www.resourcesempire.com.au

Competent Person Statements

The information in this release concerning the Mineral Resources for the Penny's Find and Just Desserts deposits 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 style of mineralization and type of deposit under consideration and qualifies 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 Ball consents to the inclusion in this public release of the matters based on his information in the form and context in which it appears.

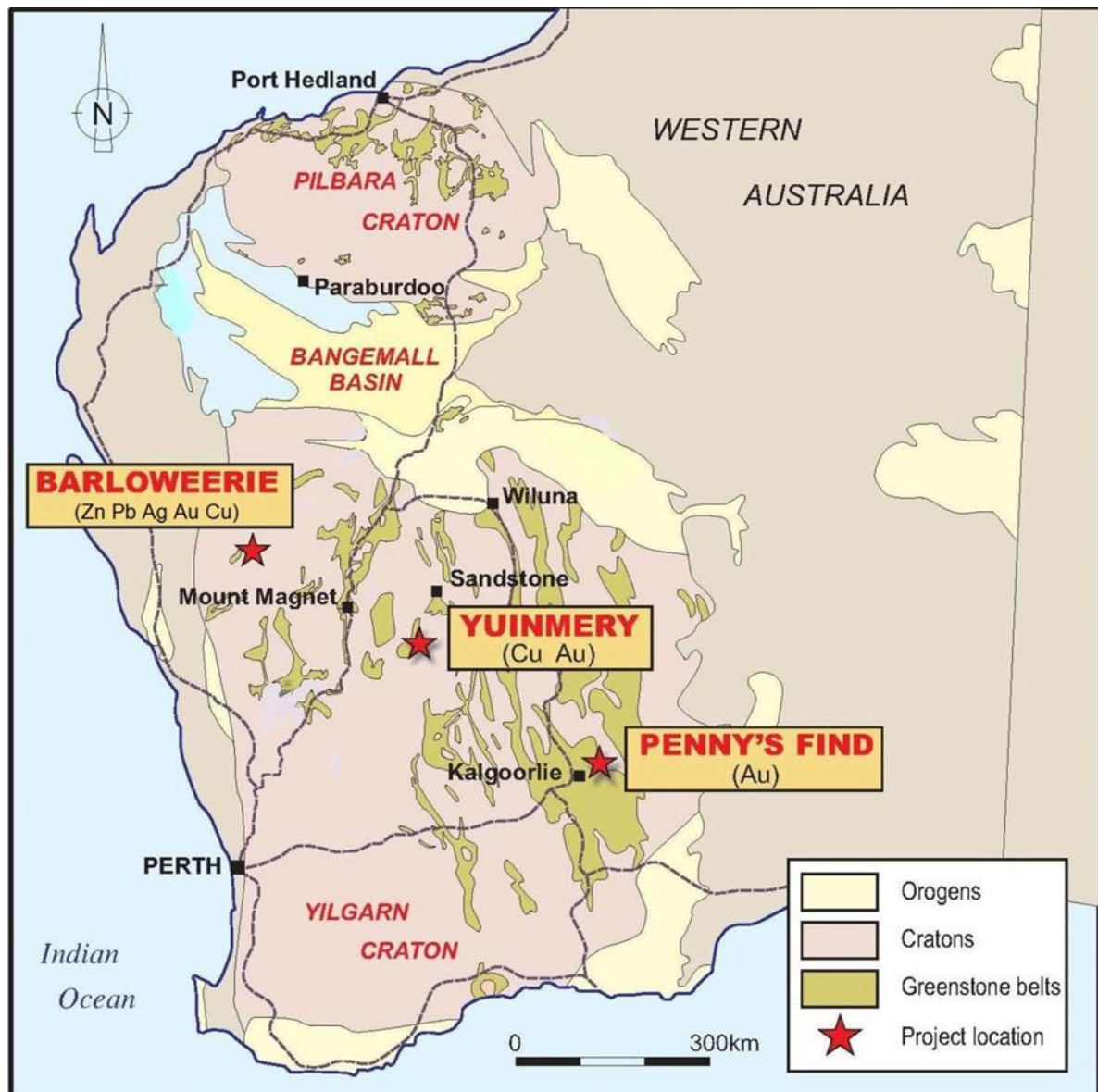


Figure 1: Project Location Map

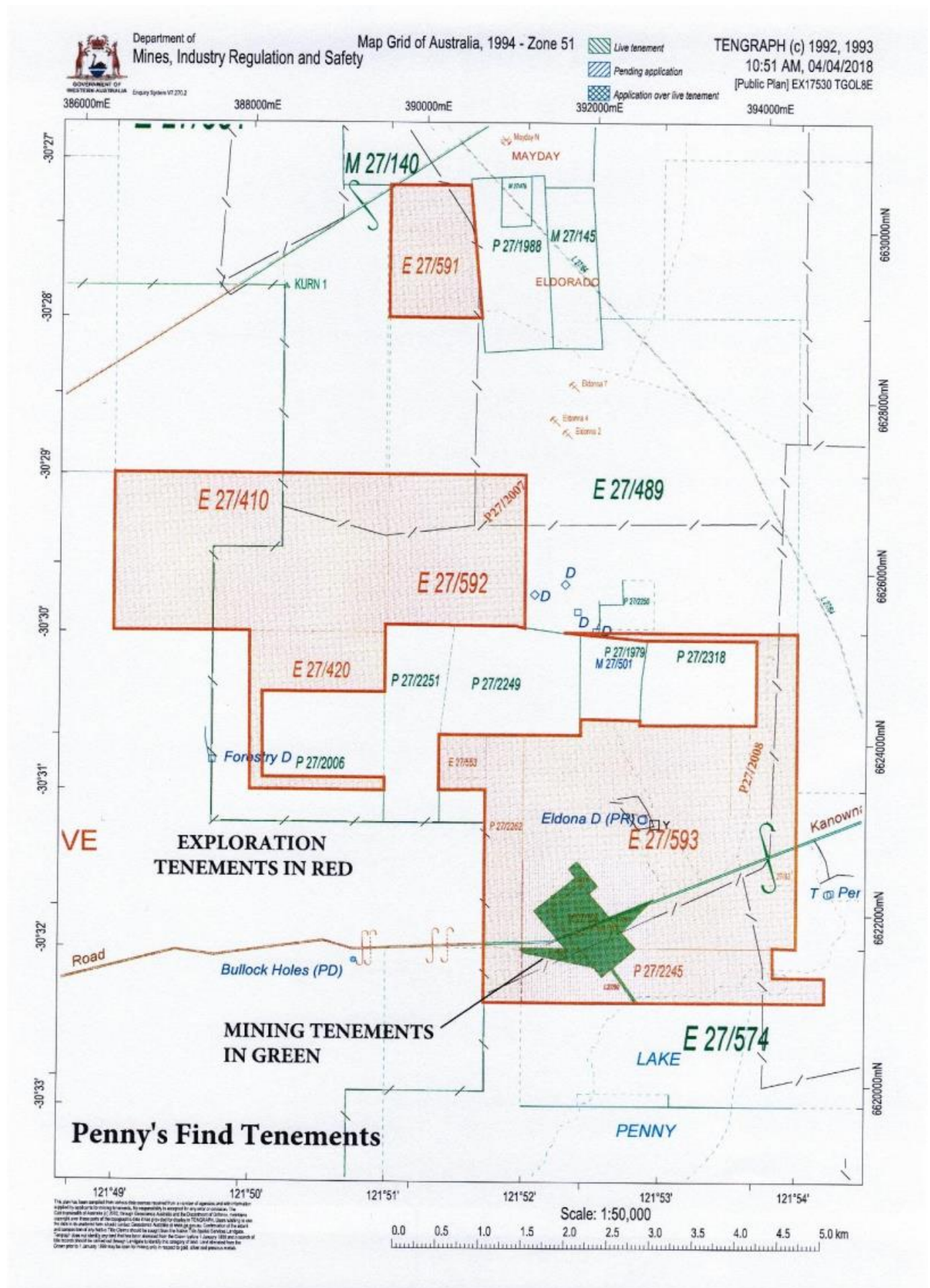


Figure 2: Penny's Find Project Tenements
Mining Tenement shaded in green are subject to the Sale to Orminex

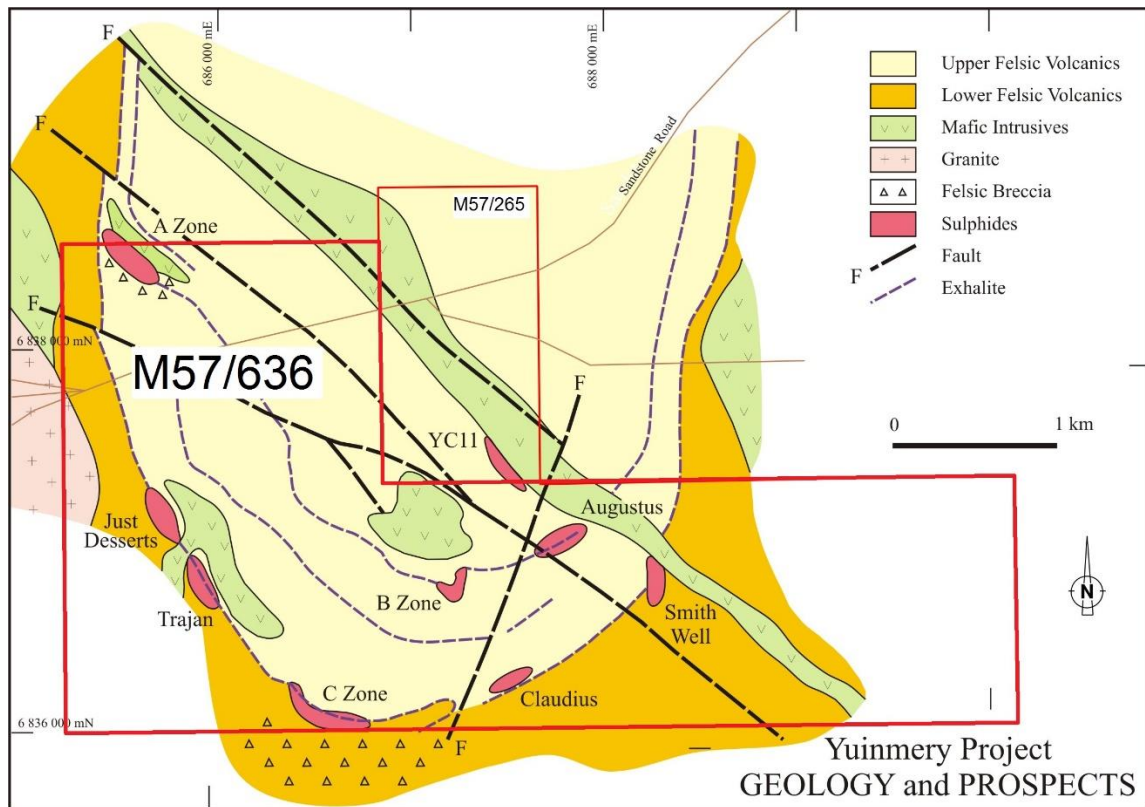


Figure 3: Yuinmery Project Geology and Prospects Within Granted Mining Leases

Tenement Holdings at 31 March 2019				
PROJECT	TENEMENT NUMBER	PERCENTAGE INTEREST HELD	PERCENTAGE INTEREST HELD	COMMENTS/ CHANGES SINCE LAST QUARTER
		31 March 2019	31 December 2018	
PENNY'S FIND	E27/410	100	100	
	E27/420	100	100	
	E27/553	100	100	
	E27/591	100	100	
	E27/592	100	100	
	E27/593	100	100	
	G27/1	100	100	
	L27/90	100	100	
	L27/91	100	100	
	L27/92	100	100	
	L27/93	100	100	
	M27/156	100	100	
	P27/2007	100	100	
	P27/2008	100	100	
	P27/2245	100	100	
	P27/2262	100	100	
BARLOWEERIE	E59/2306	100	100	Application
YUINMERY	M57/265	100	100	
	M57/636	100	100	
	E57/1037	100	100	