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ASX Release

FINANCIAL RESULTS FROM PENNY'S FIND OPEN-PIT OPERATIONS

Empire Resources Ltd ("Empire", "Company", ASX code: ERL) has finalised accounting and financial procedures, for the now completed open-pit mining operations at the Penny's Find gold mine, 50 kilometres northeast of Kalgoorlie in WA.

More than 18,300 ounces of gold (unaudited) were produced at an average grade of 4.47 grams per tonne gold at an All-In Sustaining Cost ("AISC") of A\$1,298 per ounce for the entire open pit operation.

This generated 5% higher total revenue than initial estimates, of A\$31.1 million, to return a net profit of A\$1.4 million after mining expenditure and financing costs of \$29.7 million.

In its final quarter of mining and processing, Penny's Find delivered 5,620 ounces recovered and sold at an average A\$1,743/oz, for total gold sales for the June quarter of \$9.8 million (YTD ~A\$31 million).

The AISC achieved for the June quarter was A\$872 per ounce

Empire holds a 60% interest in the Penny's Find gold mine, with the remaining 40% interest held by the unlisted Brimstone Resources Ltd ("Brimstone").

Empire is assessing taking Penny's Find into a much larger, longer-term underground gold mine with a final investment decision to be made once the ownership of Brimstone's interest in the mine is decided and the current underground feasibility study is completed.

A receiver was appointed by Empire to Brimstone's 40% interest in the mine late in June for non-payment of over A\$1 million owing to Empire under the open-pit mining joint venture arrangements.

The mine is currently in a suspension of operation after the successful completion of the open pit in April this year.

Pumping is continuing to keep ground water levels below the height of the planned underground portal pending a final decision on whether this should progress.

Figure 1 shows the open pit nearing completion with mining of the goodbye cut.



Figure 1: Penny's Find open pit - April 2018

Figure 2 below shows the average ore grade over the life of the open pit.

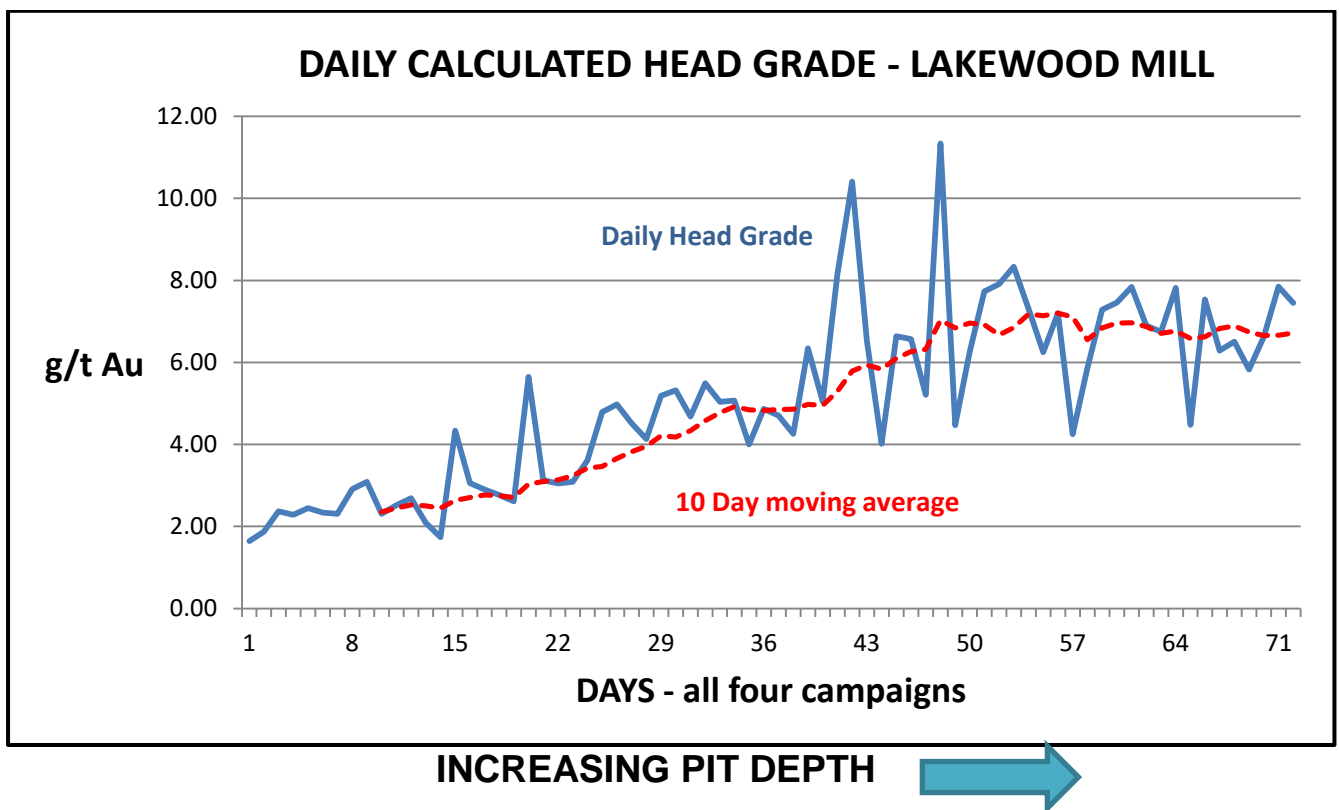


Figure 2: Gold grades over the four treatment campaigns at the Lakewood Mill

RECONCILIATION

A full reconciliation of financials and mine physicals against the open-pit Feasibility Study has now been completed and is shown below in Table 1.

For the entire open pit mining operation, a total of **138,272** dry tonnes of ore at an average head grade of **4.47** g/t Au were mined and processed.

From this, **18,356** ounces of gold were produced at an average recovery of **92.4%**.

Ore tonnes and recovered ounces were slightly below budget. This was offset by higher gold prices which meant revenue exceeded the feasibility estimate.

The increase in actual expenditure was mainly due to higher contract mining and processing costs.

Table 1: Actuals versus Open-Pit Feasibility Study

Item	Feasibility	Actual	Variance
Total Mined BCM	1,890,350	1,833,257	-3%
Strip Ratio	30	29	-3%
Mined and Processed Ore (kt)	146,000	138,272	-5%
Gold Grade (g/t)	4.62	4.47	-3%
Average Mill Recovery (%)	93.0	92.4	-1%
Produced Gold (ounces)	20,252	18,356*	-9%
Ave. Gold Price Received (A\$/oz)	1,500	1,696	+13%
Total Revenue (A\$ million) [#]	29.6	31.1*	+5%
Total Expenditure (A\$ million) [#]	22.0	25.7	+17%
Financing costs (A\$ million) [#]	N/A	4.0	N/A
Net Profit (A\$ million) [#]	N/A	1.4	N/A

* Includes 700 ounces disputed with EGMS.

[#]Based on management accounts which are un-audited

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