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21 March 2017

ASX Release

PENNY'S FIND GOLD MINE JOINT VENTURE SECURES \$7.5 MILLION FUNDING FOR MINING THROUGH TO GOLD PRODUCTION

Empire Resources Limited ('Empire', ASX code: ERL) is today pleased to announce it has signed a binding Term Sheet with Blue Capital Services Pty Ltd (Blue Cap) to fund mining costs needed to bring the Penny's Find gold mine into full production.

The Term Sheet specifies Blue Cap which is a privately funded services entity of the Fraser Family Office¹, will fund mining and related costs to a maximum of A\$7.5 million until the mining operations are cash flow positive. These funds will also assist with project on site infrastructure establishment costs as mining activities start later this month

In addition, Orionstone, one of Australia's larger privately owned mining fleet operators and supplier, will provide equipment and services for the open pit mining operations at Penny's Find, located 50 kilometres northeast of Kalgoorlie.

Full scale mining operations will get underway in April.

Empire Managing Director, Mr David Sargeant:

"The agreement with Blue Cap now ensures the Penny's Find gold project has adequate working capital for initial mining of the open pit.

"All agreements for mining, haulage and treatment of Penny's Find gold ore are now satisfactorily in place, allowing the project to make the immediate transition to mining.

"A recently re-designed pit and new mining schedule will also allow Empire to mine at a faster rate than previously anticipated, with considerable cost savings."

¹ Private Entities relating to Ashley Fraser, founder and major shareholder of Orionstone, Green Capital No 2 Fund amongst others.

The Term Sheet agreement with Blue Cap provides for:

- Funding of mining and related costs up to a maximum of A\$7.5 million, repayable within seven months of operation commencement.
- Cost of funding, dependent on the amount of draw down, is pro rata up to a maximum of A\$2.3 million payable from free cash flow.

The Empire - Blue Cap agreement covers only the mining operations of the open pit and is subject to a formal mining services agreement being signed, and corporate overheads being funded by the Company.

As previously announced on 9 March 2017, Empire was finalising commercial terms and conditions for the mining contract and this binding term sheet with Blue Cap supersedes any previous arrangements.

Other service contracts recently awarded by Empire include Kalgoorlie's Hampton Transport Services for ore haulage, and Golden Mile Milling Pty Ltd, whose Lakewood mill on the outskirts of Kalgoorlie, 63 kilometres from Penny's Find, will process Empire's ore in individual campaigns of 15,000 - 20,000 tonnes.

These service contracts in conjunction with funding now ensure Empire has a clear and executable path to gold production in the second half of this calendar year.

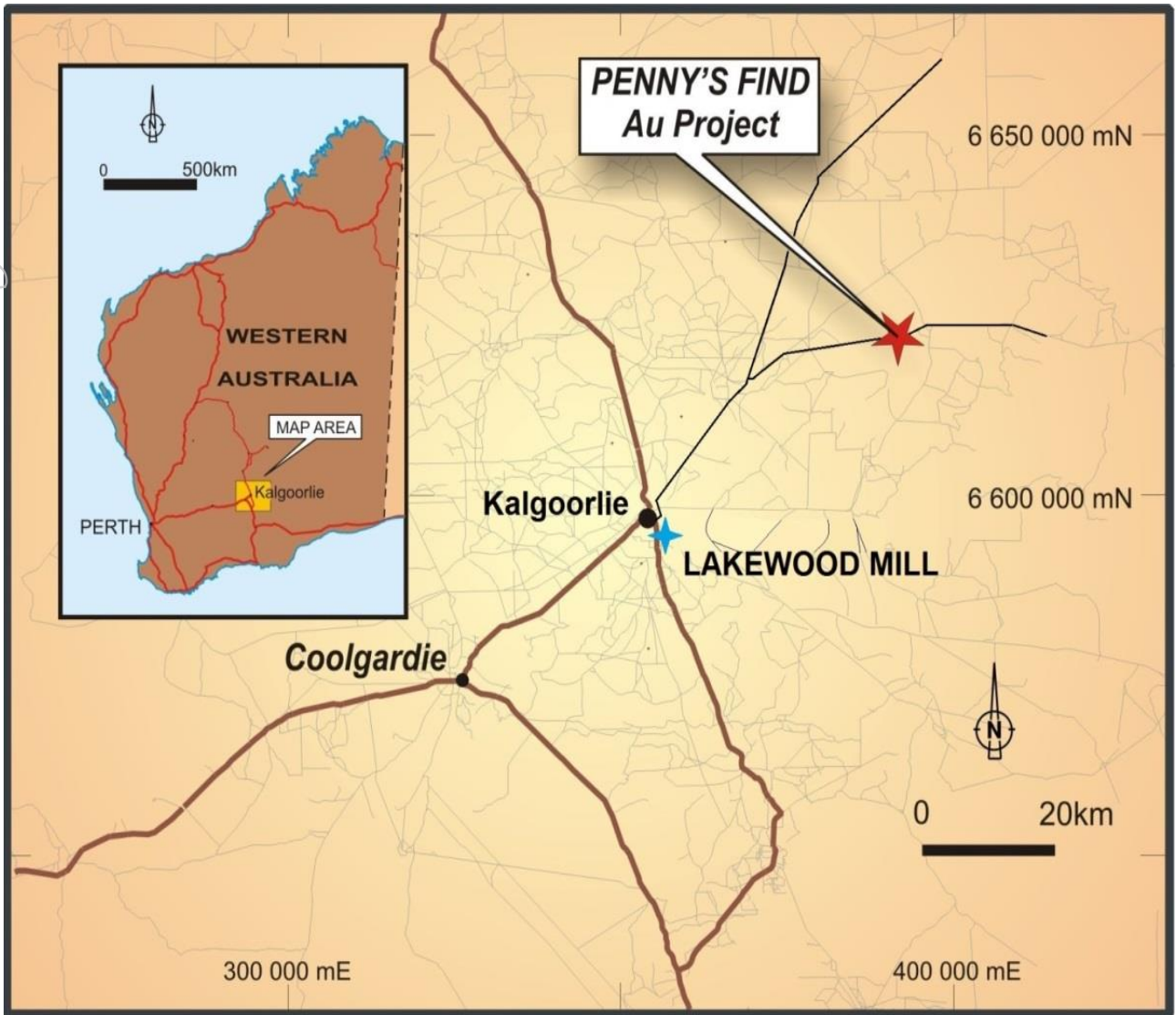
Penny's Find, in which Empire has a 60% stake, is in the heart of Western Australia's prolific Eastern Goldfields, with its gold inventory reserve of around 146,000 tonnes grading 4.62 grams per tonne gold for 21,700 contained ounces, hosted within just the first 80 metres from surface.

Empire is currently working to eventually take the mine underground as Penny's Find's gold mineralisation extends to at least 250m depth, where it remains open with a current known deeper resource inventory of 170,000 tonnes @ 5.40g/t Au beneath the open pit.

DAVID SARGEANT
MANAGING DIRECTOR
March 2017

For further information on the Company,
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Location of Penny's Find Project

Competent Persons Statements

Mineral Resources

The information in this release concerning the Mineral Resources for the Penny's Find Deposit 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.

Ore Reserves

The scientific and technical information in this report that relates to Ore Reserves estimates for the Penny's Find Project is based on information compiled by Mr Roselt Croeser, an independent consultant to Empire Resources Limited. Mr Croeser is a Member of the Australasian Institute of Mining and Metallurgy. Mr Croeser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify 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 Croeser consents to the inclusion in the report of the matters related to the Ore Reserve estimate in the form and context in which it appears.

ASX announcement - 2 September 2015

Reportable In Situ Mineral Resource by location and cut-off						
	Open Cut (0.5g/t)		Underground (1.5g/t)		Combined	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	-	-	-	-	-	-
Indicated	218,000	4.64	84,000	4.90	302,000	4.71
Inferred	82,000	1.79	86,000	5.89	168,000	3.89
TOTAL	300,000	3.86	170,000	5.40	470,000	4.42

ASX announcement - 15 February 2016

PENNY'S FIND OPEN PIT ORE RESERVE - FEBRUARY 2016			
DESCRIPTION	TONNES	GRADE	GOLD TO
		g/t Au	MILL (ozs)
PROVED	-	-	-
PROBABLE	146,000	4.62	21,700
TOTAL	146,000	4.62	21,700