

QUARTERLY REPORT FOR THE PERIOD ENDING 31st MARCH 2013

ACTIVITY SUMMARY

- **Yarlarweelor uranium project drill program planned to commence in the current quarter.**
- **Small scale share placement finalised.**
- **Project review and assessment by management continues on uranium and coal projects.**

REVIEW OF OPERATIONS MARCH QUARTER 2013

YARLARWHEELOR: Uranium project – WA (100% interest)

The Yarlarweelor uranium project is located 125 km north of Meekatharra in Western Australia and consists of one granted exploration licence covering an area of 280km².

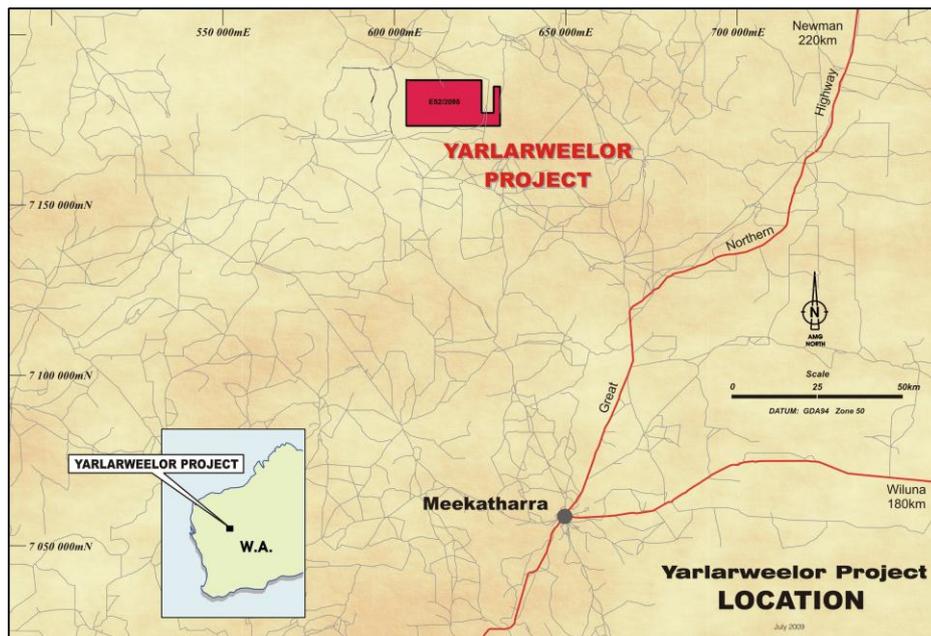
The Company is targeting significant uranium mineralization (in the form of uraninite) present within the Archaean Despair Granite where it is associated with biotite schists in shear zones.

Previous FYI mineralised drill intersections on the project at Kangaroo Ridge include:

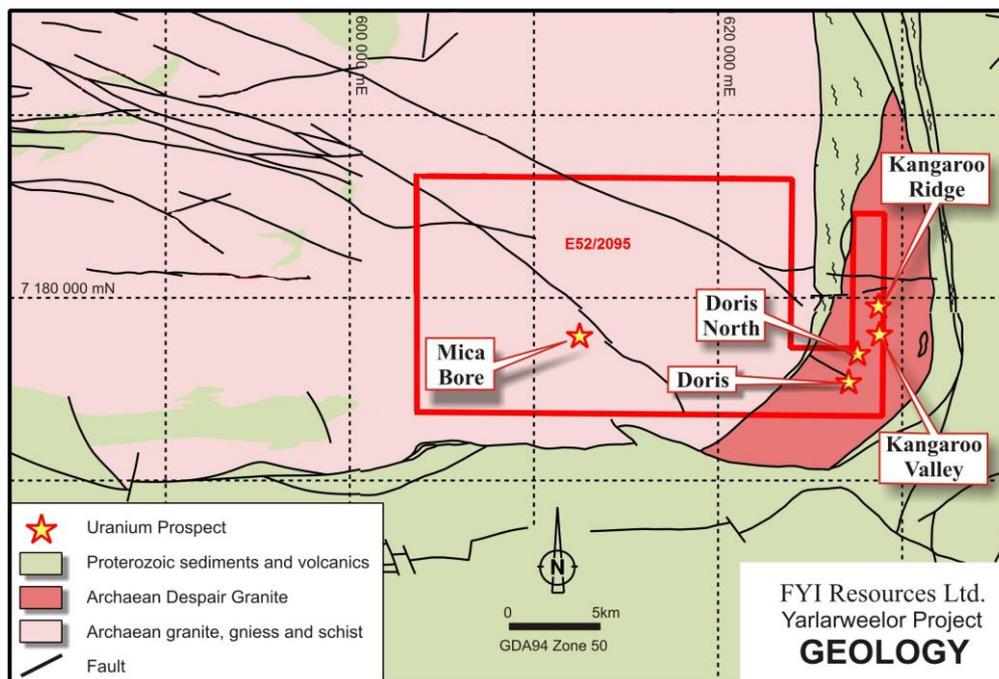
- **35m @ 503ppm U₃O₈ from 125.1m, including 5m @ 1,069ppm U₃O₈; and**
- **7.8m @ 588ppm U₃O₈ from 47.8m, including 1m @ 1,873ppm U₃O₈**

ACTIVITY REVIEW

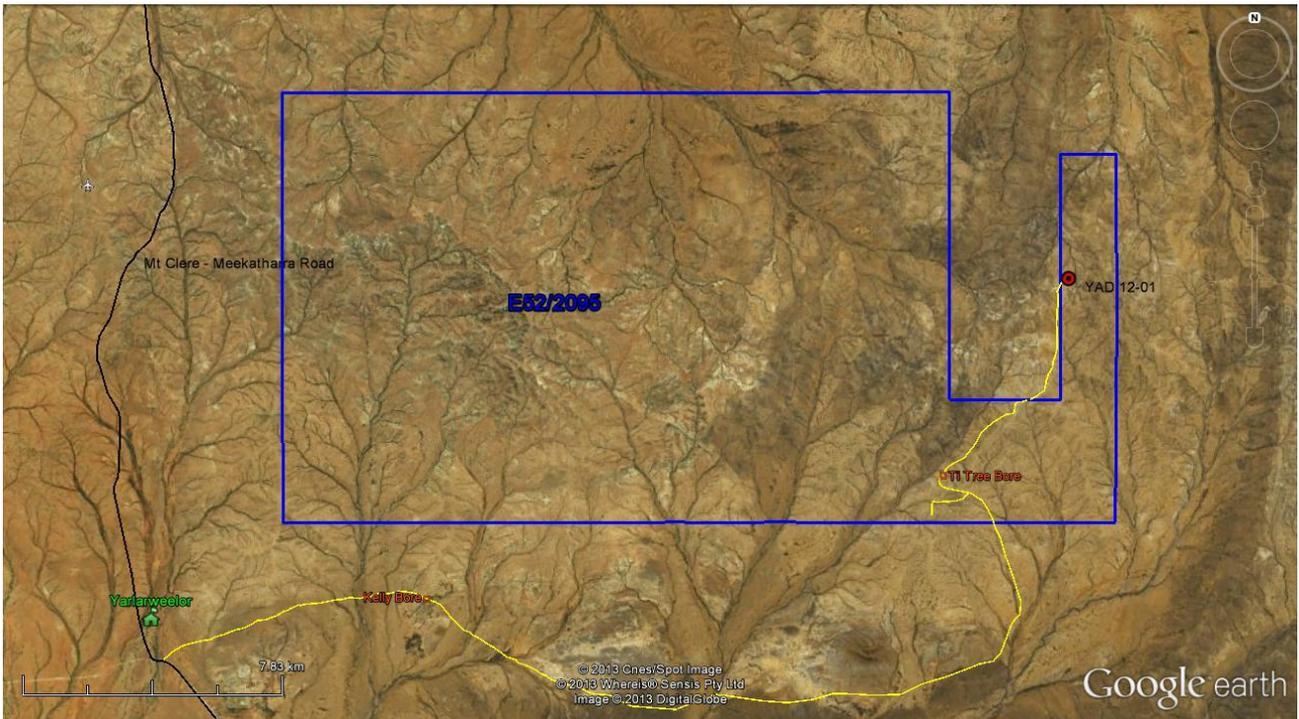
FYI field work activities on the Company’s core asset at Yarlarweelor were limited during the March quarter. The Company will undertake a targeted diamond drill program this coming quarter to test a number of deeper target zones associated with biotite schist shearing as well as areas of interest where anomalous surface radioactivity is high.



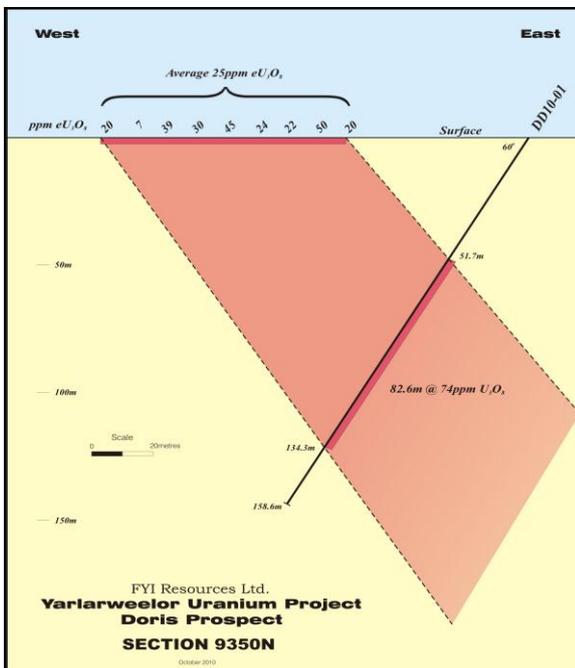
Yarlarweelor Location Map



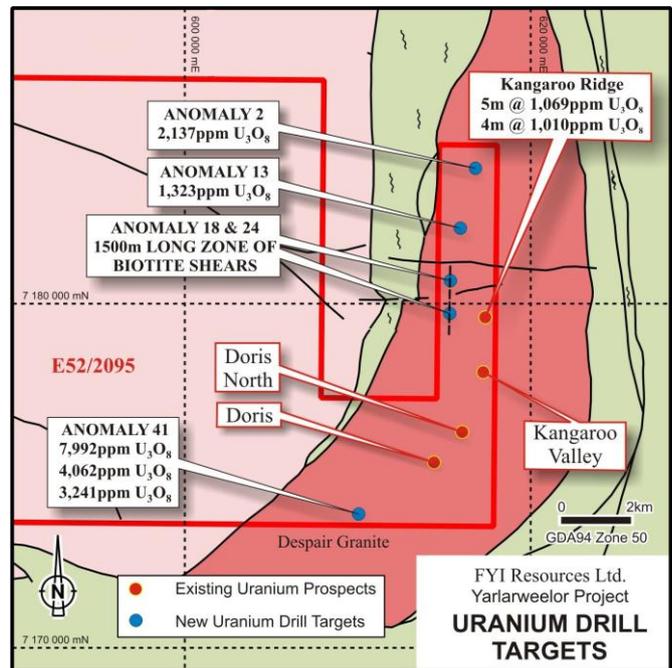
Yarlarweelor Geology



Location of Drill hole YAD12-01



Yarlarweelor Mineralised Section



Yarlarweelor U3O8 Drill Targets

PLACEMENT

FYI finalised a placement of \$310,000 (6.9 million shares at \$0.045 per share) in January 2013.

The funds have been used for working capital and, as detailed below, to facilitate the development work and other activities relating to the Company's existing assets. In addition, the funding has been used to continue the Company's review of its assets and growth opportunities.

NEW PROJECT REVIEW

Following its review of the Company, the Board has concluded, that if it is to add value for the benefit of its shareholders, the only real option is for the Company to substantially expand its present activities. As a first step, the Company intends to continue to actively seek out and pursue opportunities for both the acquisition and or development of new assets / projects that have the potential to add significant value to the Company.

The Company is presently reviewing a number of new project and asset acquisition opportunities, particularly in the energy sector (with a specific focus on uranium and coal assets). The opportunities also involve geographic diversification. The Company will update shareholders on the progress of these initiatives at the appropriate future time.

- End -

Further Information:

Adrian Jessup
Director
Tel: (08) 9361 3100

Roland Hill
Chief Executive Officer
Tel: 0414666178

The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee of Empire Resources Ltd. He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He 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". David Ross consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.