Empire Options Bursa Licenses in Turkey to First Quantum Minerals in $11.5 Million Deal

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Announces Private Placement

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 08/20/12 -- Empire Mining Corporation (TSX VENTURE: EPC) ("Empire") is pleased to announce that it has entered into a binding letter agreement (the "FQML Agreement") with First Quantum Minerals Ltd. ("FQML"), subject to certain conditions, respecting Empire's Bursa Licenses, which cover the Demirtepe skarn and Karapinar porphyry projects in Western Turkey ("Bursa").

Empire is also pleased to announce a non-brokered private placement of its common shares ("Common Shares") to raise gross proceeds of between CAN$1,500,000 and CAN$3,000,000 (the "Private Placement"). Empire will offer between 15,000,000 and 30,000,000 Common Shares (no warrants) at a price of CAN$0.10 per share to qualified purchasers.

Under the FQML Agreement, FQML has been granted an option to acquire a 51% interest in Bursa by making a payment to Empire of CAN$1.5 million and completing staged exploration expenditures of CAN$8.5 million within three (3) years, with a minimum firm commitment in the first year of CAN$2.5 million. FQML can earn an additional 19% interest in Bursa for a total interest of 70% by delivering a technical report on Bursa delineating a resource of not less than 1,000,000 tonnes of copper and making a decision advance Bursa to commercial production. Pursuant to the FQML Agreement, FQML has also agreed to subscribe for 15,000,000 Common Shares in the Private Placement, for a total purchase price of $1,500,000.

The FQML Agreement and the Private Placement are subject to approval by the TSX Venture Exchange. Additional details of the FQML Agreement are described below.

Bursa Overview

Drilling by Empire at Demirtepe in 2011 encountered significant grades and intervals of copper-gold-silver and molybdenum skarn mineralization in the Main Zone discovery hole which intersected 47.53 meters of 2.02% Copper, 0.96 gpt Gold and 21.64 gpt Silver, including 8 meters of 9.1% Copper, 4.68 gpt Gold and 95.3 gpt Silver. Ongoing sampling has identified the new Southwest Zone about 1 km to the southwest of the Main Zone. The Southwest Zone consists of a continuous copper-gold anomalous zone currently about 1.8 km long and up to 800 meters wide and still open to the southwest.

Drilling by Empire at Karapinar in 2011 intersected a 60 meter zone of chalcocite enrichment grading 0.93% Copper, 0.11 gpt Gold and 0.017% Molybdenum from a hole depth of 79.6 to 139.6 meters. The secondary enrichment lies beneath a 48 meter zone of oxide mineralization. The hole was one of the easternmost holes drilled at Karapinar, revealing significant expansion potential. Geological mapping and a follow-up IP/Resistivity survey carried-out by Empire located and outlined a strong chargeability anomaly 800 x 800 meters across with circular shape partially exposed at surface. The most western flange of the anomaly correlates with the area where drilling intersected the 60 meter zone of chalcocite enrichment, suggestive of a possible extension of leached porphyry east of the existing deposit.

The FQML Agreement

Empire has agreed to close FQML's tranche of the private placement before closing any other subscriptions in the Private Placement in order to set FQML's ownership percentage in Empire at approximately 19.2%. Thereafter, FQML will have a pre-emptive right to maintain its percentage interest in connection with future equity raises and convertible security exercises, provided that this right will terminate if FQML drops below 10% ownership other than due to contravention of its right or dilution from the exercise of Empire's convertible securities. Empire has agreed not to close the Private Placement prior to obtaining TSX Venture Exchange approval of the private placement and the FQML Agreement.

Following approval from the TSX Venture Exchange and the satisfaction of certain conditions by Empire, pursuant to the FQML Agreement, FQML will be required to make an initial payment of $1,500,000 cash to

Empire. Within one year of the effective date (as such term is defined in the FQML Agreement) FQML will spend an additional $2,500,000 in exploration expenditures and will earn a 20% interest in Bursa. To increase its interest to 51%, FQML will have a period of 3 years from the effective date to spend a further $6,000,000 in exploration expenditures thereon. Upon earning a 51% interest in Bursa, FQML will have the option to increase its interest in Bursa to 70% by delivering to Empire: (i) an independent technical report on Bursa delineating a copper resource (combined between one or more of the measured, indicated, or inferred categories) of not less than 1,000,000 tonnes; (ii) a formal document evidencing FQML's decision to mine; and (iii) a first year budget for work on the property. Upon FQML earning a 70% interest in Bursa, a joint venture with Empire will be formed, provided that FQML will have approximately 120 days thereafter to elect to purchase Empire's interest should Empire conclude that it is unable or does not wish to fund its pro-rata share of further work on Bursa.

The FQML Agreement is also subject to a right of first refusal held by Columbus Gold Corp. ("Columbus") under the letter agreement between Empire and Columbus announced March 29, 2012 (the "Columbus Agreement"). Columbus has tentatively waived its right of first refusal over the FQML Agreement, but in order to complete the transaction with FQML, Empire will be required to terminate its deal with Columbus (the "Columbus Termination") by refunding to Columbus its already-paid $2,000,000 (plus interest) deposit, as well as pay a break fee; this termination provision is specifically contemplated under the Columbus Agreement. As disclosed on March 29, 2012, Empire and Columbus each have a committee of independent directors formed to discuss these matters, and the two companies are presently in talks respecting the aforementioned termination. The FQML Agreement is conditional on the Columbus Termination.

In the event that FQML earns a 70% interest in Bursa under the FQML Agreement, it will have the right to acquire Empire's interest in Bursa in the event that Empire experiences a change of control by one or more persons acting jointly or in concert, exclusive of FQML, acquiring ownership of greater than 50% of the issued and outstanding shares of Empire. Under this option, FQML will have 120 days to acquire Empire's interest in Bursa by (i) preparing an updated independent technical report; (ii) commissioning an independent valuation based on such technical report and other material information in order to establish a valuation price; and (iii) purchasing Empire's interest in cash for the aforementioned valuation price.

Under the FQML Agreement, Empire will act as manager of Bursa for the first year following the effective date of the agreement. After this first year, FQML will have the right to replace Empire by providing 60 days' notice of such replacement to Empire. The FQML Agreement further provides an area of interest on any license or mineral rights within 5km outside the boundaries of the licenses that constitute Bursa. The transactions contemplated by the FQML Agreement are also conditional on Empire transferring legal title to Bursa from Alacer Gold Corp. The FQML Agreement contains other terms and conditions including without limitation provisions as to dilution, force majeure, right of first refusal and that the FQML Agreement will be replaced by a definitive agreement in due course.

Quality Assurance / Quality Control

Empire's Qualified Person, David C. Cliff, BSc (Hons), MIMMM, C Eng, FGS, also Empire's President & CEO, has reviewed and approved the content of this news release.

All core was sawn in half with sample widths determined by geology and mineralization. Individual samples within visible mineralization did not exceed 1.0 m, while the maximum sample interval was 2.0 m. Samples were bagged, security tagged and sent to the ALS Chemex sample preparation facility in Izmir, Turkey and, following preparation, to the ALS Chemex laboratory in Vancouver. Gold was determined by fire assay with AA finish, ore grade repeats were run with ICP-AES and a total of 33 elements determined by ICP after four-acid digestion. Blank, replicate and Certified Reference Material QA/QC samples were distributed regularly in the assayed batches and their total numbers are presented in Table 1 below.

Property	Total Number of Assayed Samples	Number of Standards	Number of Duplicates	Total Number of QAQC Samples
Demirtepe	3505	231	154	385
Karapinar	1583	76	62	138

Table 1: Number of samples and QA/QC samples from Demirtepe and Karapinar properties

In addition, ALS Chemex performed internal check assaying on about 5% of the samples, and also included analyses of internal standards inserted into the sample string.

The exploration results contained in this press release have already been reported by Empire in earlier news releases, which contain additional technical information respecting Bursa. The aforementioned news releases are dated January 18, 2011; May 9, 2011; May 18, 2011; June 20, 2011; August 23, 2011; August 30, 2011; September 1, 2011; September 20, 2011; September 26, 2011; and November 1, 2011.

ON BEHALF OF THE BOARD

Robert F. Giustra
Chairman

This release contains forward-looking information and statements, as defined by law including without limitation Canadian securities laws and the "safe harbor" provisions of the US Private Securities Litigation Reform Act of 1995 ("forward-looking statements"), respecting the transactions underlying the FQML Agreement and Private Placement. Forward-looking statements involve risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by the forward-looking statements, including without limitation Empire's ability to acquire necessary authorizations including that of the TSX Venture Exchange required for consummation of the FQML Agreement and Private Placement; the ability to locate qualified investors for the Private Placement, affecting the aggregate dollar value thereof; the ability to identify and comply with applicable prospectus and registration exemptions in Canada and potentially other jurisdictions in connection with a Common Share issuance under the Private Placement; the ability of the parties to complete the underlying conditions to the aforementioned transactions, including Empire's ability to complete its acquisition of legal title to Bursa; that Columbus will provide a firm waiver of its right of first refusal and the Columbus Termination; FQML's ability and desire to earn into Bursa, in connection with future drill results and other factors; political risk; environmental compliance; cost increases; availability of qualified workers; competition for mining properties; risks associated with exploration projects, mineral reserve and resource estimates (including the risk of assumption and methodology errors); dependence on third parties for services; non-performance by contractual counterparties; title risks; and general business and economic conditions.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including without limitation assumptions about; that Empire will be successful in obtaining required authorizations; that the parties will be successful in completing the conditions precedent to the aforementioned transactions; that Columbus will provide the Columbus Termination on terms reasonable to Empire or at all; that Empire will be able to pay the required fees to Columbus in connection with the Columbus Termination; that Empire will complete its acquisition of legal title of Bursa; that Empire will be able to locate qualified investors for the private placement; that the Private Placement will be conducted in compliance with applicable prospectus and registration exemptions in Canada and elsewhere; general business and economic conditions; the timing and receipt of required approvals; availability of financing; power prices; ability to procure equipment and supplies; and ongoing relations with employees, partners and joint venturers. The foregoing list is not exhaustive and Empire undertakes no obligation to update any of the foregoing except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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