

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2023

HIGHLIGHTS

- 🏠 Ongoing cataloguing and logging of historical drill core at Yuinmery.
- 🏠 Geophysical technique review completed at Yuinmery.
 - 🏠 Proposal for MobileMT received from Expert Geophysics Limited.
 - 🏠 MobileMT is an advanced ANSAF technology capable of high-resolution 3D mapping to depths exceeding 1km.
 - 🏠 MobileMT to be deployed to unlock deep conductive bodies beyond the capabilities of traditional geophysical techniques.
- 🏠 Horizon Minerals (ASX:HRZ) reports Penny's Find Resource **increase by 46% to 429kt @ 4.57g/t Au for 63,000oz** ^[1].
 - 🏠 Includes 80% Indicated Resource of **51,000oz @ 5.19g/t Au**.
 - 🏠 Empire holds a 5% gold royalty on the first 50,000oz recovered from the Penny's Find Gold Mine ^[2] and 2.5% above 50,000oz.
- 🏠 Business development activities ongoing.
 - 🏠 Multiple opportunities assessed during the quarter.
 - 🏠 Several prospective opportunities identified with further engagement into 2024.

Empire Managing Director, Sean Richardson commented:

"Reviewing the historical core and collecting additional physical data from Yuinmery has allowed Empire's geologists the opportunity to evaluate the project for new prospects and assess project wide Resource growth potential. As part of the geological review process a review of historical geophysical surveys identified an opportunity to deploy the advance MobileMT geophysical system to Yuinmery. MobileMT is capable of high-resolution 3D mapping to depths greater than 1km. Importantly, this system also has the capability to identify bedrock conductors at Yuinmery that traditional geophysical techniques failed to identify."

"On the business development front, Empire has been busy assessing new opportunities that have the potential to be value accretive to Empire's business. The Company continues to assess several highly prospective opportunities and looks forward to progressing these toward a positive outcome."

YUINMERY COPPER-GOLD PROJECT

In April 2023 Empire reported final assay results from a 924m reverse circulation (RC) drilling campaign ^[3] at its Yuinmery Copper-Gold Project located approximately 470km northeast of Perth in Western Australia.

The drilling follows up previously reported copper-gold assays within two broad pyrite-chalcopyrite sulphidic zones at the YT01 prospect ^[4] to approximately 130m below surface and shallow, high-grade copper and gold at the A-Zone prospect ^[5]. Both YT01 and A-Zone lie along strike of Empire's Just Desserts deposit which hosts a current JORC 2012 Resource of **2.52Mt @ 1.31% Cu & 0.49g/t Au** ^[6] extending to 400m vertical depth.

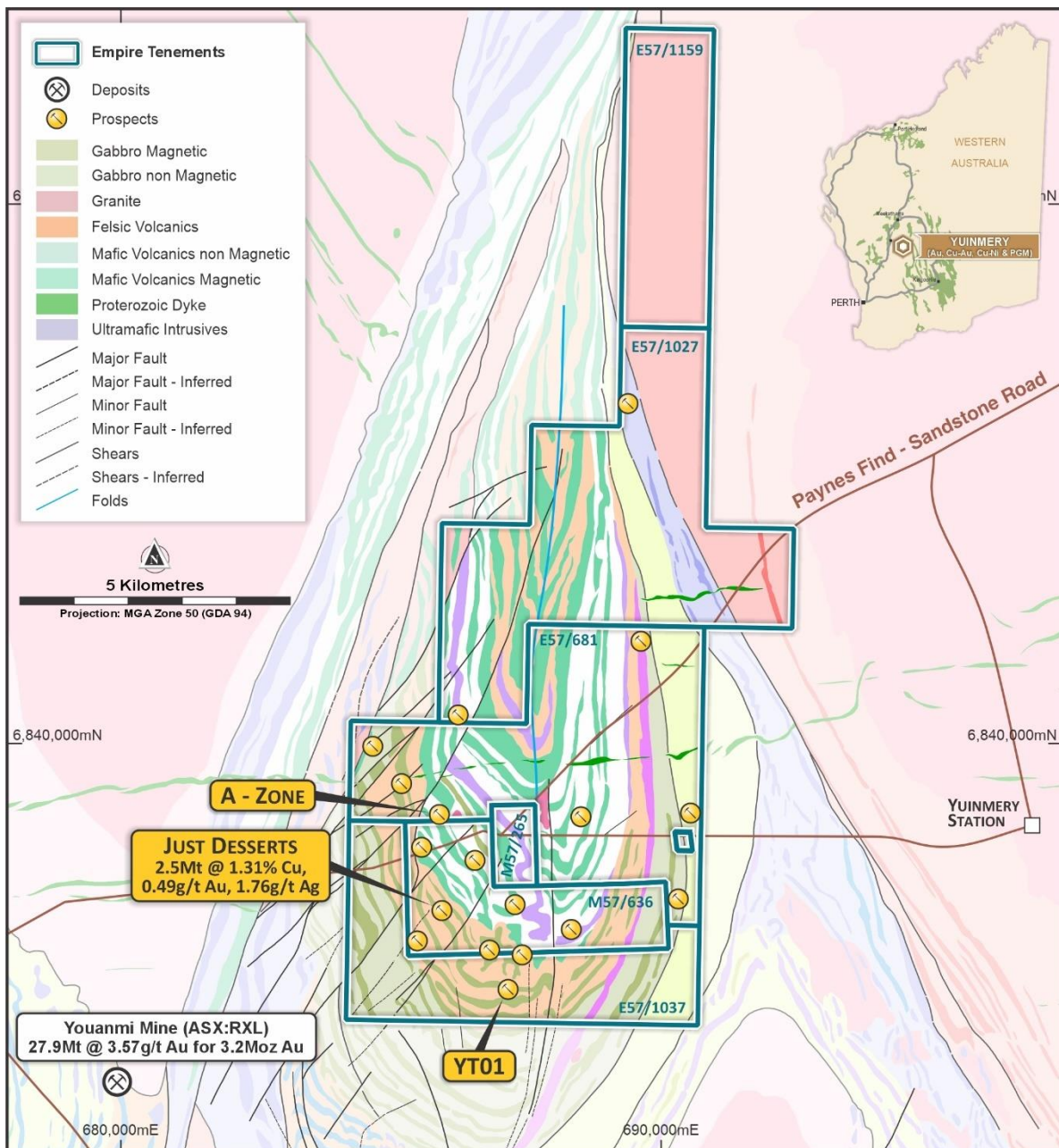


Figure 1 – Yuinmery Copper-Gold Project Prospects

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Geophysics has formed the basis for much of the exploration undertaken at Yuinmery leading to the identification multiple bedrock conductors at Just-Desserts, A-Zone, Smiths Well and numerous prospects across the project tenure. Subsequent follow up drilling has confirmed the presence of mineralisation at a number of these prospects, and in the case of Just-Desserts has led to the delineation of a JORC 2012 compliant mineral Resource.

Geophysical surveys conducted from 1969 through to 2009 were limited in their ability to penetrate to depths greater than 180m below surface, with some techniques not being capable of identifying known shallow bedrock conductors.

In 2019 Empire identified the YT01 target from multi-element (Au-Cu-Zn-Ni) geochemical anomalism over a strike length of >1 km with a geochemical signature similar to the Just Desserts deposit (Cu assays up to 1,330 ppm Cu and Au up to 49 ppb Au). While there is moderate anomalism within a mid-time channel, there is little indication of strong Electro-Magnetic (EM) anomalism at YT01.

Subsequent aircore (AC), reverse circulation (RC) and diamond drilling has identified broad zones of disseminated pyrite-chalcopyrite sulphides hosted within interpreted altered basalt to andesitic rocks. Broad zones of mineralisation approximately 65-70m thick and greater than 1,000ppb copper has been verified in drilling. Elevated intervals of copper mineralisation within this broad zone included 12m @ 0.48% Cu from 140m, 10m @ 0.46% Cu from 167m and 15m @ 0.37% Cu from 180m in YRC23-02 and 4m @ 0.45% Cu from 176m and 9m @ 0.55% Cu from 182m in YRC23-04.

Drilling has demonstrated that the mineralisation at YT01 extends over 500m in strike and is open in all directions. The recent discovery of YT01 is evidence that the Yuinmery Project has potential to host multiple, as yet undiscovered copper-gold mineralised bodies.

Empire is assessing the use of modern geophysical techniques that have deep penetrating capabilities. The technologies have the potential to discriminate conductive mineralisation and low grade disseminated mineralization. Empire has received quotations from Expert Geophysics Limited for the deployment of their MobileMT system at Yuinmery.

MobileMT is an advanced generation of airborne Airborne Natural Source Audio Frequency Magnetotelluric (ANSAF) technology capable of high-resolution deep resistivity 3D mapping to depths exceeding 1km. The technology utilizes the earth's natural (or passive) EM fields, primarily generated from global thunderstorm activity, which induce secondary fields and currents in the subsurface, to develop an understanding of the subsurface conductivity structure. The use of naturally occurring EM fields as a source of 'transmitted energy' overcomes many limitations inherent to other airborne EM systems and principles, such as depth penetration.



This technique, combined with the Company's existing extensive geological datasets including magnetics, drill core, geological mapping and geochemistry, will be deployed to detect deep conductive bodies beyond the capabilities of traditional geophysical techniques.

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ROYALTY PORTFOLIO

Penny's Find Royalty

Empire is entitled to royalty payments ^[2] on gold produced from the Penny's Find Gold Mine to the extent of 5% of gold recovered up to 50,000 oz and 2.5% on gold produced above that amount. Empire is also entitled to milestone payment obligations:

-  Mining commencement payment of \$200,000
-  First gold pour payment of \$200,000

Now owned by Horizon Minerals Ltd (ASX:HRZ), the Penny's Find Gold Mine is located approximately 45km northeast of Kalgoorlie in the Eastern Goldfields of Western Australia.

On 29 December 2023, Horizon Minerals announced a JORC2012 compliant Resource update at the Penny's Find Gold Project of **429kt @ 4.57g/t Au for 63,000oz** ^[1]. This represents a 46% increase in global ounces. Of significance, this updated Resource reportedly contains **305kt @ 5.19g/t Au for 51,000oz** within Indicated Resource category.

Horizon Minerals states that feasibility studies to develop maiden Ore Reserves are expected in the June Quarter of 2024 with a development decision to be made shortly thereafter.

In June 2023 Horizon Minerals announced that it had secured funding and the key approvals required to commence underground development of its Cannon Gold Project 33km south of Penny's Find Gold Mine ^[7]. Horizon states that the development of the Penny's Find Gold Mine would follow Cannon.

Horizon Minerals had earlier released the results of from an eight-hole RC/Diamond drilling program in May 2023 ^[8]. The drilling results were also very encouraging, with several intercepts >5.0g/t Au outside the current interpreted Resource model. A two-hole deep RC program was also completed to support the updated Resource estimate ^[9] with depth extensions to be targeted from underground drilling once the underground mine is in production.

Empire is pleased with the progress Horizon Minerals has made so far and looks forward to early development of the Penny's Find Gold Mine.

Gnaweeda Royalty

Empire retains a 1% gross revenue royalty on tenement E51/1995 owned by Great Boulder Resources (ASX:GBR). Empire notes that Great Boulder have been particularly active in the region at their Side Well Gold Project which is proximal to E51/1995.

Empire looks forward to seeing progress at Gnaweeda under the stewardship of Great Boulder's accomplished exploration team.

Diversity Royalty

Empire retains a 1% net smelter royalty on tenement E57/1202 owned by Diversity Resources Pty Ltd (Diversity). The tenement forms a part of Diversity's Youanmi Lithium Project. Empire looks forward to seeing progress on tenement E57/1202 under Diversity's stewardship.

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BUSINESS DEVELOPMENT

The Company continues to assess investment and project acquisition opportunities that suit the nature of the Company's current business activities. The Company assessed several prospective opportunities during the quarter that had potential to be value accretive to Empire's business.

The Company has elected to progress assessment of several prospective opportunities into 2024. While these opportunities remain materially incomplete, the Company is encouraged by their potential and remains enthusiastic about progressing them towards a favourable outcome.

CORPORATE

Financial Position

Expenditure during the quarter was approximately \$224,000, including \$112,000 expended on direct exploration and evaluation activities. Cash on hand at quarter's end was \$447,000.

Additional ASX Information

ASX Listing Rule 5.3.5: The Company advises that \$64,000 was paid to related parties or their associates during the quarter, comprising Executive Director salary and superannuation, and Non-Executive Director fees.

This announcement is authorised for release by:

Sean Richardson
Managing Director

For further information on the Company

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Additional Information

Further details relating to the information in this release can be found in the following ASX announcements:

1. ASX:HRZ "*Penny's Find Resource Update*" 29 December 2023
2. ASX:ERL "*Sale of Penny's Mining Lease for \$600K and Royalty Stream*" 4 March 2019
3. ASX:ERL "*Yuinmery RC Drilling Results*" 18 April 2023
4. ASX:ERL "*Assay Results from Yuinmery Project*" 2 May 2022
5. ASX:ERL "*Excellent Results from Yuinmery Drilling*" 22 September 2021
6. ASX:ERL "*Updated Copper-Gold Resources Yuinmery Project*" 17 May 2016
7. ASX:HRZ "*Funding and Key Approvals Secured for Cannon Underground Gold Project*" 14 June 2023
8. ASX:HRZ "*Penny's Find Drilling Shows Growth Potential*" 31 May 2023
9. ASX:HRZ "*Gold Exploration Update*" 5 December 2023

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Mr Mark Shelverton, who is a Member of the Australian Institute of Geoscientists. Mr Shelverton is a full-time employee of Empire Resources and has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity he is undertaking 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 Shelverton consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

The information in this report concerning the Mineral Resources for the Just Desserts deposit has 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 report of the matters based on his information in the form and context in which it appears.

New Information

Information concerning the current mineral resource estimate relating to the Just Desserts deposit is extracted from the ASX Announcement dated 17 May 2016.

Empire Resources Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Resource estimate in the relevant market announcement continue to apply and have not materially changed. Empire Resources Limited confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcements.

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About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focussed exploration and development company. Empire owns four highly prospective projects. The Yuinmery Copper-Gold Project 470km northeast of Perth in the Youanmi Greenstone Belt, the Barloweerie multi-element precious and base metal project, the Nanadie Copper-Gold Project southeast of Meekatharra in the Murchison Region and the Penny's Gold Project 45km northeast of Kalgoorlie in the prolific Eastern Goldfields Region of Western Australia. Empire's projects have numerous exploration targets with excellent potential.

Empire has an experienced team of exploration, development and financial professionals who are committed to developing a sustainable and profitable mineral business. Empire seeks to extract value from direct exploration of its existing projects as well as identifying value accretive investment opportunities that complement the Company's development objectives.



Empire Resources Project Locations

Tenement Holdings @ 31 December 2023				
Project	Tenement ID	% Interest Held 30 September 2023	% Interest Held 31 December 2023	Comments
Penny's	E27/592	100	100	
	E27/593	100	100	
	E27/640	100	100	
	P27/2245	100	100	
	P27/2262	100	100	
	P27/2480	100	100	
	E27/691	0	0	Application
Yuinmery	M57/265	100	100	
	M57/636	100	100	
	E57/1037	100	100	
	E57/681	92.78	92.78	JV earning up to 95%
	E57/1027	92.78	92.78	JV earning up to 95%
	E57/1159	100	100	
Barloweerie	E59/2306	100	100	
	E59/2521	0	0	Application
	E59/2523	0	0	Application
Nanadie Well	E51/1938	100	100	
	E51/1985	100	100	
	E20/968	100	100	
Wiluna	P53/1707	100	100	
White Flag	E24/238	100	100	Granted
Paynesville	E58/611	0	0	Withdrawn

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EMPIRE RESOURCES LTD

ABN

32 092 471 513

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(112)	(289)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(60)	(120)
	(e) administration and corporate costs	(53)	(156)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – net GST (paid) / refunded	-	(6)
1.9	Net cash from / (used in) operating activities	(224)	(567)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	671	1,014
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(224)	(567)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	447	447

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	447	671
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	447	671

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	64
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(224)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(224)
8.4 Cash and cash equivalents at quarter end (item 4.6)	447
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	447
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.