



29 January 2021

ASX Release

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020

### PENNY'S GOLD PROJECT

- Assay results received for 22 aircore holes during the quarter including:
  - **12m @ 0.80g/t Au** from 40m, including **4m @ 1.78g/t Au** from 48m (PAC20-02)
  - **22m @ 0.45g/t Au** from 36m to EOH (PAC20-17)
- Follow up reverse circulation drilling completed with assay results pending.

### YUINMERY PROJECT

- Aircore drilling of multiple Cu-Au and Cu-Ni-PGM targets completed during the quarter with results pending.
- Further aircore and reverse circulation drilling underway.

### CORPORATE

- Dacian Gold (ASX:DCN) announced take-over of NTM Gold (ASX:NTM) valued Empires NTM stock holding at approximately A\$6.5M.
- The Company remains well funded with cash and investments valued at \$7.5M at 31 December 2020.

Empire Resources Limited (ASX:ERL) ('the Company' or 'Empire') is pleased to provide its quarterly activities report for the period ending 31 December 2020.

**Empire Managing Director, Sean Richardson commented:**

*"The Company's investment in NTM Gold continues to mature. The merger announced between NTM Gold and Dacian Gold valued Empire's investment at \$6.5M. The value of that investment has subsequently appreciated further to \$7.3M based on NTM closing share price of \$0.16 on 28/01/2021.*

*"This is an outstanding result and offers the opportunity for non-dilutionary funding to progress the Company's exploration plans.*

*"Exploration efforts continue to add value and the Company remains committed to delivering targeted exploration programs across the portfolio with aircore and RC drilling programs currently underway.*

*"The latest aircore drilling at the Penny's Gold Project has produced excellent results. The presence of a broad zone of supergene gold mineralisation is extremely encouraging and has already been followed up with further RC drilling. The Company awaits the results for this drilling plus additional targeted drilling across multiple prospects at Penny's.*

*"Exploration has also advanced at the Yuinmery Project with aircore and RC drilling of multiple high priority targets completed during the December quarter and subsequently into the March 2021 quarter.*

*"The Company looks forward to updating shareholders of exploration progress as results become available."*

## **PENNY'S GOLD PROJECT**

Exploration at the Company's Penny's Gold Project near Kalgoorlie continued to advance during the December quarter. Results from the 22 hole, 1,381m aircore (AC) drilling campaign in September 2020<sup>5</sup> were received during the quarter. The AC drill program aimed to determine the extent of the interpreted supergene gold mineralisation at the PF09 prospect, which was initially defined by surface geochemical anomalism.

AC drilling returned consistently strong gold anomalism from consecutive holes with peak gold results of **12m @ 0.80g/t Au** from 40m, including **4m @ 1.78g/t Au** from 48m in hole PAC20-02.

The gold anomaly at the PF09 is coincident with the northeast trending, western limb of the interpreted "Penny's Anticline". The lateral extent of the anomaly was extended up to 250m wide and the target remains open along strike.

1,120m of first pass reverse circulation (RC) drilling was completed during the quarter across PF09 and additional high priority targets at Penny's, including PF04, PF08, and PF10.

3 RC drill holes at PF09 targeted zones of shearing noted in the 2020 AC drill holes and the interpreted intersection of dominant second and third order structures. The supergene gold mineralisation identified by the first pass AC drilling is a positive indicator that the targeted key structures may be mineralised.

The geology observed in the AC drilling at PF09 consists of mafic and felsic units such as magnetic shales, banded iron formation, or "BIF", basalt, and felsic sediments. These geological competency contrasts are considered a key targeting criteria when sighting the location of RC drill holes.

PF04 is located in a structural and geological setting directly analogous to the historical Penny's Find Gold Mine, where mineralisation is related to a north to north-northwest trending fault zone on the contact between sediments and basalt.

A 2007 RAB hole at PF04 returning **18m @ 1.7g/t Au** from 44m, including **2m @ 2.11g/t Au** (PFRAB07-55)<sup>1</sup> at the bottom of hole. 2 RC holes at PF04 were drilled during the quarter to follow up on this historical intercept in fresh rock.

2 RC drill holes at PF08 were drilled across an area with a strong magnetic signature that is interpreted to be associated with chemical and/or volcanoclastic sediments. The RC holes were located where a strong northwest structural trend is truncated by southeast and northeast structures, therefore providing a favourable site for ore formation and localisation.

PF10 is defined by a residual geochemical soil anomaly that was RAB drilled in 2007 and returned **16m @ 0.44g/t Au** from 36 (PFRAB07-100)<sup>1</sup>. One first pass RC hole was drilled during the current quarter at PF10.

It is important to note there has been no systematic or follow up exploration since 2010 at the Penny's Gold Project.

Results are pending for the December quarter RC drilling.

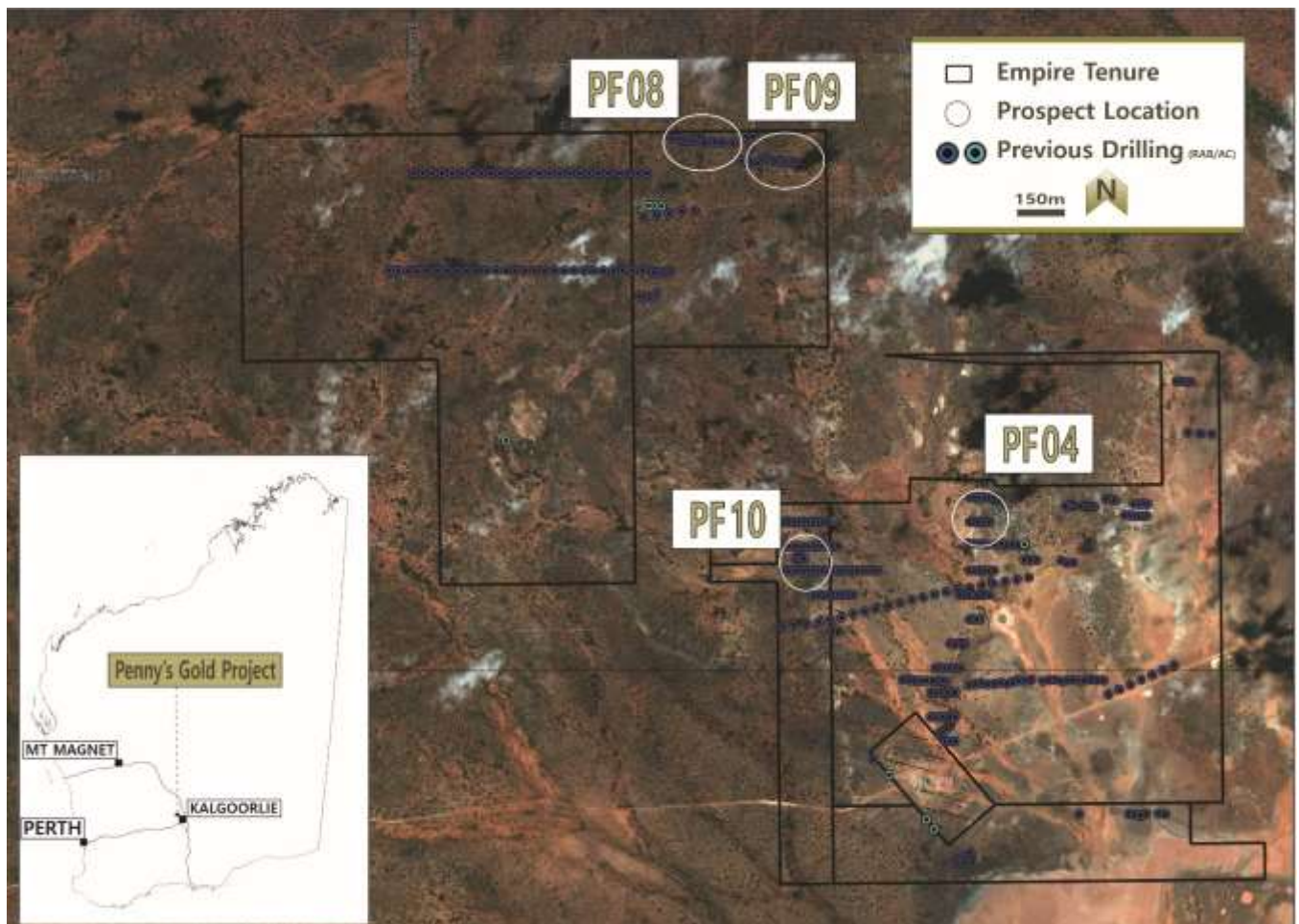
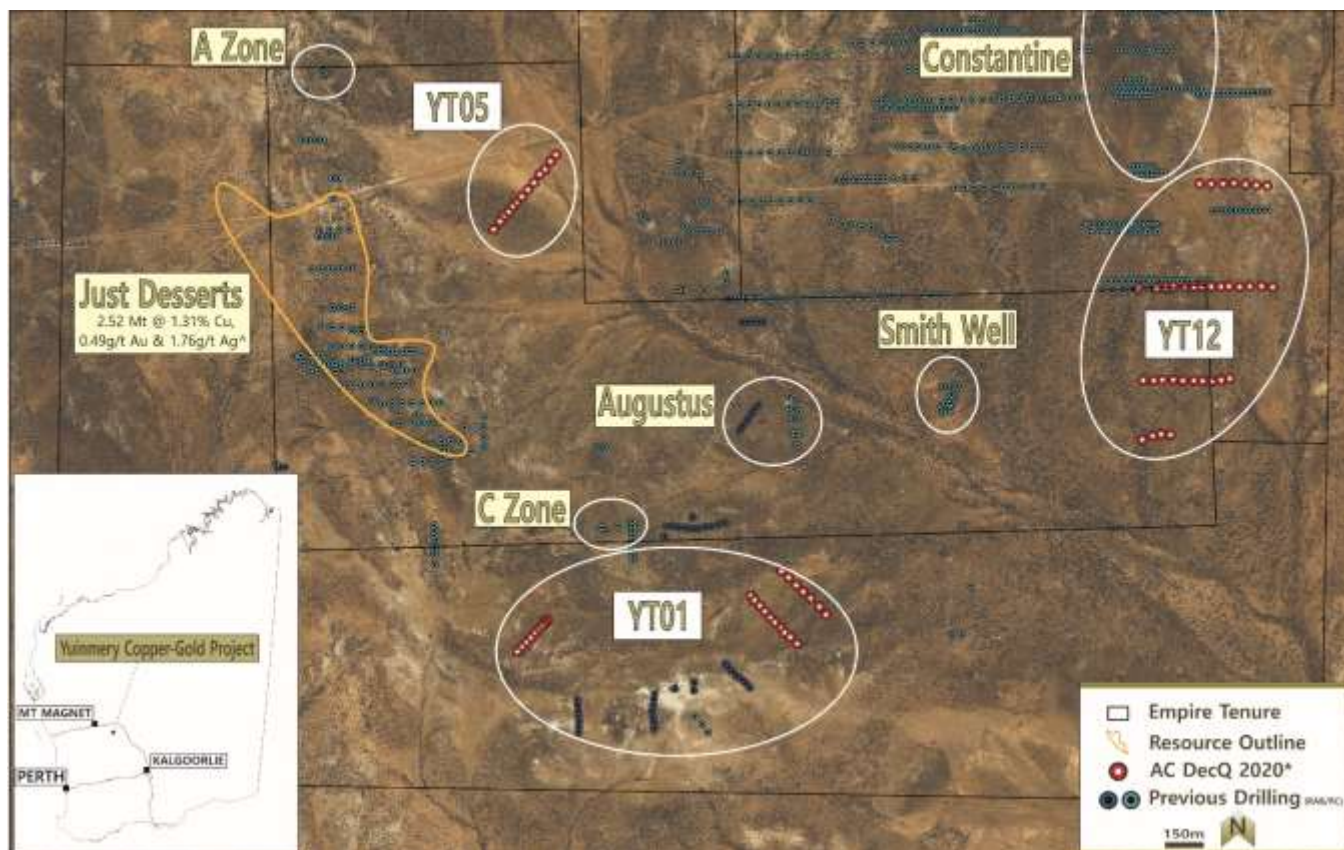


Figure 1 – Aircore Drillhole Locations at Penny's Gold Project

## YUINMERY PROJECT

76 AC holes for 2,786m were completed during the quarter at the Yuinmery Project.

The AC drilling targeted several high priority geochemical and geophysical anomalies prospective for VMS-type Cu-Au and Cu-Ni-PGE mineralisation at the YT01, YT02, YT05, and the YT12 prospects.



**Figure 2 – Yuinmery Copper-Gold Project Prospects and Drill Hole Locations**

YT01 and YT02 are interpreted as potential offsets of the Just Desserts and C Zone deposits, due to local folding and faulting of the pre-existing geological units and/or later mafic intrusive event.

Mineralisation at the Just Desserts and C Zone deposits is located close to the contact between basaltic and andesitic rocks on the western limb of the Yuinmery Syncline. The basalt-andesite contact can be traced along strike from Just Desserts to C Zone and around the heel of the Yuinmery Syncline towards and across the eastern limb.

The high priority YT01 prospect was identified by the Company in late 2019 and is associated with a strong east-west trending-multi-element (Au-Cu-Zn-Ni) geochemical signature that extends over 3.5km in strike length.

Of significance is the recently identified potential for PGM mineralisation at Yuinmery. YRC20-28, an RC hole drilled in June 2020 at YT01, found elevated platinum (Pt) and palladium (Pd) values associated with broad Cu-Ni mineralisation.

YRC20-28 averaged **12m @ 0.34g/t Pd, 0.11g/t Pt, 0.38% Cu, 0.11% Ni & 0.02% Co** from 151m. Values of up to **0.53g/t Pd & 0.24g/t Pt** were returned from 1m samples splits<sup>5</sup>.

The YT02 and YT05 prospects are also associated with an anomalous multi-element (Cu-Au-Zn-Ni) geochemical signature and alteration minerals such as talc and chlorite that are consistent with potentially large, mineralised VMS systems. YT02 is coincident with a strong to moderate

electromagnetic signature, and YT05 is coincident with a distinct, late time, electromagnetic conductor.

Importantly, YT02 and YT05 are both concealed by transported cover and the bedrock has not been tested previously.

YT12 is associated with a broad Cu-Au-Zn-Ni soil anomaly, currently defined across 1km in strike. It is located along the contact between mafic volcanic rocks and conductive sediments (exhalates and BIF).

Results are also pending for the December quarter AC drilling at Yuinmery.

Follow up RC and AC drilling has been planned for early 2021 at the Yuinmery Project and drilling is currently underway at the time of writing.

RC drilling will target depth extensions to the broad zone of elevated PGM mineralisation at YT01 in hole YRC20-28<sup>4</sup>, depth extensions to the north-eastern limb of Smith Well and any multi-element anomalism identified from the December quarter AC drilling.

Additional first pass AC drilling is planned to test regional gold and base metals targets with follow up RC or diamond drilling as appropriate.

## **CORPORATE**

### **Financial Position**

Expenditure during the December quarter was approximately \$612,000 with cash on hand at quarters end of \$868,000.

### **Investments**

At the close of the quarter the Company held 45,888,708 shares in NTM Gold Limited (ASX:NTM) representing a 6.76% interest. Empire acquired its shares in NTM in July 2019 at \$0.0325 per share for \$1,499,875 invested<sup>3</sup>. The closing price of \$0.145 at the end of the quarter values the holding at \$6,653,863.

NTM is subject to a script offer from Dacian Gold (ASX:DCN) of one Dacian share for 2.7 NTM shares. The transaction is due for completion early in March 2021.

### **Penny's Find Royalty**

Empire is entitled to royalty payments 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.

During the period Horizon Minerals Ltd (ASX:HRZ) advised the Market that it had entered a joint venture with Orminex Limited (ASX:ONX) for development of the Penny's Find Gold Mine. The joint venture allows resource definition and technical works to be fast tracked with the aim of commencing site works for project development in the first half 2021<sup>6</sup>.

Empire is encouraged by the joint venture and looks forward to further development of the Penny's Find Gold Mine in the first half of 2021.

### **Eastern Goldfields Milling Services (EGMS)**

Empire remains in dispute with Eastern Goldfield Milling Services Pty Ltd regarding gold unaccounted for following a toll treatment milling campaign conducted by EGMS at its Burbanks Gold Processing facility in late 2017. Empire is seeking to recover gold valued in excess of \$1 Million. The matter has been referred to Arbitration.

Empire submitted documents to the Arbitrator during the quarter. The next Arbitration hearing is scheduled to commence on the 5<sup>th</sup> of March 2021.

### **Additional ASX Information**

ASX Listing Rule 5.3.5: The Company advises that \$84,000 was paid to related parties or their associates during the quarter, comprising Executive Director salary and superannuation, and Non-Executive Director fees, of which \$8,000 was a payment to a former Director.

This announcement is authorised for release by:

**Sean Richardson**  
**Managing Director**

For further information on the Company  
Phone: +61 8 9386 4699  
[www.resourcesempire.com.au](http://www.resourcesempire.com.au)



## About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focussed exploration and development company. Empire owns 100% of two highly prospective projects. The Yuinmery Copper-Gold Project 470km North East of Perth in the base metal rich Youanmi greenstone belt and the Penny's Gold Project 45km North East 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 in its existing projects as well as identifying value accretive investment opportunities that complement the Company's development objectives.

## Competent Person Statements

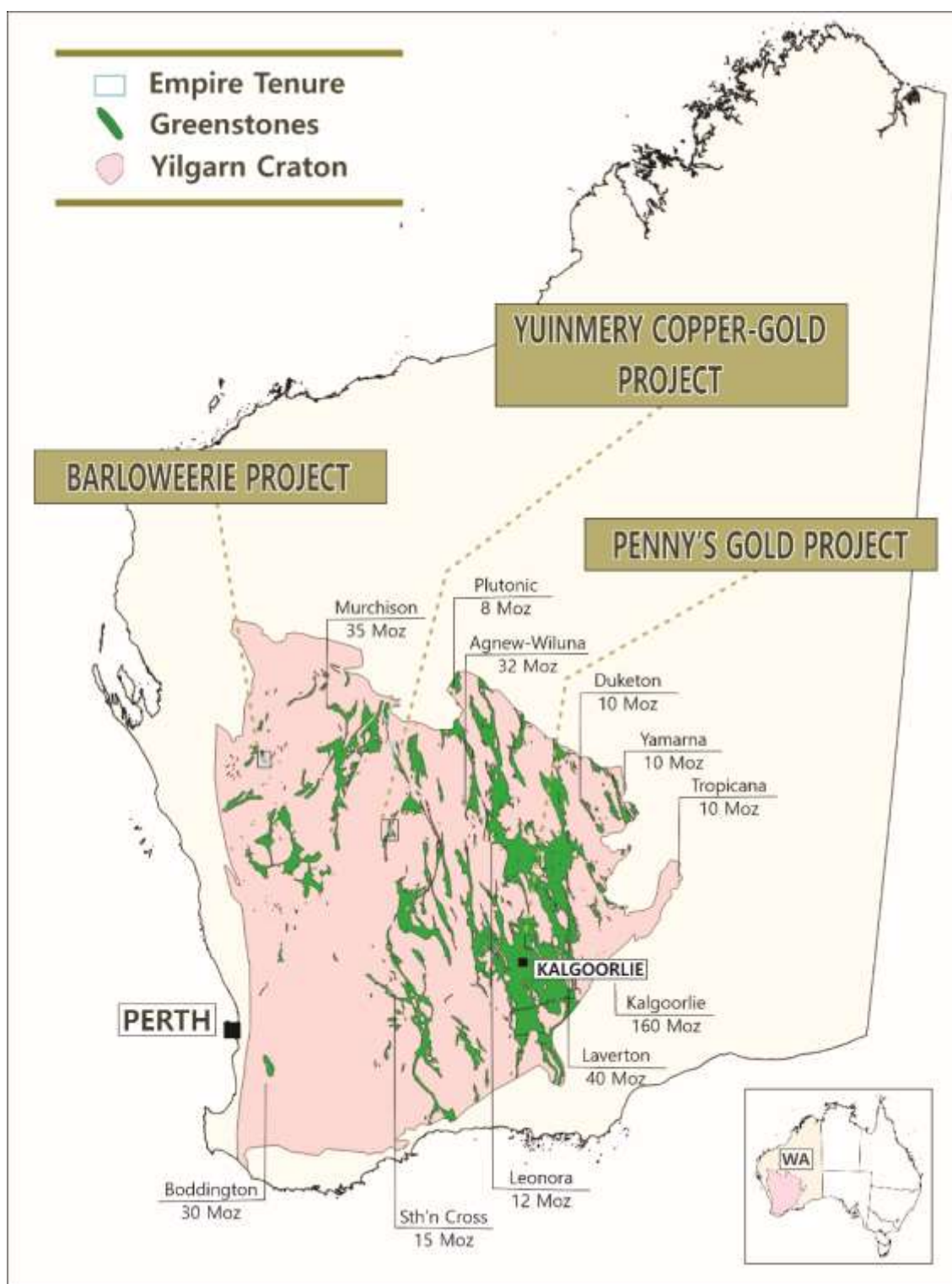
The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Melanie Sutterby, who is a Member of the Australian Institute of Geoscientists. Miss Sutterby is an employee of Empire Resources and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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". Miss Sutterby consents to the inclusion in the report of the matters based on this information in the form and context in which they appear.

The information in this release 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 public release of the matters based on his information in the form and context in which it appears.

## Additional JORC Information

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

1. ASX:ERL "*Results of RAB drilling at Penny's Find*" 3 October 2007
2. ASX:ERL "*Updated Copper-Gold Resource Yuinmery Project*" 17 May 2016
3. ASX:ERL "*Empire Makes Investment in NTM Gold Limited*" 11 July 2019
4. ASX:ERL "*Encouraging Cu-Ni-PGM Mineralisation in Drilling at Yuinmery*" 23 July 2020
5. ASX:ERL "*Widespread Gold Mineralisation in Aircore Drilling at Pennys*" 12 October 2020
6. ASX:ONX "*Orminex Enters Development Joint Venture for Penny's Find*" 30 November 2020



**Project Location Map**

Tenement Holdings at 31 December 2020				
PROJECT	TENEMENT NUMBER	PERCENTAGE INTEREST HELD	PERCENTAGE INTEREST HELD	COMMENTS/ CHANGES SINCE LAST QUARTER
		30 September 2020	31 December 2020	
PENNY'S	E27/553	100	100	
	E27/591	100	100	
	E27/592	100	100	
	E27/593	100	100	
	P27/2245	100	100	
	P27/2262	100	100	
	E27/640	0	0	Application
YUINMERY	M57/265	100	100	
	M57/636	100	100	
	E57/1037	100	100	
	E57/681	91.89	91.89	
	E57/1027	91.89	91.89	
	E57/1159	0	0	Application
BARLOWEERIE	E59/2306	100	100	
POISON HILLS	E51/1938	100	100	
	E51/1985	0	0	Application
	E20/968	0	0	Application
MEEKATHARRA	E51/1995	0	0	Application
WILUNA	P53/1707	0	0	Application