

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2021

### HIGHLIGHTS

- ⊕ High grade gold results from Penny's RC Drilling.
  - ⊕ **1m @ 7.27g/t Au** from 153m in PRC20-03;
  - ⊕ **4m @ 1.22g/t Au** from 60m in PRC20-05; and,
  - ⊕ **4m @ 3.12g/t Au** from 36m in PRC20-07.
- ⊕ Widespread copper, nickel and gold anomalism in AC drilling at Yuinmery.
  - ⊕ **2m @ 1,148ppm Cu** from 36m (EOH) in YAC20-10;
  - ⊕ **6m @ 2,182ppm Cu** from 20m (EOH) in YAC20-40;
  - ⊕ **4m @ 2,776ppm Cu & 679ppb Au** from 12m in YAC20-45; and
  - ⊕ **12m @ 2,349ppm Ni** from 8m (EOH) in YAC20-73.
- ⊕ Strengthening balance sheet and a sturdy financial position
  - ⊕ \$850k in cash and financial asset receivables.
  - ⊕ \$5.2M investment in Dacian Gold (ASX:DCN).
  - ⊕ Royalty pre-payments received for Penny's Gold Mine.

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

*"The first RC program on Empire's Penny's Exploration tenements in almost 10 years has yielded excellent results. The high-grade gold intercepted at the recently identified PF09 prospect is truly outstanding and reinforces our systematic approach to exploration.*

*"We are also very encouraged by the initial AC and RC drilling of our regional targets at Yuinmery. These exciting prospects have the potential to host repetitions of the nearby Just-Desserts Resource.*

*"Empire's significant investment portfolio ensures the Company remains well funded to continue exploration across its entire portfolio. Additional drilling is planned for both Penny's and Yuinmery and the Company looks forward to providing further updates as exploration progresses."*

**ASX Announcement** 27 April 2021

## **INVESTMENTS**

### **Dacian Gold**

During the quarter Dacian Gold Limited (ASX:DCN) completed its scrip offer for NTM Gold Limited (ASX:NTM) and in the process Empire received 16,995,818 Dacian shares for its NTM shares. Empire acquired its shares in NTM in July 2019 at \$0.0325 per share for \$1,499,875 invested<sup>1</sup>.

During the quarter Empire sold 1,245,818 Dacian shares for net proceeds of \$425,948.

At the close of the quarter the Company held 15.75 million shares in Dacian Gold Limited valued at \$5.2 million.

### **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.

The Penny's Find Gold Mine is operated as a joint venture between Orminex Limited (ASX:ONX) and Horizon Minerals Ltd (ASX:HRZ). The joint venture allows resource definition and technical works to be fast tracked with the aim for a development decision to be made in the September Quarter 2021<sup>2</sup>.

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

During the quarter Empire invoiced and subsequently received \$100,000 for royalty pre-payments. Empire is entitled to two additional royalty prepayments of \$100,000 each at six monthly intervals. The royalty prepayments are made in the absence of mining activities.

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## PENNY'S GOLD PROJECT

A total of 8 RC holes for 1,120m were completed at the project in December 2020 across four prospect areas.

Bedrock gold mineralisation has been intersected at PF09 in hole PRC20-03, returning **1m @ 7.27g/t Au and 7,396ppm As** from 153m within a mineralised alteration halo grading **3m @ 2.54g/t Au and 3,976ppm As** from 151m<sup>1</sup>. Mineralisation at PF09 is associated with quartz veining, disseminated pyrite and arsenopyrite, and ductile shearing in an ultramafic rock unit.

Drilling at PF09 has also confirmed the presence of a flat lying >0.2g/t gold supergene anomaly that is approximately 8m thick (true thickness), 250m wide and open to the north and south. The supergene blanket drapes across a dominant mafic-ultramafic contact. The target is interpreted to coincide with the western limb of the interpreted Penny's Anticline and the convergence of several cross-cutting structures.

Gold mineralisation at PF09 is strongly associated with arsenic (As), a gold pathfinder element common to Goldfield's-style mineral systems. The strong correlation of Au and As at PF09 is an encouraging result for the Company.

While the controls and extent of the bedrock gold mineralisation have not yet been fully established, the presence of a strong supergene anomaly, arsenic and bedrock gold mineralisation that is associated with significant geological complexity are encouraging signs and warrant follow up drilling.

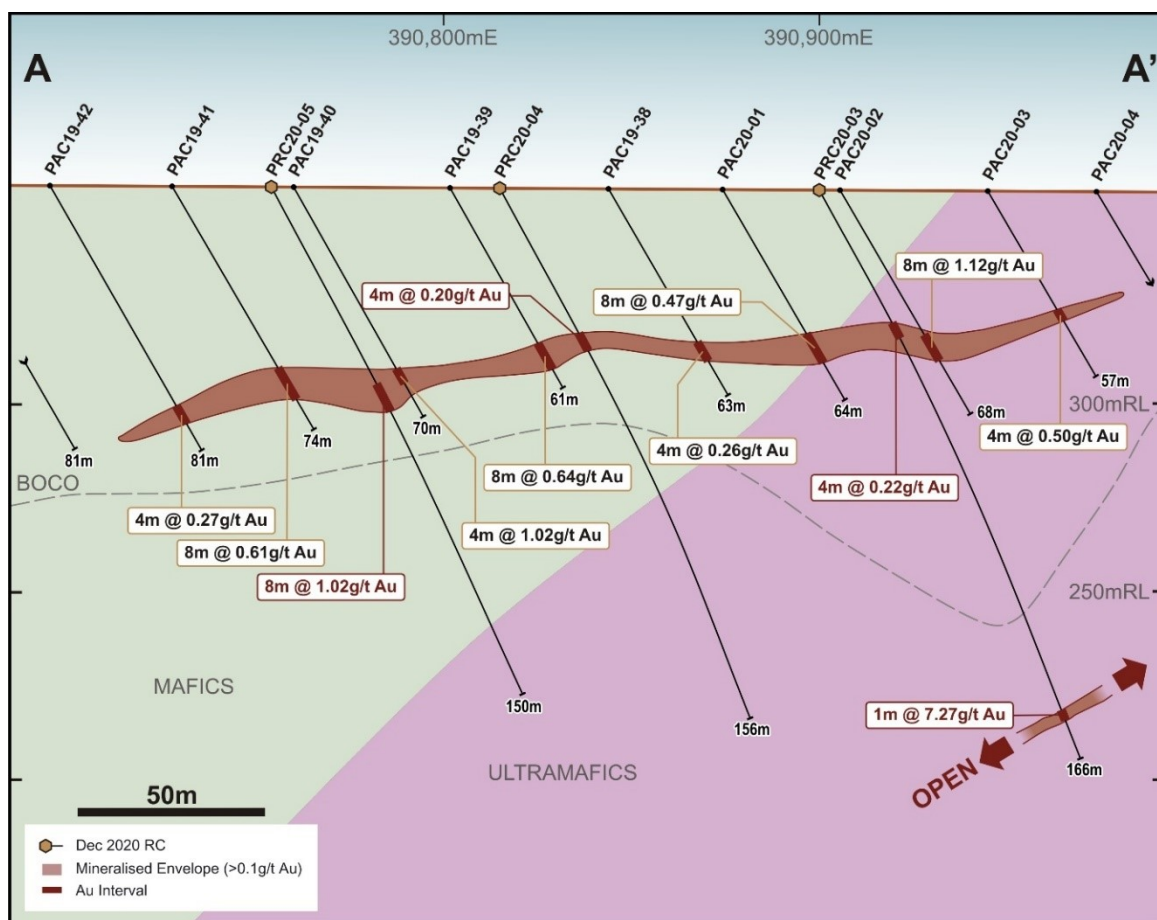
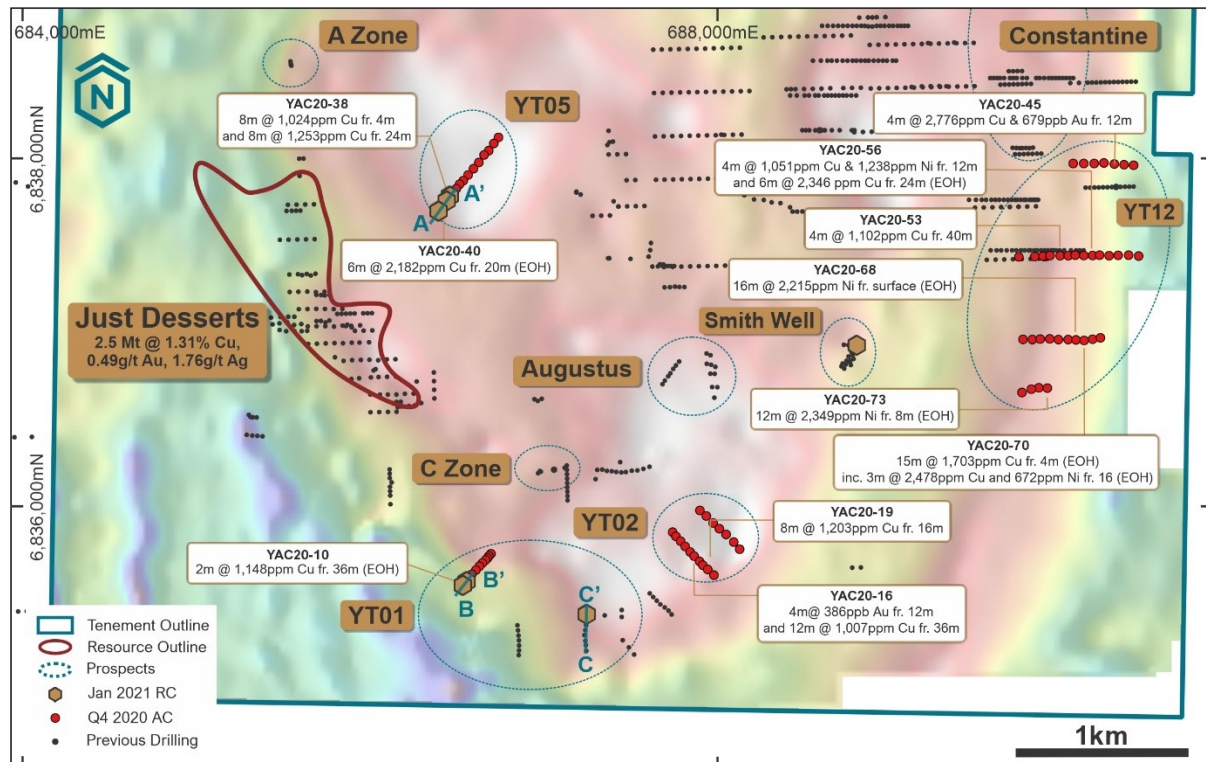


Figure 1 – PF09 Prospect 6,628,850mN Cross Section A-A'.

## YUINMERY COPPER-GOLD PROJECT

Results from reconnaissance AC drilling during December 2020 were received during the quarter<sup>4</sup>. The AC drilling targeted several high priority geochemical and geophysical anomalies prospective for VMS-type Cu-Au and Cu-Ni-PGM mineralisation.

RC drilling during the quarter swiftly followed up several prioritised anomalies identified from the December AC drilling. In total 7 RC holes for 901m were completed across the YT01, YT05 and Smiths Well prospects.



**Figure 2 – Yuinmery Deposits, Prospects and Drill Collar Locations.  
 Base Image VTEM ch25\_1641us\_NEshade.**

Empire's improved understanding of the geology, alteration characteristics and structure at Yuinmery, paired with discovery of new Cu-Au, Cu-Ni and PGM occurrences have now expanded the Company's opportunities to target previously untested areas. Of significance is the evolution of Empire's conceptual models of VMS deposits, layered PGM occurrences and orogenic gold mineralisation used to target exploration.

Ongoing geochemical and geophysical analysis will to be used in the identification of geochemical discontinuities and/or stratigraphic horizons that may have coincided with periods of hydrothermal activity and the formation of VMS mineralisation.

A systematic exploration approach is employed to test Empire's pipeline of targets, with first pass AC, infill AC and RC programs planned at multiple regional targets and where results indicate. Diamond and RC drilling is also planned to test deeper conductive bodies and to test favourable stratigraphic and structural targets for VMS mineralisation.

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## **CORPORATE**

### **Financial Position**

Expenditure during the December quarter was approximately \$552,000 with cash on hand at quarter's end of \$428,000.

At the end of the quarter the Company had approximately \$313,000 in unsettled Dacian share sale proceeds plus a further \$110,000 in unsettled royalty prepayments. Both the share proceeds and royalty prepayments were settled in the first week of April.

### **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.

An arbitration hearing was held during the first week of March 2021. The Arbitrator has heard submissions from both parties and adjudication is expected in May 2021.

### **Additional ASX Information**

ASX Listing Rule 5.3.5: The Company advises that \$60,000 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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## About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focussed exploration and development company. Empire owns 100% of three highly prospective projects. The Yuinmery Copper-Gold Project 470km North East of Perth in the base metal rich Youanmi Greenstone Belt, the Barloweerie multielement precious and base metal project in the Murchison Region 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

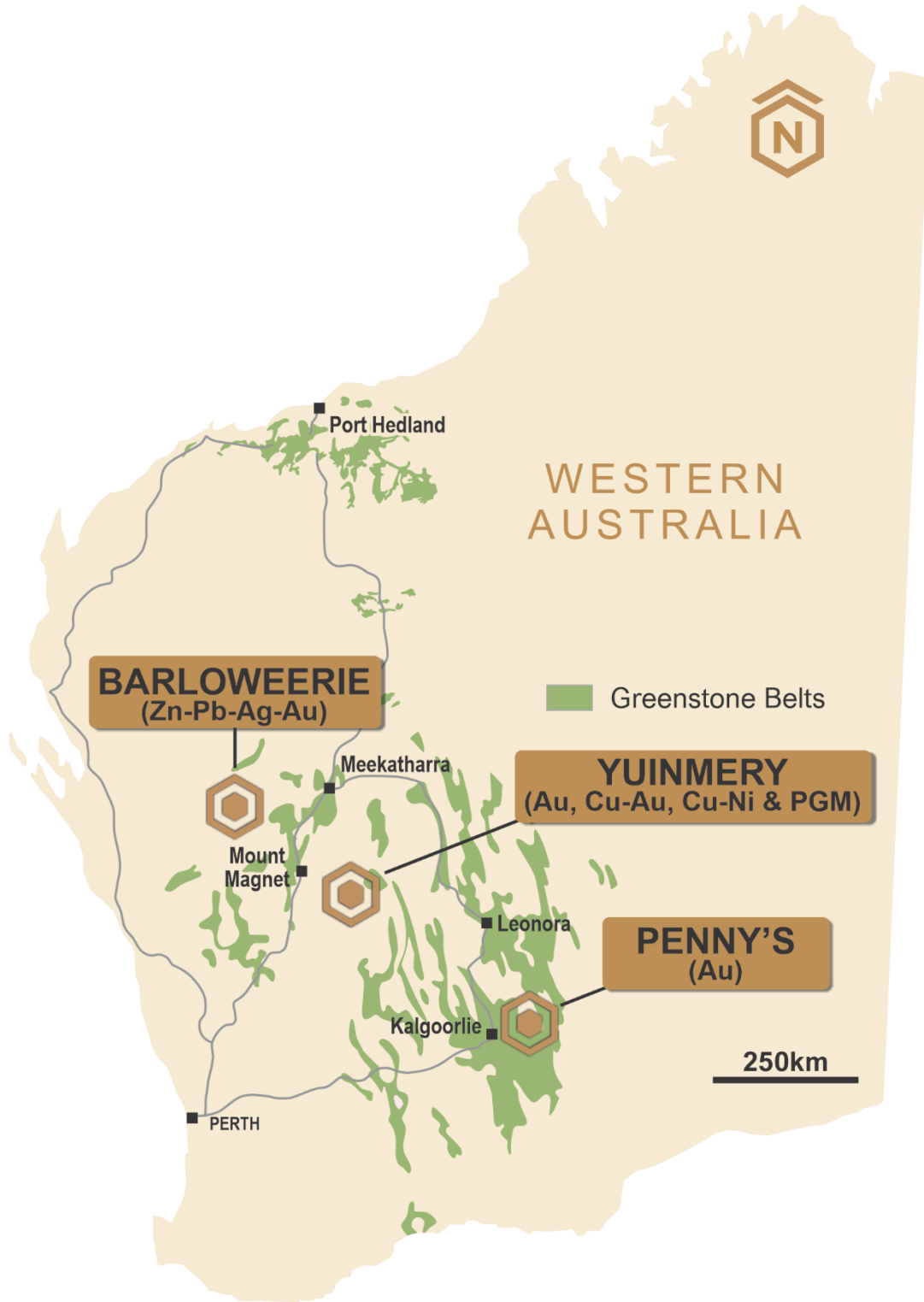
The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Melanie Sutterby, who is a Member of the Australian Institute of Geoscientists. Miss Sutterby is an employee of Empire Resources and has sufficient experience that is relevant to the 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 "*Empire Makes Investment in NTM Gold Limited*" 11 July 2019
2. ASX:HRZ "*Excellent Initial High Grade Drilling Results from Penny's Find Joint Venture*" 14 April 2021
3. ASX:ERL "*Encouraging Gold Intercepts at Penny's*" 29 March 2021
4. ASX:ERL "*Widespread Copper, Gold & Nickel Mineralisation in Aircore Drilling at Yuinmery*" 15 February 2021



**Empire Resources Project Locations**

Tenement Holdings @ 31 March 2021				
Project	Tenement ID	% Interest Held 31 December 2020	% Interest Held 31 March 2021	Comments
<b>Penny's</b>	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
<b>Yuinmery</b>	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	100	Granted
<b>Barloweerie</b>	E59/2306	100	100	
	E59/2521	0	0	Application
	E59/2522	0	0	Application
	E59/2523	0	0	Application
<b>Nanadie Well</b>	E51/1938	100	100	
	E51/1985	0	100	Granted
	E20/968	0	100	Granted
<b>Meekatharra</b>	E51/1995	0	0	Application
<b>Wiluna</b>	P53/1707	0	0	Application