

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

HIGHLIGHTS

- 🏠 Assay results for 5,289m aircore (AC) drilling at the Penny's Gold Project
 - 🏠 **8m @ 2.89g/t Au** from 64m in PAC22-14
 - 🏠 including **4m @ 5.33g/t Au** from 64m
 - 🏠 **7m @ 1.66g/t Au** from 48m (EOH) in PAC22-29
 - 🏠 including **2m @ 2.42g/t Au** from 52m
 - 🏠 **4m @ 2.41g/t Au** from 56m in PAC22-50
 - 🏠 **6m @ 0.92g/t Au** from 48m in PAC22-63
 - 🏠 including **4m @ 1.21g/t Au** from 48m
 - 🏠 **12m @ 0.76g/t Au** from 8m in PAC22-06
 - 🏠 including **4m @ 1.22g/t Au** from 12m
- 🏠 1m re-split samples collected with results received post December quarter.
- 🏠 Divestment of non-core tenements adds to royalty portfolio.
- 🏠 \$520,000 raised in a well-supported non-renounceable rights issue.

Empire Managing Director, Sean Richardson commented:

"The strong gold results returned in assays from the September 2022 AC drilling demonstrate the potential for the Penny's Gold Project near Kalgoorlie. The results support the potential for additional economic gold mineralisation discoveries analogous to the proximal high-grade Penny's Find Gold Mine."

"The balance sheet was improved during the quarter with the addition of \$520,000 raised during a well-supported non-renounceable rights issue to existing shareholders. Empire thanks all shareholders that participated in the rights issue for their continued support."

"Empire remains well funded with sufficient resources to continue to execute its exploration and corporate objectives. Empire looks forward to updating shareholders as exploration continues across the entire portfolio of exploration projects."

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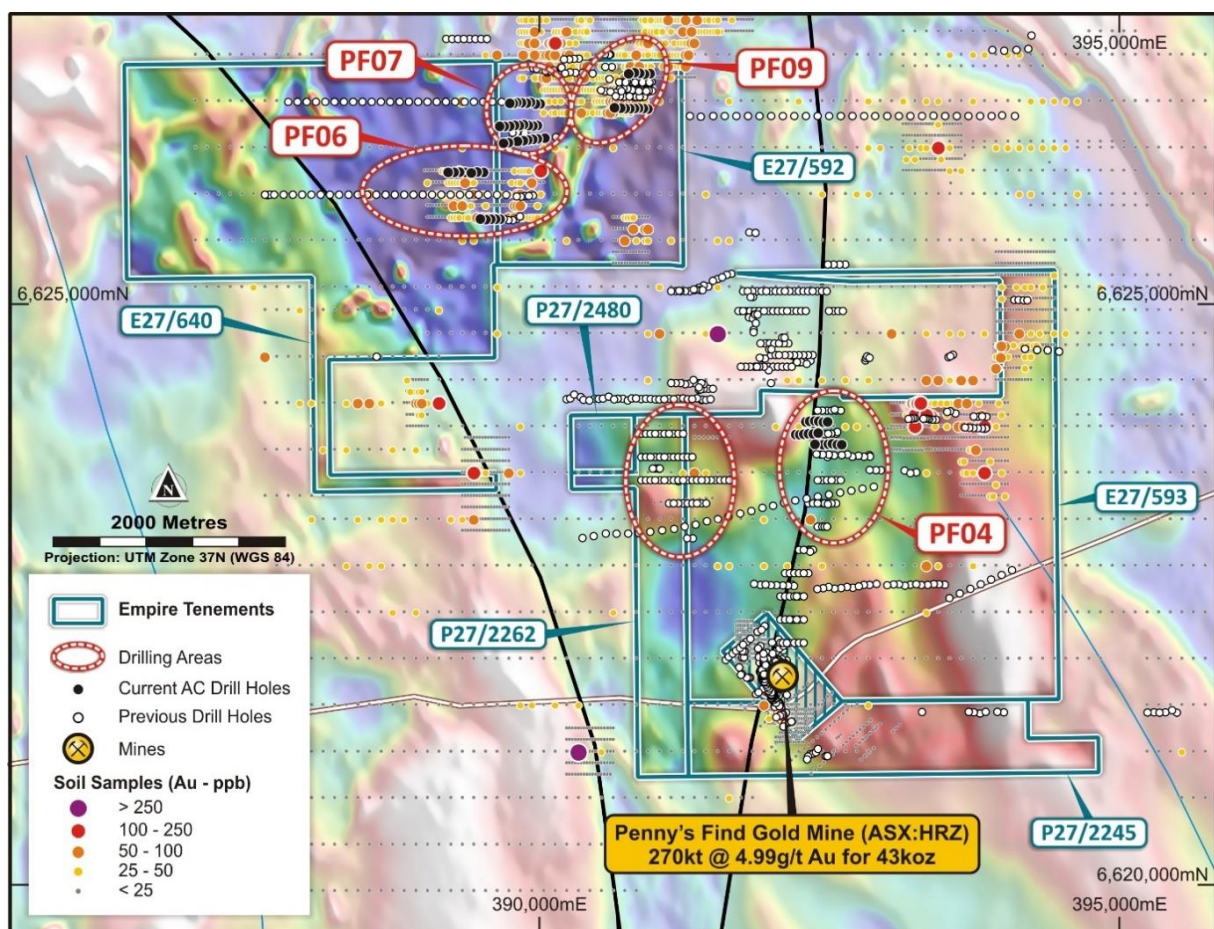
PENNY'S GOLD PROJECT

In late August 2022 the Company commenced a circa 5,000m AC drilling campaign at its 100% owned Penny's Gold Project 45km east of Kalgoorlie in Western Australia.

The drilling was planned to follow up anomalous gold intercepts from drilling previously undertaken by Empire ^[1] at the Penny's Gold Project. The drilling also targeted historical gold in soil anomalies that have not been tested by modern drilling techniques. The campaign was completed in September 2022 without incident for a total of 5,289m drilled. Assay results for the drilling program were received by the company during the December quarter ^{[2][3]}.

1m re-split samples were collected from selected composite aircore intervals >0.40g/t Au. The results of the 1m re-split sampling were received post December quarter. The results of the re-split sampling assisted in targeting subsequent drilling also completed post December quarter.

The Penny's Gold Project targets lie immediately adjacent to and along strike of the existing 270,000t @ 4.99g/t Au for 43,000oz ^[4] Resource at the Penny's Find Gold Mine. Empire is entitled to royalties on gold production from mining operations undertaken at the Penny's Find Gold Mine which is 100% owned by Horizon Minerals Limited (ASX:HRZ). The Garibaldi gold deposit is located 700m north of Empire's PF04 prospect.



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PF09 Prospect

Drilling at PF09 targeted historic MMI anomalies within a structural corridor interpreted from aeromagnetic data to be subparallel to the Penny's Find Shear Zone. Anomalous gold mineralisation intersected in previous aircore and RC drilling undertaken by Empire between 2019 and 2021 also supported the drill targeting. Results received during the quarter for the aircore drilling included:

- 📍 **7m @ 1.66g/t Au** from 48m (EOH) in PAC22-29
 - 📍 including **2m @ 2.42g/t Au** from 52m
- 📍 **3m @ 0.55g/t Au** from 92m in PAC22-33

Drilling at PF09 intersected basalt with a local fine spinifex texture along with zones of black shale (carbonaceous locally). The weathering profile ranged from 40 – 110m thick.

Drillhole PAC22-26 intersected residual gold in saprolite, while drillholes PAC22-27, and PAC22-29 to PAC22-33 intersected anomalous gold at the fresh rock interface associated with quartz veining, +/-pyrite <2% and foliated basalt. A strong arsenic anomaly (120 – 3,252ppm As) is typically associated with anomalous gold at the fresh rock interface. Refer to Figure 4 – PF09 Prospect Section 6,626,700mN below.

PF06 Prospect

Drilling at PF06 targeted historic MMI anomalies and anomalous gold intersected in previous aircore drilling undertaken by Empire in 2019 (PAC19-53: 12m @ 0.26gt Au from 12m). The proximity of PF06 to the Penny's Find Shear Zone elevates the priority of this target. Results received during the quarter for this aircore drilling included:

- 📍 **4m @ 2.41g/t Au** from 56m in PAC22-50
- 📍 **4m @ 0.54g/t Au** from 36m in PAC22-47

Drilling intersected basalt with a local fine spinifex texture similar to that encountered at PF09 along with domains of mafic schist.

Anomalous gold was intersected in saprolite/saprock associated with relict quartz veining. Anomalous gold mineralisation was also encountered at the fresh rock interface associated with quartz veining and foliated basalt. An arsenic anomaly (80 – 1,463ppm As) also occurs at PF06, although weaker than that seen at PF09. Refer to Figure 5 – PF06 Prospect Section 6,626,750mN below.

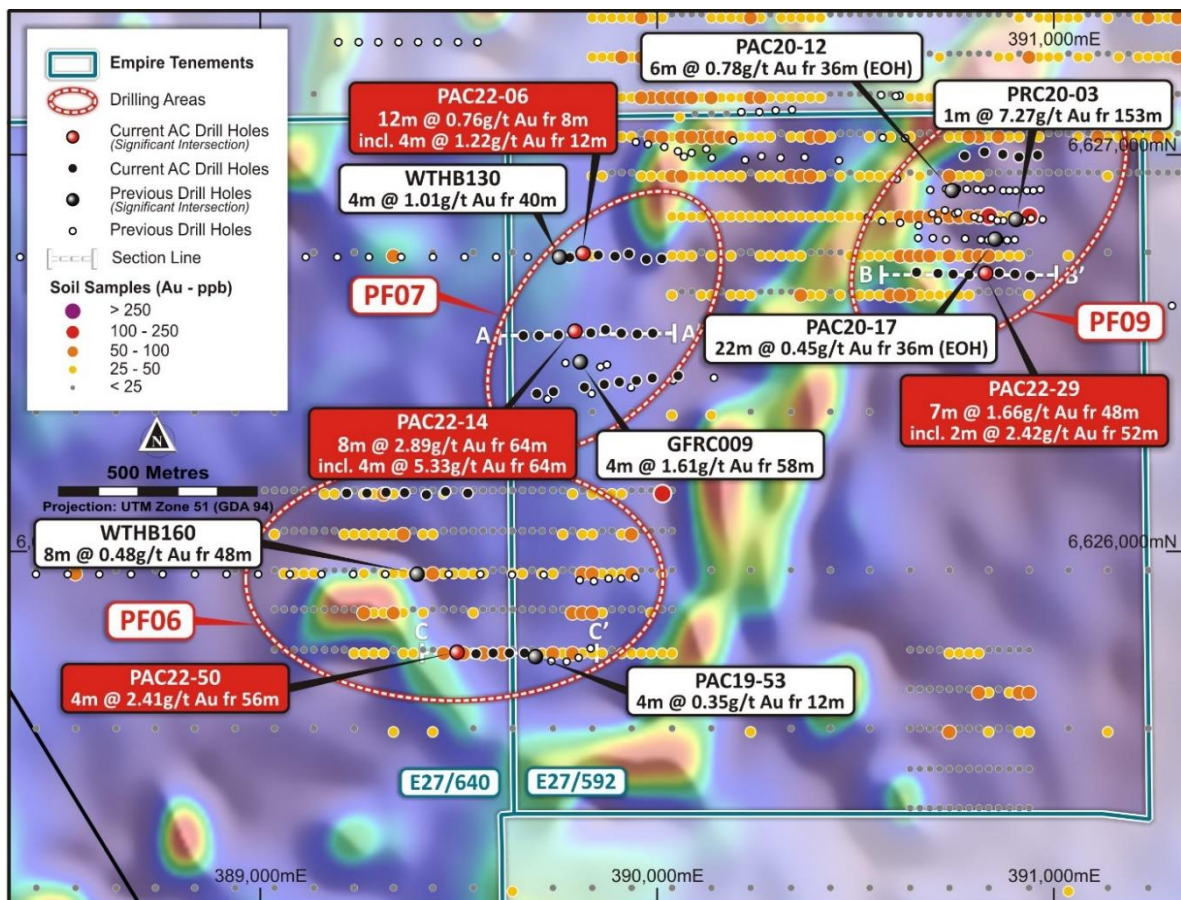
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PF07 Prospect

Aircore drilling at PF07 targeted historic MMI anomalies coincident with an extension to the Penny's Find Shear Zone interpreted from aeromagnetic data. Old workings at PF07 are considered poorly tested by previous drilling. Results received during the quarter for this aircore program included:

- 📍 **8m @ 2.89g/t Au** from 64m in PAC22-14
 - 📍 including **4m @ 5.33g/t Au** from 64m
- 📍 **12m @ 0.76g/t Au** from 92m in PAC22-06
 - 📍 including **4m @ 1.22g/t Au** from 12m
- 📍 **4m @ 0.89g/t Au** from 124m in PAC22-19
- 📍 **9m @ 0.56g/t Au** from 72m (EOH) in PAC22-08
- 📍 **4m @ 0.65g/t Au** from 84m in PAC22-09

Drilling intersected basaltic rocks with domains of mafic schist. The weathering profile ranges in thickness from 30 – 130m thick. Gold was intersected in the regolith and in end of hole lithology associated with quartz veining and pyrite <2%. A patchy but strong arsenic anomaly (200 – 2,563ppm As) is associated with a significant portion of PF07 drilling. Refer to Figure 6 – PF07 Prospect Section 6,626,550mN below.



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PF04 Prospect

Drilling targeted a structural intersection interpreted from geophysical data at PF04 where anomalous gold has been recorded in previous drilling (PRC20-07: 4m @ 3.12gt Au from 36m, PFRC10-07: 1m @ 1.63gt Au from 32m & 5m @ 1.21gt Au from 44m). Gold mineralisation intersected in previous drilling is interpreted to be associated with the contact between black shales and dolerite.

Results received during the quarter for this aircore program included:

- 📍 **6m @ 0.92g/t Au** from 48m in PAC22-63
- 📍 including **4m @ 1.21g/t Au** from 48m

The recent results represent the possibility for a new zone of mineralisation associated with black shale (carbonaceous locally) and mafic schist along an interpreted structure parallel to the Penny's Find Shear Zone. Refer to Figure 7 – PF04 Prospect Section 6,623,800mN below.

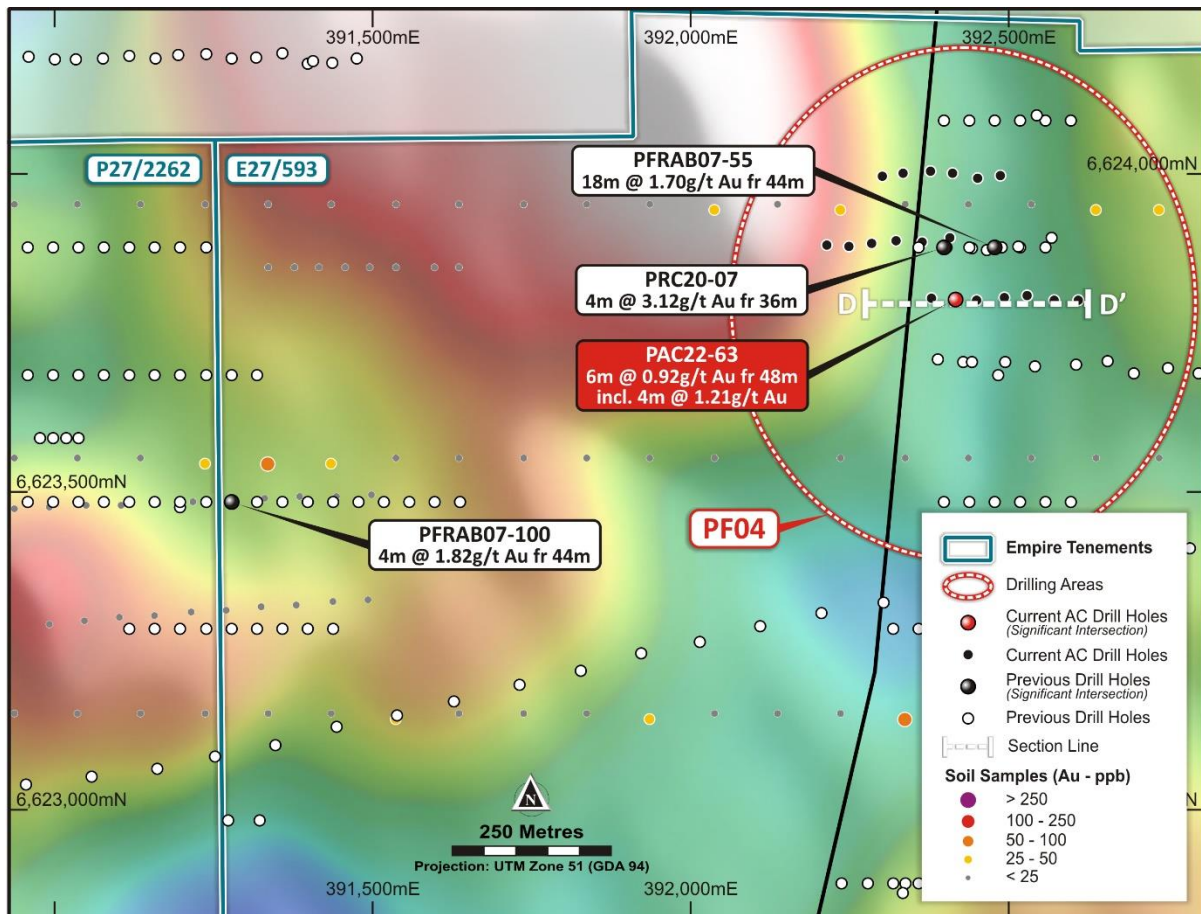


Figure 3 – AC Drilling at Penny's Southern Tenements
Base Image: Reduced to Pole North-East Shade Non-Linear Magnetics

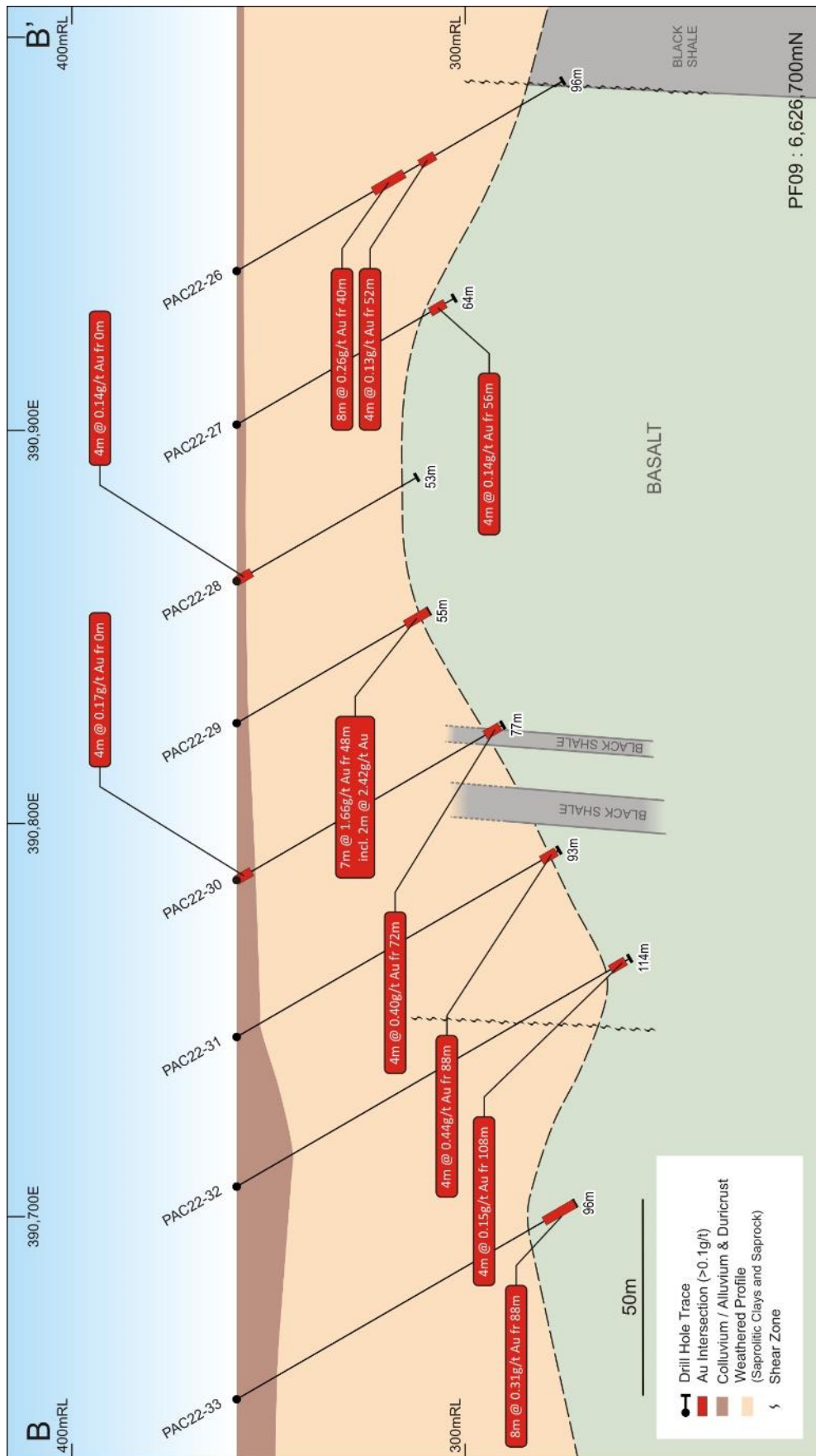


Figure 4 – PF09 Prospect Section 6,626,700mN

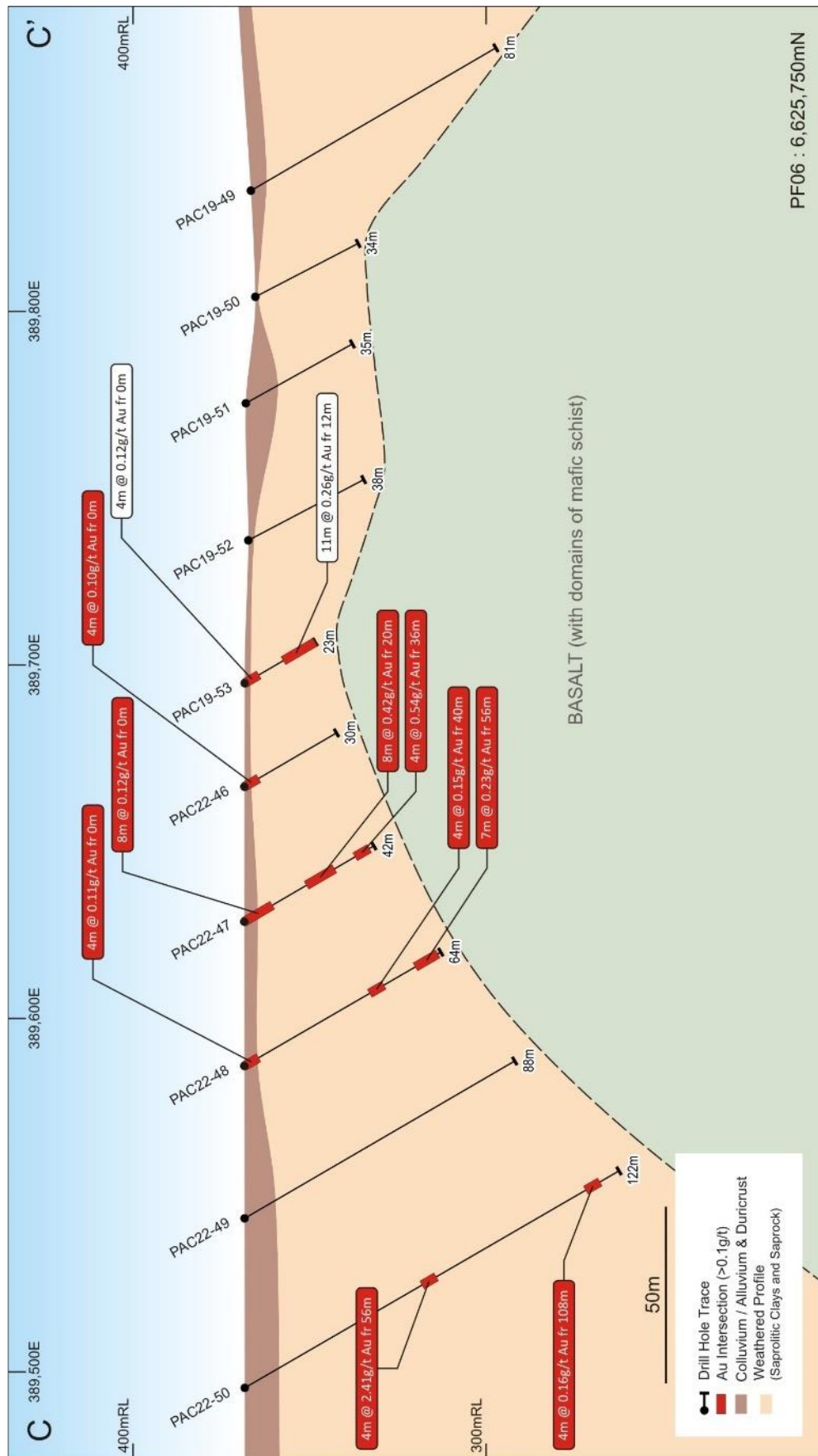


Figure 5 – PF06 Prospect Section 6,626,750mN

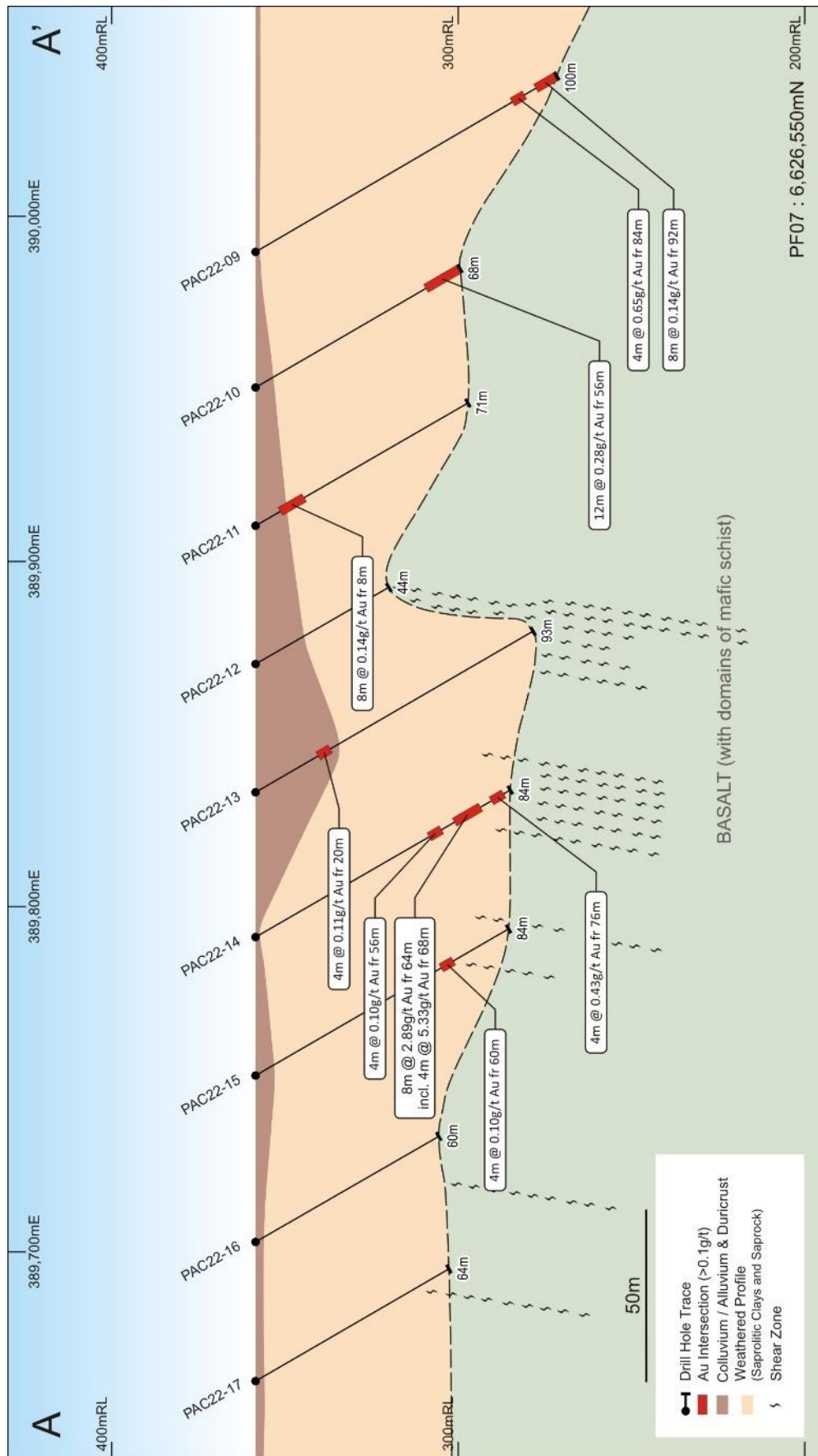


Figure 6 – PF07 Prospect Section 6,626,550mN

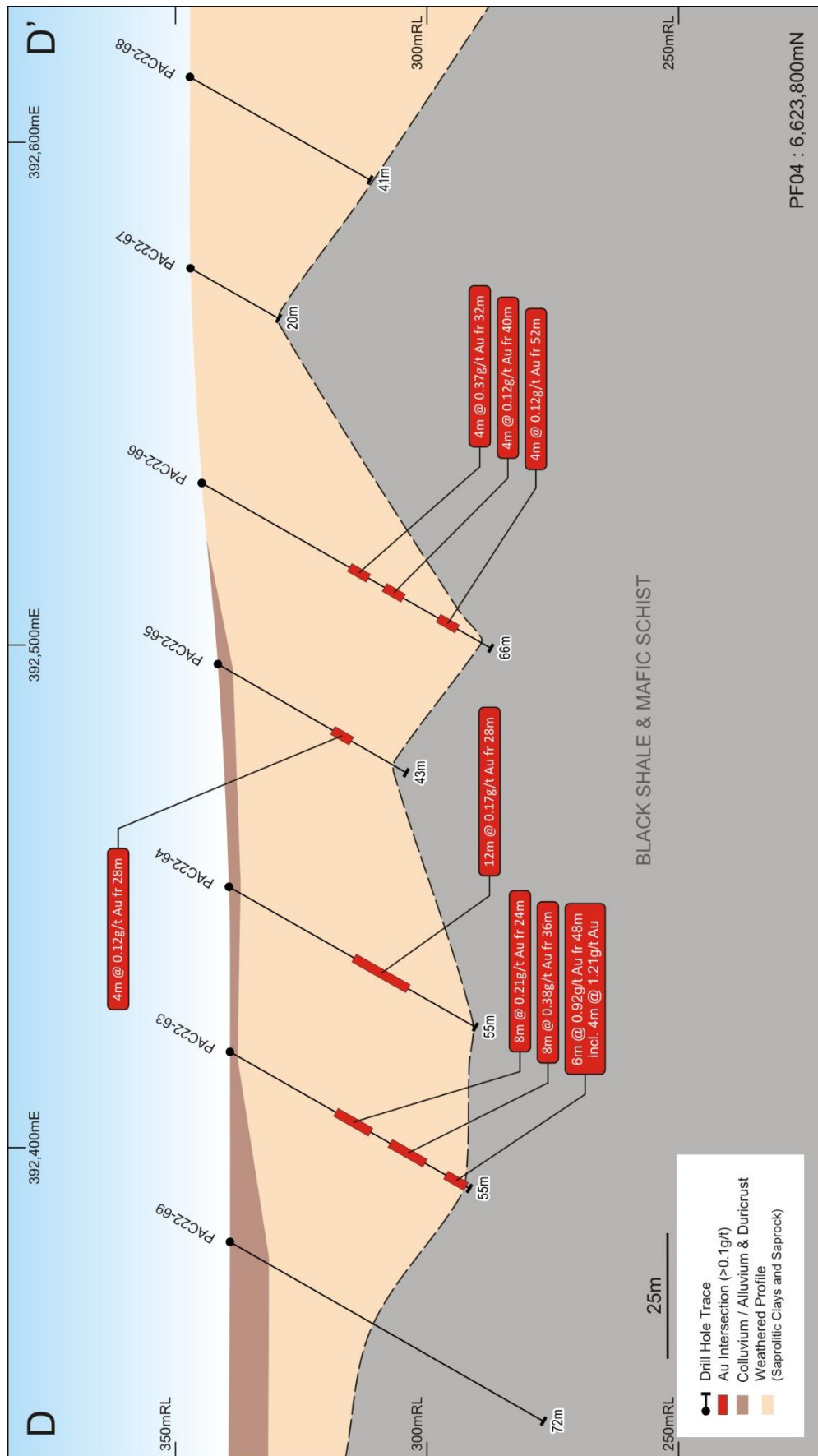




Figure 7 – PF04 Prospect Section 6,623,800mN

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ROYALTY PORTFOLIO

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. Empire is also entitled to milestone payment obligations:

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

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.

In September 2022 Horizon Minerals announced an increase in the Penny's Find Mineral Resource Estimate (MRE) to 270kt @ 4.99g/t Au for 43koz ^[4]. Horizon states that additional extension drilling is planned at Penny's Find for incorporation into an updated MRE for the Project. The updated MRE will be used for underground design, optimisation, and economic analysis for generation of an Ore Reserve.

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

Gnaweeda Royalty

During the December quarter Empire divested tenement E51/1995 to Great Boulder Resources (ASX:GBR) for \$10,000 consideration plus a 1% gross revenue royalty. The tenement was considered a non-core asset by the Company with the divestment offering Empire the opportunity to leverage Great Boulder's activities in the region given the proximity of the tenement to their Side Well Gold Project.

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

Diversity Royalty

During the December quarter Empire divested tenement E57/1202 to Diversity Resources Pty Ltd (Diversity) for \$10,000 consideration plus a 1% net smelter royalty. The four-block exploration tenement was considered non-core by the Company with the divestment offering Empire the opportunity to leverage Diversity's activities in the region given the proximity of the tenement to their 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.

CORPORATE

Financial Position

Expenditure during the quarter was approximately \$479,000, including \$359,000 expended on direct exploration and evaluation activities. The Company received \$521,000 (before costs) from a non-renounceable rights issue and \$20,000 (excluding GST) from the proceeds for the sale of non-core tenements. Cash on hand at quarter's end was \$1,663,000.

Additional ASX Information

ASX Listing Rule 5.3.5: The Company advises that \$71,000 was paid to related parties or their associates during the quarter, comprising Executive Director salary and superannuation, Non-Executive Director fees, office rent and office costs.

This announcement is authorised for release by:

Sean Richardson
Managing Director

For further information on the Company

Phone: +61 (0)8 6389 1032

www.resourcesempire.com.au

Additional Information

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

1. ASX:ERL "*Encouraging Gold Intercepts at Penny's*" 29 March 2021
2. ASX:ERL "*Penny's Gold Project Aircore Drilling Results*" 25 October 2022
3. ASX:ERL "*Final Penny's Aircore Drilling Results*" 2 November 2022
4. ASX:HRZ "*Gold Resources Increase to 1.24Moz*" 28 September 2022
5. ASX:GBR "*Gnaweeda tenement acquisition expands Meekatharra footprint*" 6 December 2022

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 2022				
Project	Tenement ID	% Interest Held 30 September 2022	% Interest Held 31 December 2022	Comments
Penny's	E27/591	100	0	Surrendered
	E27/592	100	100	
	E27/593	100	100	
	E27/640	100	100	
	P27/2245	100	100	
	P27/2262	100	100	
	P27/2480	100	100	
	E27/690	0	0	Application
	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	
Youanmi West	E57/1200	0	-	Withdrawn
	E57/1202	100	0	Divested
	E57/1203	0	-	Withdrawn
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	
Meekatharra	E51/1995	100	0	Divested
Wiluna	P53/1707	100	100	
White Flag	E24/238	0	0	Application

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 2022

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	-	110
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(359)	(531)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(26)	(73)
	(e) administration and corporate costs	(97)	(196)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	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 (provide details if material)		
1.9	Net cash from / (used in) operating activities	(479)	(686)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		
	(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	24	24
	(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 Proceeds from the release of trust deposit	-	-
2.6	Net cash from / (used in) investing activities	24	24

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	521	521
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	(43)	(43)
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	478	478

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,640	1,847
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(479)	(686)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	24	24
4.4	Net cash from / (used in) financing activities (item 3.10 above)	478	478

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	1,663	1,663

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	1,663	1,640
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)	1,663	1,640

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
71
-

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

Directors remuneration \$66k , Rent and office costs \$5k

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

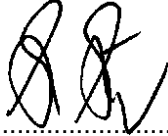
7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
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)	(479)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(479)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,663
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,663
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.5
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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?	
	N/A	
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?	
	N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A.	

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: 26 January 2023.....



Authorised by:
Simon Storm – Company Secretary

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.