



# EMPIRE RESOURCES LIMITED

ABN 32 092 471 513

## Interim Report

31 December 2022

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**EMPIRE RESOURCES LIMITED**  
**31 DECEMBER 2022**

**CORPORATE INFORMATION**

***DIRECTORS***

Michael Ruane – Chairman  
Sean Richardson – Managing Director  
Jeremy Atkinson – Non-Executive Director

***COMPANY SECRETARY***

Simon Storm

***REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS***

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Nedlands 6009  
Western Australia

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ABN             32 092 471 513

***SHARE REGISTRY***

Automic Group  
Level 5  
191 St Georges Terrace  
Perth 6000  
Western Australia

***AUDITORS***

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
Perth 6000  
Western Australia

***SECURITIES EXCHANGE LISTING***

The Company is listed on the Australian Securities  
Exchange Limited. Home Exchange Perth  
ASX Code:   Shares   ERL

# EMPIRE RESOURCES LIMITED

## DIRECTORS' REPORT 31 DECEMBER 2022

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### Directors' Report

Your directors submit the interim report on Empire Resources Limited (the "Company") and its controlled entity ("the Group") for the half-year ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The directors of the Company at any time during or since the end of the half-year were:

Michael Ruane  
Sean Richardson  
Jeremy Atkinson

### Review of Operations and Exploration Activities

The Group's loss for the half-year ended 31 December 2022 was \$727,484 (2021: \$1,378,610) primarily as a result of exploration expense of \$483,341 (2021: \$639,607).

During the period the principal activities of the Group consisted of mineral exploration and evaluation of properties in Australia. There has been no significant change in these activities during the financial period.

During the half year the Company carried out the following activities:

#### *Exploration at the Penny's Gold Project*

Exploration returned to the Company's gold assets near Kalgoorlie in Western Australia with a 5,000m aircore program at the Penny's Gold Project. The drilling targeted historic gold in soil anomalies that had yet to be tested by modern drilling techniques.

Assay results for the aircore (AC) drilling were as follows:

- 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

The strong gold results returned in assays from this AC drilling demonstrated the potential for the Penny's Gold Project. The results supported the potential for additional economic gold mineralisation discoveries analogous to the proximal high-grade Penny's Find Gold Mine. Further AC drilling commenced subsequent to half year end.

#### *Exploration at Yuinmery*

During the half year, the Company wrapped up its field program at Yuinmery with some residual diamond drilling results received having completed a four hole diamond drilling campaign for 1,612m. The results continued to reinforce the Company's hypothesis that Yuinmery could host additional economic multi-element mineral deposits.

Downhole Electromagnetic (DHEM) geophysical surveys were also completed for both the Smiths Well and YT01 prospects. The results of drilling and geophysical surveys will be used to assist in the design and targeting of future exploration programs at Yuinmery.

#### *Smiths Well Prospect*

Drilling at Smiths Well tested the down plunge extension of the strong downhole electromagnetic conductor and the massive to disseminated pyrrhotite-chalcopyrite-pyrite sulphides identified in previous drilling.

Assays received for the previously reported 22.38m of massive to disseminated pyrrhotite-chalcopyrite-pyrite sulphides intersected from 328.42m downhole in YDD22-04 included:

- 23.09m @ 0.45% Cu, 0.15% Ni & 364ppm Co from 328.42m including 6.46m @ 0.67% Cu, 0.16% Ni & 390ppm Co from 340m

# EMPIRE RESOURCES LIMITED

## DIRECTORS' REPORT 31 DECEMBER 2022

Assays received within a 12.9m zone of massive to disseminated pyrrhotite-chalcopyrite-pyrite sulphides of diamond hole YDD22-05 included:

- 2.9m @ 0.39% Cu, 0.08% Ni & 122ppm Co from 382.1m
- 4.4m @ 0.43% Cu, 0.13% Ni & 251ppm Co from 387m
- 2.0m @ 0.66% Cu, 0.05% Ni & 268ppm Co from 393m including 0.55m @ 1.26% Cu, 0.04% Ni & 222ppm Co from 393m

### *YT01 Prospect*

Additional diamond drilling at YT01 confirmed previously intercepted sulphide mineralisation. The lithologies intercepted were similar to those encountered in previous drilling which included zones of disseminated chalcopyrite and stringer sulphides (chalcopyrite-pyrite) in altered basaltic rocks.

DHEM surveys completed during the half-year did not detect sufficiently conductive bodies. Empire will continue to explore YT01 for extensions of previously identified mineralisation along strike.

### 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.

The fourth and final non-commencement royalty pre-payment of \$100,000 was received during the September 2022 quarter.

In August 2022 Horizon Minerals Ltd (ASX:HRZ) announced that the acquisition of the remaining 50% interest in the Penny's Find gold project had been completed. Horizon now owns 100% of the Penny's Find Gold Project.

In September 2022 Horizon announced an increase in the Penny's Find Mineral Resource to 270kt @ 4.99g/t Au for 43koz and stated that additional extension drilling was planned at Penny's Find to be incorporated into an update MRE for the Project. The updated MRE would be used for underground design, optimisation, and economic analysis for generation of an Ore Reserve.

#### *Gnaweeda Royalty*

During the December 2022 quarter Empire divested tenement E51/1995 to Great Boulder Resources (ASX:GBR) for a \$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.

#### *Diversity Royalty*

During the December 2022 quarter Empire divested tenement E57/1202 to Diversity Resources Pty Ltd (Diversity) for a \$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 off Diversity's activities in the region given the proximity of the tenement to their Youanmi Lithium Project.

### Capital Raising

During the second quarter, the Company announced that it raised \$520,540 by issuing 74,362,823 new fully paid shares through a pro-rata non-renounceable rights issue. A shortfall of 133,351,596 shares remained after the completion of the rights issue and these were not placed within three months of the closing date.

### Dividends

No dividends have been paid during the period and no dividends have been recommended by the directors.

### Events subsequent to reporting date

No matter or circumstance has arisen, since the end of the financial half year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

# EMPIRE RESOURCES LIMITED

## DIRECTORS' REPORT 31 DECEMBER 2022

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### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This written Auditor's Independence Declaration is set out on page 16 and forms part of this directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.



**Michael Ruane**  
**Director**

Perth, Western Australia  
15<sup>th</sup> March 2023

# EMPIRE RESOURCES LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

|  | Note | Consolidated                          |                                       |
|--|------|---------------------------------------|---------------------------------------|
|  |      | 6 months<br>ended<br>31/12/2022<br>\$ | 6 months<br>ended<br>31/12/2021<br>\$ |
| Interest income                                    |      | 3,754                                 | 364                                   |
| Other income                                       | 10   | 20,000                                | 107,466                               |
| Interest expense                                   |      | -                                     | (19,373)                              |
| Depreciation expense                               |      | (641)                                 | (641)                                 |
| Exploration expense                                |      | (483,341)                             | (639,607)                             |
| Business development expense                       |      | (12,697)                              | (8,572)                               |
| Legal expense                                      |      | -                                     | (21,407)                              |
| Employee benefits expense                          |      | (84,504)                              | (90,026)                              |
| Directors' fees expense                            |      | (36,000)                              | (36,000)                              |
| Accounting expense                                 |      | (37,140)                              | (36,837)                              |
| ASX expense  |      | (29,869)                              | (31,169)                              |
| Corporate relations expense                        |      | (2,000)                               | (5,148)                               |
| Insurance expense                                  |      | (22,223)                              | (20,644)                              |
| Net fair value loss on financial assets            |      | -                                     | (482,988)                             |
| Other expenses                                     |      | (42,823)                              | (94,028)                              |
| <b>Loss before income tax</b>                      |      | <b>(727,484)</b>                      | <b>(1,378,610)</b>                    |
| Income tax benefit                                 |      | -                                     | -                                     |
| <b>Net loss</b>                                    |      | <b>(727,484)</b>                      | <b>(1,378,610)</b>                    |
| <b>Other comprehensive income, net of tax</b>      |      | <b>-</b>                              | <b>-</b>                              |
| <b>Total comprehensive loss</b>                    |      | <b>(727,484)</b>                      | <b>(1,378,610)</b>                    |
| Basic and diluted loss per share (cents per share) | 11   | (0.07)                                | (0.15)                                |

*The accompanying notes form part of these financial statements.*

# EMPIRE RESOURCES LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

|                                  | Note | Consolidated     |                  |
|----------------------------------|------|------------------|------------------|
|                                  |      | 31/12/2022       | 30/06/2022       |
|                                  |      | \$               | \$               |
| <b>ASSETS</b>                    |      |                  |                  |
| <b>CURRENT ASSETS</b>            |      |                  |                  |
| Cash and cash equivalents        |      | 1,663,135        | 1,846,633        |
| Trade and other receivables      | 6    | 52,203           | 167,286          |
| Other financial assets           |      | 10,000           | 10,000           |
| <b>Total Current Assets</b>      |      | <b>1,725,338</b> | <b>2,023,919</b> |
| <b>NON-CURRENT ASSETS</b>        |      |                  |                  |
| Plant and equipment              |      | 6,151            | 12,565           |
| <b>Total Non-Current Assets</b>  |      | <b>6,151</b>     | <b>12,565</b>    |
| <b>TOTAL ASSETS</b>              |      | <b>1,731,489</b> | <b>2,036,484</b> |
| <b>LIABILITIES</b>               |      |                  |                  |
| <b>CURRENT LIABILITIES</b>       |      |                  |                  |
| Trade and other payables         | 7    | 126,361          | 181,634          |
| <b>Total Current Liabilities</b> |      | <b>126,361</b>   | <b>181,634</b>   |
| <b>TOTAL LIABILITIES</b>         |      | <b>126,361</b>   | <b>181,634</b>   |
| <b>NET ASSETS</b>                |      | <b>1,605,128</b> | <b>1,854,850</b> |
| <b>EQUITY</b>                    |      |                  |                  |
| Issued capital                   | 8    | 27,356,030       | 26,878,268       |
| Reserves                         |      | 1,802,246        | 1,802,246        |
| Accumulated losses               |      | (27,553,148)     | (26,825,664)     |
| <b>TOTAL EQUITY</b>              |      | <b>1,605,128</b> | <b>1,854,850</b> |

*The accompanying notes form part of these financial statements.*

# EMPIRE RESOURCES LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

|                                       | Consolidated         |                             |                          |                  |
|---------------------------------------|----------------------|-----------------------------|--------------------------|------------------|
|                                       | Issued Capital<br>\$ | Accumulated<br>Losses<br>\$ | Option<br>Reserves<br>\$ | Total<br>\$      |
| <b>Balance at 1 July 2021</b>         | 25,414,463           | (24,172,421)                | 1,802,246                | 3,044,288        |
| Loss for the year                     | -                    | (1,378,610)                 | -                        | (1,378,610)      |
| Other comprehensive income            | -                    | -                           | -                        | -                |
| Total comprehensive loss for the year | -                    | (1,378,610)                 | -                        | (1,378,610)      |
| Shares issued during the year         | 884,022              | -                           | -                        | 884,022          |
| Equity issue expenses                 | (44,931)             | -                           | -                        | (44,931)         |
| <b>Balance at 31 December 2021</b>    | <b>26,253,554</b>    | <b>(25,551,031)</b>         | <b>1,802,246</b>         | <b>2,504,769</b> |
| <b>Balance at 1 July 2022</b>         | <b>26,878,268</b>    | <b>(26,825,664)</b>         | <b>1,802,246</b>         | <b>1,854,850</b> |
| Loss for the year                     | -                    | (727,484)                   | -                        | (727,484)        |
| Other comprehensive income            | -                    | -                           | -                        | -                |
| Total comprehensive loss for the year | -                    | (727,484)                   | -                        | (727,484)        |
| Shares issued during the year         | 520,540              | -                           | -                        | 520,540          |
| Equity issue expenses                 | (42,778)             | -                           | -                        | (42,778)         |
| <b>Balance at 31 December 2022</b>    | <b>27,356,030</b>    | <b>(27,553,148)</b>         | <b>1,802,246</b>         | <b>1,605,128</b> |

*The accompanying notes form part of these financial statements.*

**EMPIRE RESOURCES LIMITED AND CONTROLLED ENTITY**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

|  | Consolidated     |                    |
|--|------------------|--------------------|
|  | 31/12/2022       | 31/12/2021         |
|  | \$               | \$                 |
| <b>Cash Flows from Operating Activities</b>                |                  |                    |
| Receipts from customers                                    | 110,000          | 100,000            |
| Payments for exploration and evaluation expenditure        | (525,893)        | (714,545)          |
| Payments to employees and suppliers                        | (269,121)        | (478,569)          |
| Interest received  | 3,754            | 364                |
| Interest paid  | -                | (122,318)          |
| <b>Net cash outflow from operating activities</b>          | <b>(681,260)</b> | <b>(1,215,068)</b> |
| <b>Cash Flows from Investing Activities</b>                |                  |                    |
| Proceeds from sale of financial assets                     | -                | 2,906,112          |
| Proceeds from the release of trust deposit                 | -                | 306,738            |
| Proceeds from sale of Tenement                             | 20,000           | -                  |
| <b>Net cash inflow from investing activities</b>           | <b>20,000</b>    | <b>3,212,850</b>   |
| <b>Cash Flows from Financing Activities</b>                |                  |                    |
| Proceeds from issue of equity securities                   | 520,540          | 884,022            |
| Equity securities issue costs                              | (42,778)         | (40,188)           |
| Repayments of borrowings                                   | -                | (1,500,000)        |
| <b>Net cash inflow/(outflow) from financing activities</b> | <b>477,762</b>   | <b>(656,166)</b>   |
| <b>Net (decrease)/increase in cash held</b>                | <b>(183,498)</b> | <b>1,341,616</b>   |
| Cash at the beginning of the period                        | 1,846,633        | 1,324,059          |
| <b>Cash at the end of the period</b>                       | <b>1,663,135</b> | <b>2,665,675</b>   |

*The accompanying notes form part of these financial statements.*

## EMPIRE RESOURCES LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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#### 1. Statement of Significant Accounting Policies

##### Basis of preparation

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Empire Resources Limited and its controlled entity during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new Standards and Interpretations as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial report has been prepared on a historical cost basis except for the revaluation of certain financial assets to fair value. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and it's a for-profit entity. All amounts are presented in Australian dollars.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

##### Statement of Compliance

The financial report was authorised for issue on 15 March 2023.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

##### Adoption of New and Revised Standards

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretation that have been issued but are not yet effective for the half-year ended 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

##### Going Concern

As disclosed in the Statement of Comprehensive Income, the Group recorded a net loss of \$727,484 (2021: \$1,378,610) for the half-year and as disclosed in the Statement of Cash Flows, the Group recorded cash outflows from operating activities of \$681,260 (2021: \$1,215,068), cash inflow from investing activities of \$20,000 (2021: \$3,212,850) and a cash inflow from financing activities of \$477,762 (2021: Outflow \$656,166). After consideration of these financial conditions, the Directors have assessed the following matters in relation to the adoption of the going concern basis of accounting by the Group:

## EMPIRE RESOURCES LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

- The Group has successfully completed a capital raising during the half-year as disclosed in Note 8 and has the ability to continue doing so on a timely basis, pursuant to the Corporation Act 2001,
- The Group expects to receive \$200,000 from Horizon Minerals Ltd upon commencement of mining at the Penny's Find project, and \$200,000 from Horizon Minerals Ltd at the first gold pour;
- The Group has working capital of \$1,598,977 (30 June 2022: \$1,842,285) at balance date, and
- The Company and Group have the ability, if required, to undertake mergers, acquisitions or restructuring activity or to wholly or in part, dispose of interests in mineral exploration assets.

Should this payment from Horizon Minerals Ltd not be received or other working capital not be realised, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

#### 2. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2022 annual financial report.

#### 3. Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Empire Resources Ltd.

Consistent with prior year, the Group operates only in one business and geographical segment being predominantly in mineral exploration and evaluation of properties in Australia. The Group considers its business operations in mineral investment, exploitation and exploration to be its primary reporting function.

#### 4. Dividends

No dividends were paid or declared payable during or since the half-year.

#### 5. Events Subsequent to Reporting Date

No matter or circumstance has arisen, since the end of the financial half year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

#### 6. Trade and other receivables

|                   | Consolidated  |                |
|-------------------|---------------|----------------|
|                   | 31/12/2022    | 30/06/2022     |
|                   | \$            | \$             |
| <b>Current</b>    |               |                |
| Trade receivables | -             | 110,000        |
| GST receivables   | 18,054        | 37,902         |
| Other receivables | 34,149        | 19,384         |
|                   | <b>52,203</b> | <b>167,286</b> |

#### Provision for impairment of receivables

Current trade receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

# EMPIRE RESOURCES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

### 7. Trade and other payables

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 31/12/2022<br>\$ | 30/06/2022<br>\$ |
| Trade payables and accruals <sup>1</sup> | 61,277           | 124,496          |
| Employee benefits                        | 65,084           | 57,138           |
|  | <b>126,361</b>   | <b>181,634</b>   |

<sup>1</sup> Included in these balances are amounts owing to key management personnel and associated entities at balance date of \$23,100 (30 June 2022: \$21,300) for Director fees.

### 8. Issued capital

#### (a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

|  | Consolidated                       |                                     |
|--|------------------------------------|-------------------------------------|
|  | 6 months ended<br>31/12/2022<br>\$ | 12 months ended<br>30/06/2022<br>\$ |
| 1,112,934,917 (30 June 2022: 1,038,572,094) fully paid ordinary shares | <b>27,356,030</b>                  | <b>26,878,268</b>                   |

|  | Consolidated                  |                                |
|--|-------------------------------|--------------------------------|
|  | 6 months ended<br>2022<br>No. | 12 months ended<br>2021<br>No. |

#### (i) Ordinary shares - number

|   |                      |                      |
|---|----------------------|----------------------|
| Balance at the beginning of the period                    | <b>1,038,572,094</b> | 908,750,022          |
| Issue of 73,668,414 shares at \$0.012 on 7 December 2021  | -                    | 73,668,414           |
| Issue of 56,153,658 shares at \$0.012 on 22 February 2022 | -                    | 56,153,658           |
| Issue of 74,362,823 shares at \$0.007 on 9 December 2022  | <b>74,362,823</b>    | -                    |
| Balance at the end of the period                          | <b>1,112,934,917</b> | <b>1,038,572,094</b> |

# EMPIRE RESOURCES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

### 8. Issued capital (continued)

|   | Consolidated                          |  |
|---|---------------------------------------|--|
|   | 6 months<br>ended<br>31/12/2022<br>\$ | 12 months<br>ended<br>30/06/2022<br>\$ |
| <b>(ii) Ordinary shares – value</b>                       |                                       |  |
| Balance at the beginning of the period                    | <b>26,878,268</b>                     | 25,414,463                             |
| Issue of 73,668,414 shares at \$0.012 on 7 December 2021  | -                                     | 884,022                                |
| Issue of 56,153,658 shares at \$0.012 on 22 February 2022 | -                                     | 673,844                                |
| Issue of 74,362,823 shares at \$0.007 on 9 December 2022  | <b>520,540</b>                        | -                                      |
| Less share issue costs                                    | <b>(42,778)</b>                       | (94,061)                               |
| Balance at the end of the period                          | <b>27,356,030</b>                     | 26,878,268                             |

### (b) Options

|  | 6 months<br>ended<br>31/12/2022<br>2022<br>No. | 12 months<br>ended<br>30/06/2022<br>2022<br>No. |
|--|--|---|
| Outstanding at the beginning of the period | <b>64,911,070</b>                              | -   |
| Issued 7 December 2021                     | -  | 36,834,239                                      |
| Issued 22 February 2022                    | -  | 28,076,831                                      |
| Outstanding at the end of the period       | <b>64,911,070</b>                              | 64,911,070                                      |

### 9. Financial Instruments

The fair value of financial assets and liabilities approximate their carrying amounts at balance date. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

### 10. Revenue

|                              | Consolidated                          |                                       |
|------------------------------|---------------------------------------|---------------------------------------|
|                              | 6 months<br>ended<br>31/12/2022<br>\$ | 6 months<br>ended<br>31/12/2021<br>\$ |
| <b>Other income</b>          |                                       |                                       |
| Net gain on sale of tenement | <b>20,000</b>                         | -                                     |
| Royalty income               | -                                     | 100,000                               |
| Other income                 | -                                     | 7,466                                 |
|                              | <b>20,000</b>                         | 107,466                               |

# EMPIRE RESOURCES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

### 11. Earnings Per Share

|  | Consolidated                             |  |
|--|--|--|
|  | 6 months<br>ended<br>31/12/2022<br>Cents | 6 months<br>ended<br>31/12/2021<br>Cents |
| Basic and diluted loss per share (cents per share)   | <b>(0.07)</b>                            | (0.15)                                   |
| Loss used in the calculation of basic EPS (\$)   | <b>(727,484)</b>                         | (1,378,610)                              |
| Weighted average number of shares outstanding during the period used in calculations of basic earnings per share | <b>1,047,511,887</b>                     | 918,411,453                              |

### 12. Contingencies

There has been no change in contingent assets since the last annual reporting date.

## EMPIRE RESOURCES LIMITED

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### DIRECTORS' DECLARATION

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In the opinion of the Directors of Empire Resources Limited ("Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

- a) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed made in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



**Michael Ruane**  
**Director**

Perth, Western Australia  
15<sup>th</sup> March 2023

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Empire Resources Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 March 2023



**N G Neill**  
Partner

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**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Empire Resources Limited

**Report on the Condensed Half-Year Financial Report***Conclusion*

We have reviewed the accompanying half-year financial report of Empire Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Empire Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Emphasis of matter – going concern*

We draw attention to Note 1 of the financial report, which describes the uncertainty related to going concern. Our opinion is not modified in respect of this matter.

*Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 March 2023**



**N G Neill**  
**Partner**