

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2023

HIGHLIGHTS

- 🏠 3,382m AC drilling campaign completed in January 2023 at Penny's Gold Project targeting multiple gold prospects. Results include:
 - 🏠 **3m @ 0.99g/t Au** from 36m in PAC23-15 (EOH)
 - 🏠 including **1m @ 1.90g/t Au** from 38m (EOH)
 - 🏠 **24m @ 0.42g/t Au** from 60m in PAC23-02
 - 🏠 including **12m @ 0.68g/t Au** from 64m
 - 🏠 **20m @ 0.62g/t Au** from 72m in PAC23-05
 - 🏠 including **4m @ 0.97g/t Au** from 84m
- 🏠 924m RC drilling campaign completed in February 2023 at the Yuinmery Copper-Gold Project targeting prospective copper mineralisation.
- 🏠 Yuinmery RC drilling assays received post-March quarter.
- 🏠 Planning for further drilling campaigns at both Penny's and Yuinmery underway.

Empire Managing Director, Sean Richardson commented:

"The strong gold mineralisation continues at Penny's with more encouraging gold results coming from the January aircore drilling campaign. PF09 prospect exhibits a broad halo of gold mineralisation in the regolith that has to date been traced over 500m in strike and up to 280m wide. Importantly this mineralisation signature is open in both directions along strike, representing an excellent exploration target with opportunities for primary mineralisation below the fresh rock interface.

"RC drilling also returned to Yuinmery with a campaign targeting high-grade copper and gold mineralisation at the A-Zone and YT01 prospects. The results of this drilling received after the close of the March quarter are very encouraging, with A-Zone developing into a near surface, high-grade copper-gold deposit and YT01 demonstrating the potential for a large tonnage copper system.

"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."

ASX Announcement 28 April 2023

PENNY'S GOLD PROJECT

Gold mineralisation within the Penny's Gold Project is interpreted to be similar to that encountered at Penny's Find Gold Mine (ASX: HRZ) and the Garibaldi Deposit (ASX: PGM), where gold is associated with shear related quartz veining within mafic volcanic rocks, shales (including black shales) and minor altered felsic rocks. The mineralised Penny's Find Shear Zone extends through E27/593 along with subparallel structures.

Drilling during the March 2023 quarter targeted strong gold intercepts from drilling undertaken by Empire during September 2022 ^[1] at the Penny's Gold Project. The drilling primarily testing the extents of the mineralisation encountered at the PF09 prospect. Results of the January 2023 AC drilling demonstrate the continuity of PF09 gold mineralisation along strike to the north and south. Further field investigations will continue during the June 2023 quarter, including the collection of 1m re-split samples.

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 ^[2] Resource at the Penny's Find Gold Mine. Empire is entitled to royalties on gold production from future mining operations at the Penny's Find Gold Mine which is currently owned by Horizon Minerals Limited (ASX: HRZ). The Garibaldi deposit is located 700m north of Empire's PF04 prospect.

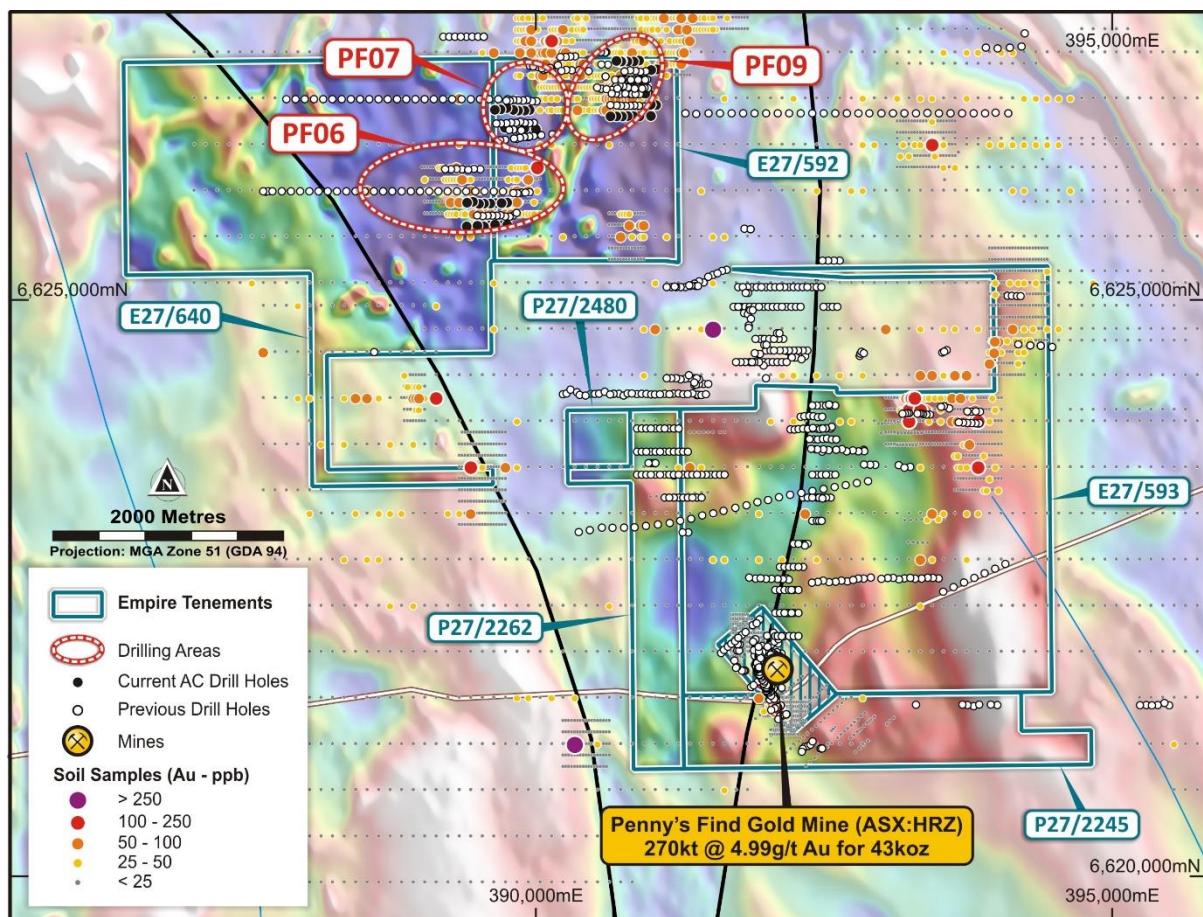


Figure 1 – Penny's Gold Project
Base Image: Reduced to Pole North-East Shade Non-Linear Magnetics

ASX Announcement 28 April 2023

PF09 Prospect

The PF09 prospect was identified from historic MMI gold anomalies within a structural corridor interpreted from aeromagnetic data to be subparallel to the Penny's Find Shear Zone. Previous AC drilling campaigns have identified strong gold anomalism within the regolith and at the contact with the fresh rock interface.

The January 2023 AC drilling campaign followed up on the strong gold mineralisation encountered in the September 2022 AC drill campaign ^[1] by targeting the northern and southern limits of drilling at PF09. Several previously drilled AC lines were also extended to the east to test for the lateral extents to the prospect.

The gold trend at PF09 continues in both north and south directions with anomalous gold mineralisation intersected in 63% of holes drilled. Results from the AC drilling at PF09 include:

- 📦 **3m @ 0.99g/t Au from 36m** in PAC23-15 (EOH)
 - 📦 including **1m @ 1.90g/t Au** from 38m (EOH)
- 📦 **24m @ 0.42g/t Au from 60m** in PAC23-02
 - 📦 including **12m @ 0.68g/t Au** from 64m
- 📦 **20m @ 0.62g/t Au from 72m** in PAC23-05
 - 📦 including **4m @ 0.97g/t Au** from 84m

Drilling on section 6,626,600mN along the southern limits of PF09 returned strong gold mineralisation in end of hole assays, including **3m @ 0.99g/t Au from 36m** in PAC23-15 (EOH), including **1m @ 1.90g/t Au from 38m** (EOH). PAC23-16 also returned bottom of hole gold mineralisation with **3m @ 0.28m Au from 40m** (EOH). Refer to Figure 3 – PF09 Prospect Section 6,626,600mN below.

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. A strong arsenic anomaly (up to 3,628ppm As in 2022 & 2023 AC drilling) is typically associated with the presence of anomalous gold in the Goldfields.

The bottom of hole gold mineralisation on section 6,626,600mN conforms strongly with bottom of hole gold mineralisation on section 6,626,700mN (refer to Figure 4 – PF09 Prospect Section 6,626,700mN below) drilled by Empire during the September 2022 AC drill campaign ^[1]. This gold mineralisation trend, along with localised shearing and strong arsenic anomalism represents favourable conditions for potential primary gold mineralisation.

ASX Announcement 28 April 2023

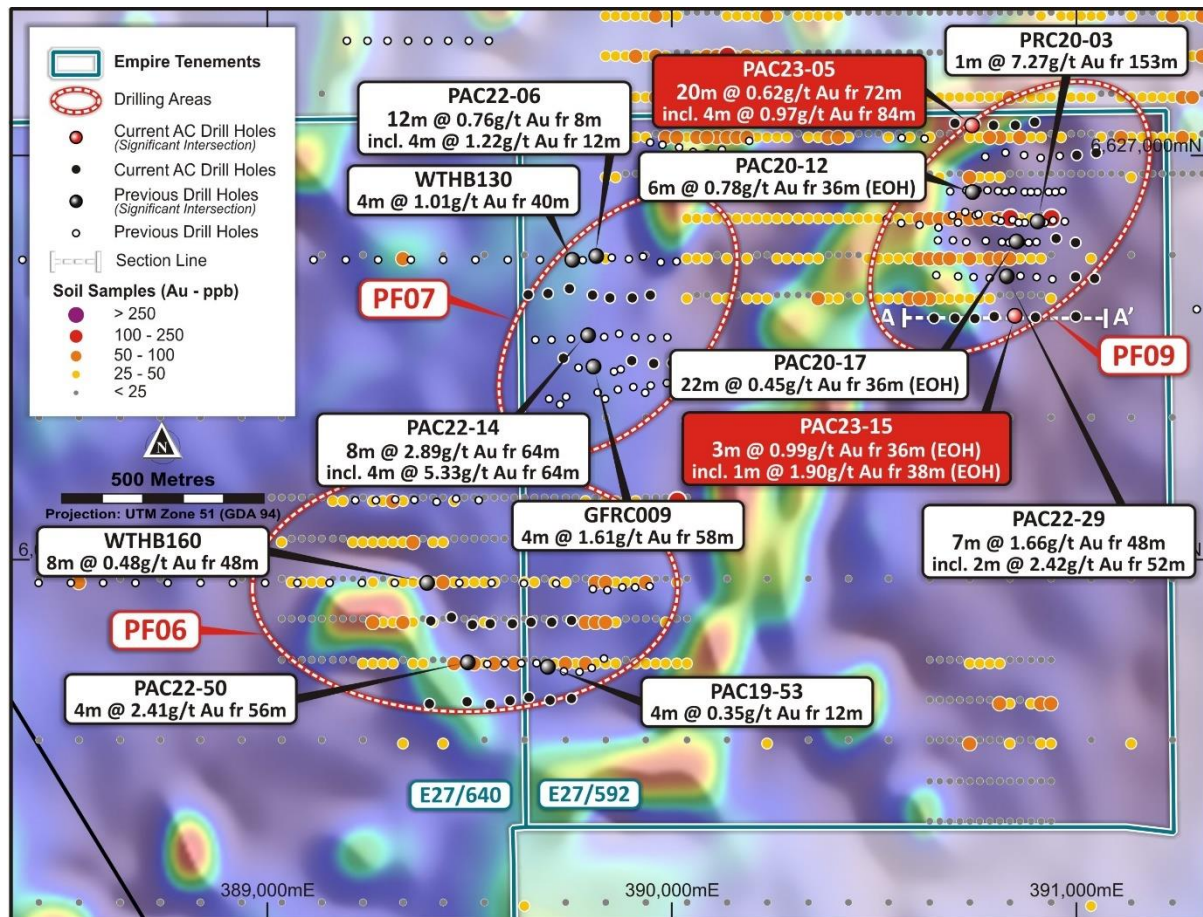


Figure 2 – AC Drilling at Penny's Northern Tenements
Base Image: Reduced to Pole North-East Shade Non-Linear Magnetics

1m re-split assays from the September 2022 AC drilling were also collected, assayed and reported during the March quarter [3]. Results from the 1m re-split sampling confirms the potential grade tenor and prospectivity of the Penny's Gold Project. Results from the 1m re-split sampling included:

- ⬡ **6m @ 3.73g/t Au** from 64m in PAC22-14
 - ⬡ including **1m @ 8.47g/t Au** from 65m
 - ⬡ and **1m @ 6.06g/t Au** from 67m
- ⬡ **2m @ 4.45g/t Au** from 51m in PAC22-29
 - ⬡ including **1m @ 5.49g/t Au** from 51m
- ⬡ **3m @ 2.37g/t Au** from 56m in PAC22-50
 - ⬡ including **1m @ 5.14g/t Au** from 56m

The results from the March quarter's exportation work at Penny's continues to demonstrate the potential for the prospectivity of the northern tenements. Empire continues to plan further exploration work that will efficiently test these prospects.

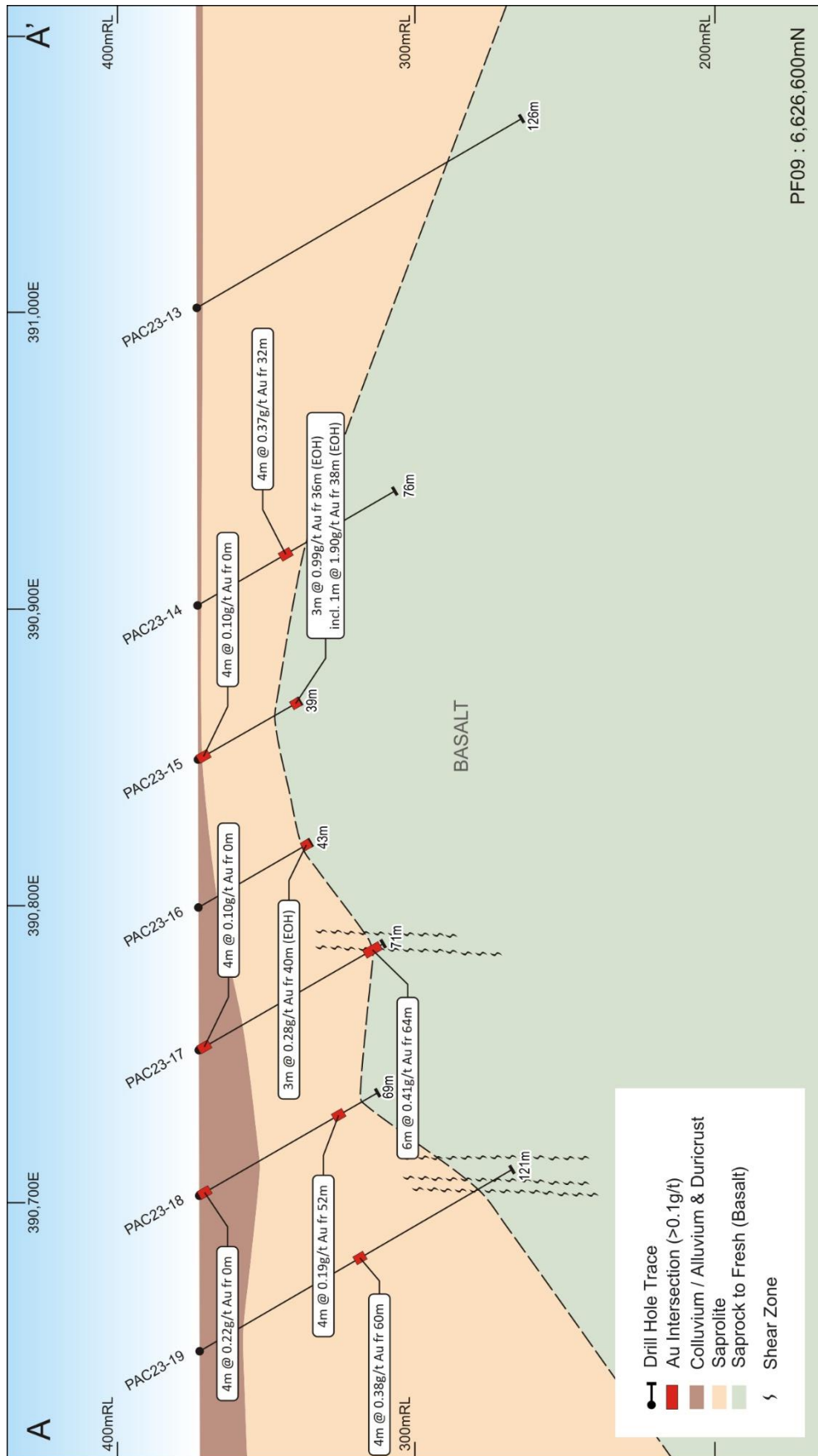


Figure 3 – PF09 Prospect Section 6,626,600mN

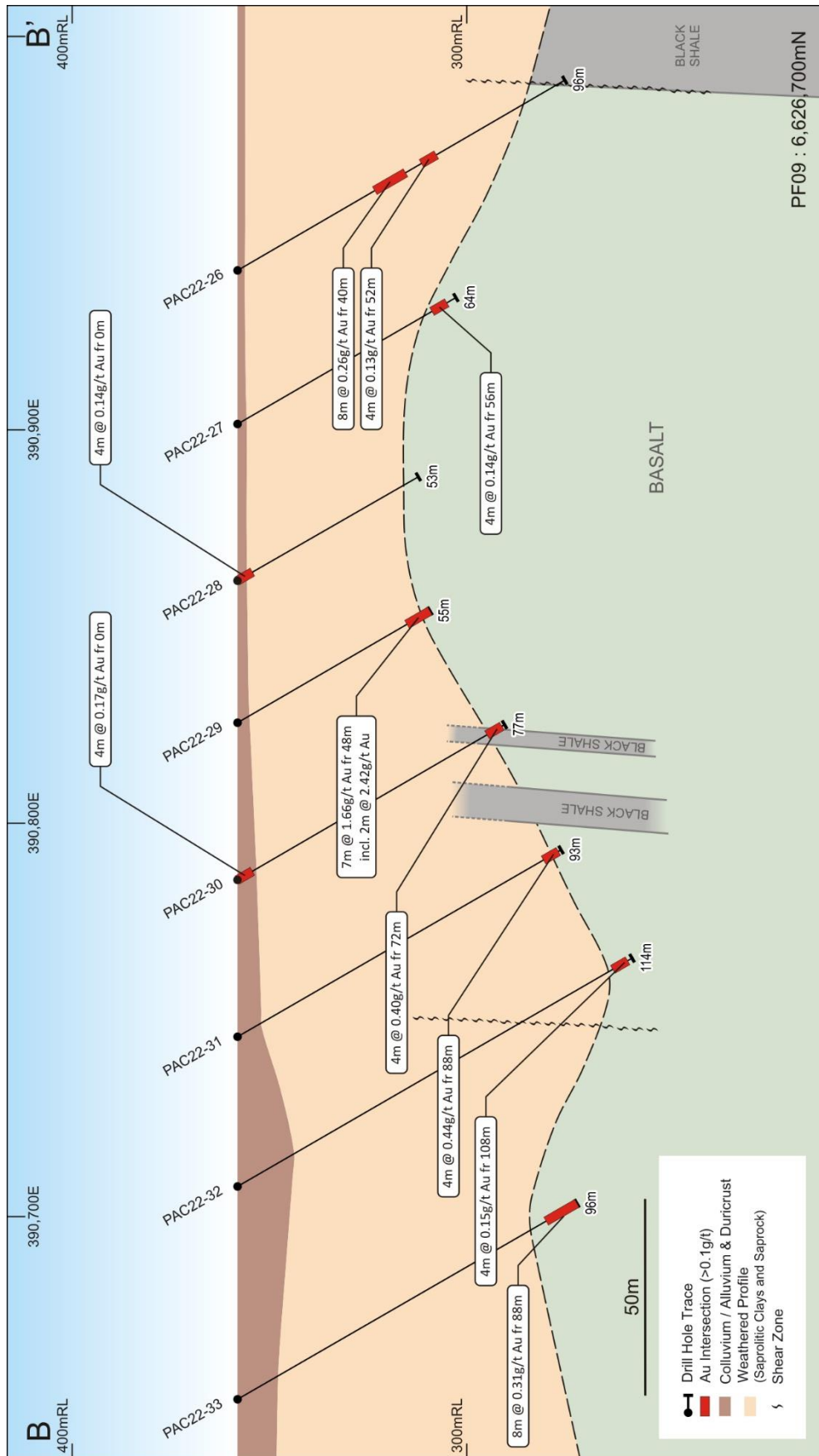


Figure 4 – PF09 Prospect Section 6,626,700mN

ASX Announcement 28 April 2023

YUINMERY COPPER-GOLD PROJECT

In February 2023 Empire advised that it has completed 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] 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].

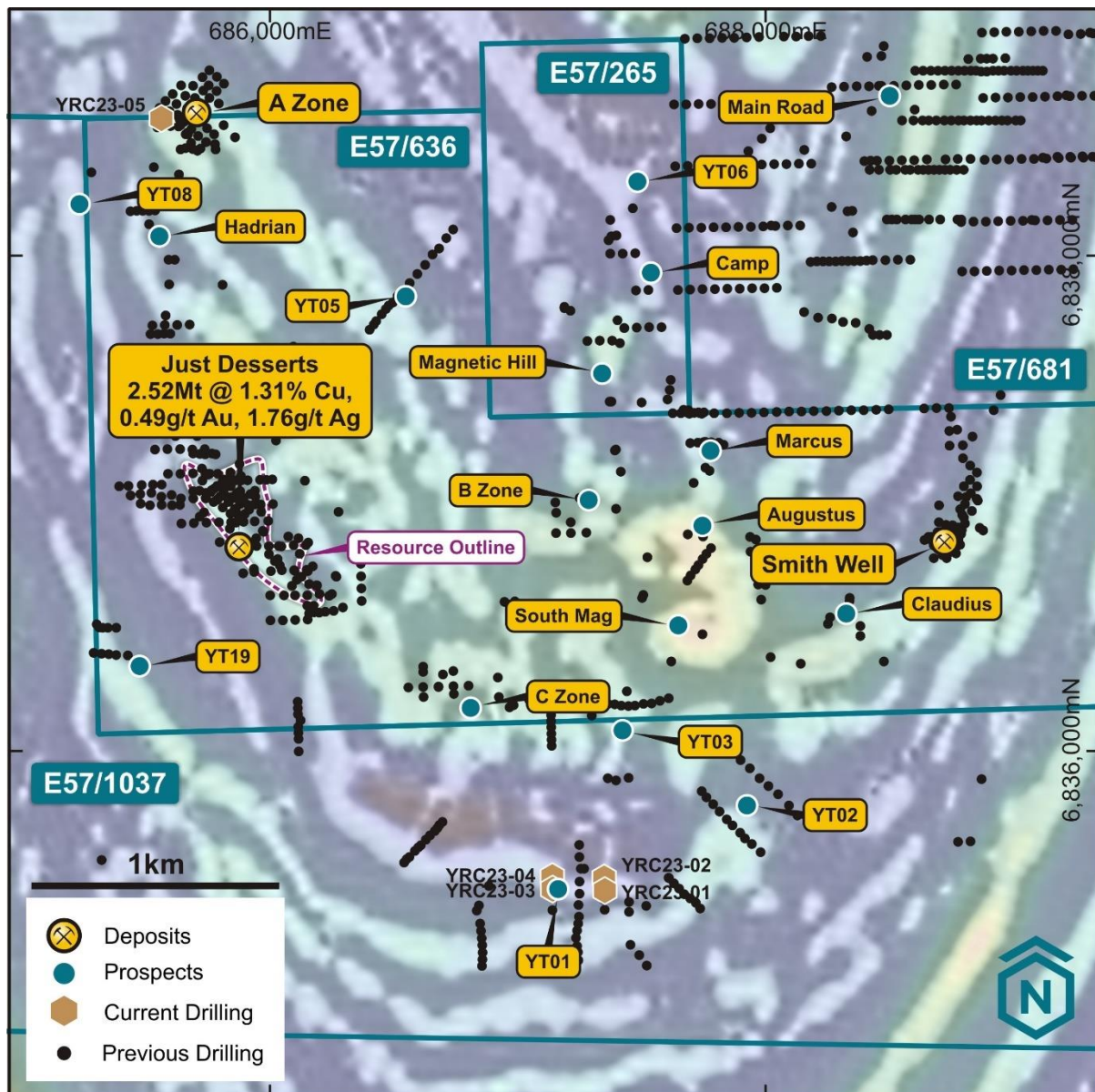


Figure 5 – Yuinmery Prospects Drillhole Collar Plan
 Base Image: Reduced to Pole Magnetics 2VDagcs75.



The results of the February 2023 RC drilling at Yuinmery were released post-March 2023 quarter ^[7], demonstrating the potential for the A-Zone and YT01 prospects. Planning for further drilling at Yuinmery is underway.

ASX Announcement 28 April 2023

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 March 2023 Horizon Minerals announced that it had received firm bids to raise approximately \$3.34M ^[8]. Horizon states that proceeds will, in part, be used for extension drilling at the Penny's Find Gold Project. Drilling at the Penny's Find Gold Project is set to commence in the June Quarter of 2023.

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

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 the tenement.

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.

ASX Announcement 28 April 2023

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 \$500,000, including \$386,000 expended on direct exploration and evaluation activities. Cash on hand at quarter's end was \$1,163,000.

Additional ASX Information

ASX Listing Rule 5.3.5: The Company advises that \$106,000 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 "*Final Penny's Aircore Drilling Results*" 2 November 2022
2. ASX:HRZ "*Gold Resources Increase to 1.24Moz*" 28 September 2022
3. ASX:ERL "*RC Drilling Recommences at Yuinmery*" 15 February 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:ERL "*Yuinmery RC Drilling Results*" 18 April 2023
8. ASX:HRZ "*Horizon Announces Placement to Advance Cannon and Accelerate Drilling at Cannon, Penny's Find*" 30 March 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.

ASX Announcement 28 April 2023

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 March 2023				
Project	Tenement ID	% Interest Held 31 December 2022	% Interest Held 31 March 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	
	E27/690	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	
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	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 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	110
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(386)	(913)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(121)
	(e) administration and corporate costs	(66)	(262)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	7
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	(497)	(1,179)

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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	-	20
	(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	-	20

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(3)	(46)
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	(3)	475

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,663	1,847
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(497)	(1,179)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	475

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,163	1,163

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	1,163	1,663
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)	1,163	1,663

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
106
-

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 \$95k , Rent and office costs \$11k

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)	(497)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(497)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,163
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,163
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.3
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: 28 April 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.