



EMPIRE RESOURCES LIMITED

ABN 32 092 471 513

Annual Report

30 June 2023

Corporate Directory

Directors	:	Michael Ruane Sean Richardson Jeremy Atkinson
Company Secretary	:	Simon Storm
Registered Office	:	Registered Office and Principal Place of Business 159 Stirling Highway Nedlands WA 6009 Telephone: (08) 6389 1032 Email info@resourcesempire.com.au Website www.resourcesempire.com.au
Auditor	:	HLB Mann Judd (WA Partnership) Level 4 130 Stirling Street Perth WA 6000
Share Registry	:	Automic Group Level 5 191 St Georges Terrace Perth WA 6000 Telephone: 1300 288 664
Australian Securities Exchange		Home Branch: Perth Code: ERL
ABN	:	32 092 471 513

Empire Resources Limited Review of Operations

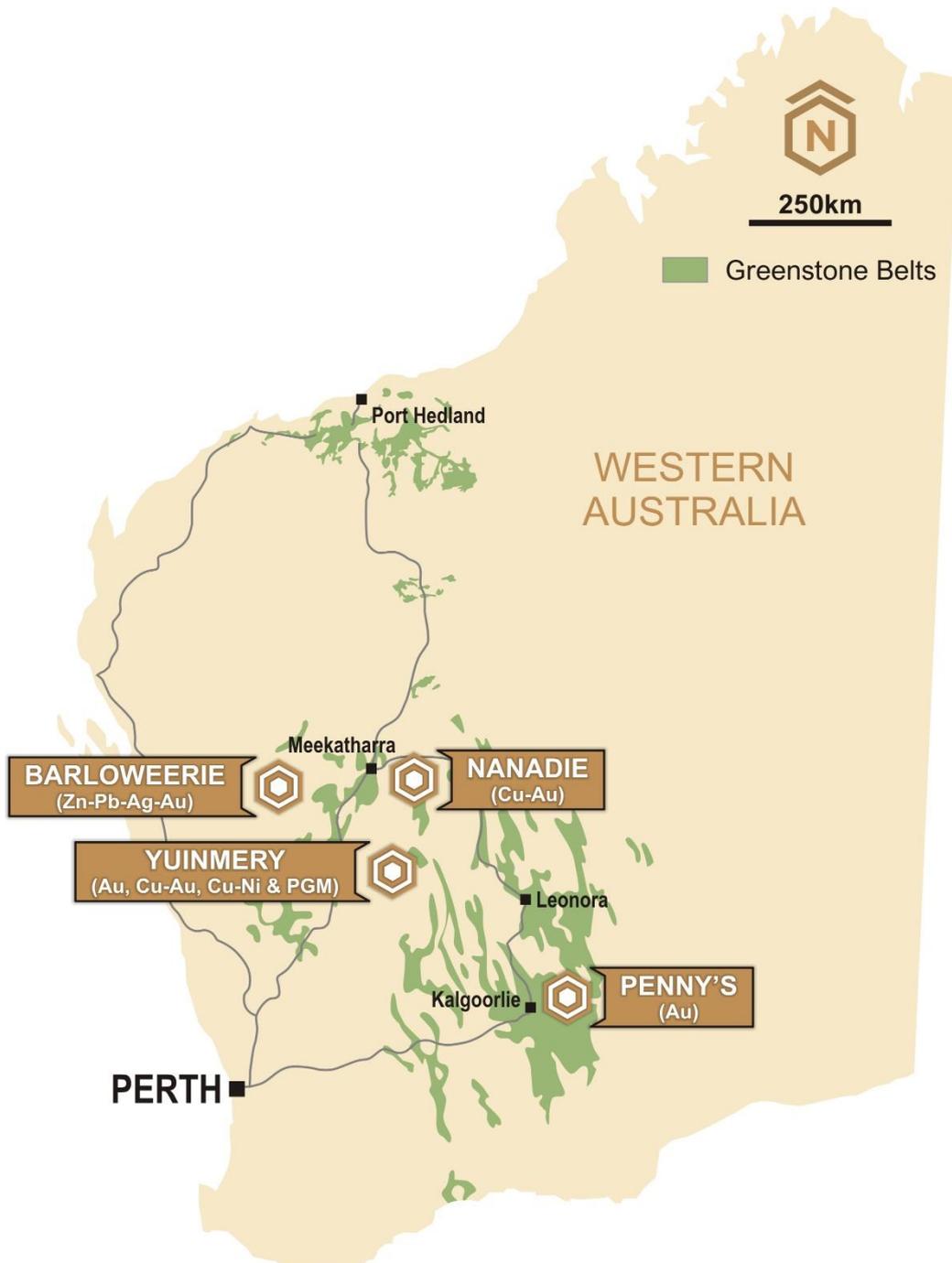


Figure 1: Project Location Map

Empire Resources Limited ('Empire') (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 in its existing projects as well as identifying value accretive investment opportunities that complement the Company's development objectives.

Empire Resources Limited

Review of Operations

Penny's Gold Project (WA)

The Penny's Gold Project is located 45km east of Kalgoorlie, Western Australia within the north-northwest trending Gindalbie greenstone belt consisting of a sequence of mafic-ultramafic volcanic rocks with intercalated horizons of felsic volcanic rocks and metasediments. The sequence has been subjected to multiple deformation events resulting in significant folding, pronounced foliation, and a northerly plunging mineral lineation. To the east of the project is the GMQ shear where subsidiary structures are common and locally appear to influence spatial distribution of gold mineralisation, particularly where structures intersect or bifurcate. Outcrop within the project area is poor with the regolith dominated by a deeply dissected laterite weathering profile and the subsequently derived colluvial products.

The Penny's Gold Project is proximal and adjacent to the existing Penny's Find Gold Mine which hosts a high-grade Resource of 270kt @ 5g/t Au for 43,000oz.

Gold mineralisation at Penny's Gold project occurs within a lower order northwest trending shear that intersects a northerly trending structure. This structure is interpreted to continue to the north through the project area. To the east of this structure and within the project area lie multiple northerly and northwest trending structures interpreted from reprocessed aeromagnetic data.

8,671m of aircore (AC) drilling were completed at the Penny's Gold Project during the year. Notable results include:

- 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
- 20m @ 0.62g/t Au from 72m in PAC23-05, including 4m @ 0.97g/t Au from 84m

The AC drilling during the year has demonstrated the prospectivity of the project and potential for additional economic gold mineralisation discoveries analogous to the proximal high-grade Penny's Find Gold Mine.

Yuinmery Project (Cu-Au)

The Yuinmery Copper-Gold project is located in the Mid-West region of Western Australia and consists of six granted tenements, two mining and four exploration, for a total area of 106.7 km². The project has a current JORC 2012 Resource of 2.52Mt @ 1.31% Cu, 0.49g/t Au and 1.76g/t Ag using a 0.5% Cu cut-off.

The Yuinmery project area covers the eastern portion of the Archaean Youanmi greenstone belt with rock types consisting largely of mafic and ultramafic volcanics with altered chloritic felsic and intermediate volcanic units. The volcanic units contain a number of intercalated strongly sulphidic cherty sediments, which are host to Volcanic Massive Sulphide (VMS) copper-gold mineralisation. The project area lies between the Youanmi Shear zone (western boundary) and the Yuinmery Shear zone (eastern boundary) with the southern area covering the southern closure of a northerly plunging syncline.

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.

Empire completed a 924m reverse circulation (RC) drilling program at Yuinmery during the year. The drilling targeted extensions to the recently discovered YT01 prospect as well as delineate shallow high-grade copper-gold extensions to A-Zone.

Strong copper and gold mineralisation was encountered in A-Zone drilling, including:

- 10m @ 0.93% Cu from 72m in YRC23-05, including 1m @ 2.54% Cu from 73m
- 3m @ 1.93g/t Au from 71m in YRC23-05, including 1m @ 3.41g/t Au from 72m

Broad zones of copper mineralisation was encountered in YT01 drilling included:

- 20m @ 0.28% Cu from 76m in YRC23-01, and 1m @ 0.62% Cu from 119m
- 12m @ 0.48% Cu from 140m in YRC23-02, and 10m @ 0.46% Cu from 167, and 15m @ 0.37% Cu from 180m
- 9m @ 0.55% Cu from 182m in YRC23-04, including 1m @ 0.95% Cu from 185m and 3m @ 0.30% Cu from 201m (EOH)

A-Zone is developing into an exciting deposit where we see continued near surface high grade copper and gold mineralisation, while the YT01 prospect is developing into a large tonnage bulk copper system. The Yuinmery Project remains an important part of Empire's portfolio, offering an opportunity for potential discovery of economic copper-gold mineralisation.

Empire Resources Limited

Review of Operations

Barloweerie Project (Zn-Pb-Ag-Au-Cu)

The Company has one granted exploration licence and two exploration tenements in application. The total package is 533km² and is located approximately 155km west of Cue, WA.

The exploration licences cover part of the Barloweerie greenstone belt where historical exploration discovered highly anomalous zinc, lead, silver, gold and copper mineralisation in a volcanogenic massive sulphide (VMS) setting. The Barloweerie Project has had limited modern exploration since 1987 when strong mineralisation was encountered in RC and diamond drilling, including:

- 5m @ 4.8% Zn from 38m (SDH34)
- 1m @ 3.9% Pb from 15m (SDH19)
- 5m @ 100.0g/t Ag from 28m (SDH31)
- 2m @ 0.58% Cu from 19m (SDP8)

Nanadie Project (Cu-Au)

The Company has three granted exploration licence totalling 127.3km² located approximately 65km east of Meekatharra, WA.

The Nanadie Copper-Gold Project partially overlies the Barrambie Greenstone Belt which consists of a 1-4km wide sequence of strongly sheared chlorite-quartz-muscovite schists, amphibolites, BIF's and ultramafics. Much of the tenement is covered by aeolian sand, sheetwash and calcrete.

Empire's Nanadie Copper-Gold Project lies immediately along strike from Cyprium Metals Limited (ASX:CYM) Nanadie Well Copper Project. Cyprium's Nanadie Well Copper Project has a JORC 2004 Inferred Resource of 40.4Mt @ 0.40% Cu & 0.10g/t Au containing 162,000 tonnes of copper and 130,000 oz of gold (refer to ASX:CYM "Nanadie Well Mineral Resource Estimate" 19 July 2022).

The sequence hosting the Nanadie Well deposit is interpreted to continue north into Empire's tenure. A regional shear, informally known as the Nanadie Well Regional Shear traverses the project from north to south. Several geochemical and geophysical anomalies have been identified along the Nanadie Well Regional Shear that warrant further investigation.

INVESTMENTS

Penny's Find Royalty

The Company previously part owned and mined the Penny's Find Gold Mine. The mine was subsequently sold and as part of the settlement, Empire is entitled to a 5% ad valorem royalty payment on gold and silver produced from the Penny's Find Gold Mine up to the first 50,000 oz of gold recovered, and 2.5% on gold and silver 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 June 2023 Horizon Minerals announced that it had secured funding and the key approvals required to commence underground development of its Cannon Gold Project 33km south of Penny's Find Gold Mine (refer to ASX:HRZ "Funding and Key Approvals Secured for Cannon Underground Gold Project" 14 June 2023). Horizon states that the development of the Penny's Find Gold Mine would follow Cannon.

Empire is pleased with the progress Horizon Minerals has made so far and looks forward to early 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 has been particularly active in the region at their Side Well Gold Project which is proximal to E51/1995.

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

Empire Resources Limited

Review of Operations

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.

CORPORATE ACTIVITIES

Share Issue

In December 2022, 74,362,823 shares were issued at 0.7 cents raising \$520,540 before share issue costs.

Project Assessment

Empire continued to assess opportunities complimentary to its existing portfolio. The Company assessed a number of prospective projects during the year and while there has been no material advancement towards a transaction, the Company continues to engage with several parties regarding opportunities complimentary to Empire's business.

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 presentation 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.

The 2012 JORC reportable resources of primary and transitional copper-gold sulphide mineralisation above a 0.5% and a 1.0% copper cut-off are summarised below.

**Empire Resources Limited
Review of Operations**

Just Desserts Reportable Mineral Resources – April 2016

<i>Reportable Mineral Resource to depth of 170m</i>						
<i>Cut-off</i>	<i>Weath</i>	<i>Class</i>	<i>Tonnes</i>	<i>Cu %</i>	<i>Au ppm</i>	<i>Ag ppm</i>
<i>0.5% Cu</i>	<i>Partial</i>	<i>Indicated</i>	<i>97,000</i>	<i>1.05</i>	<i>0.30</i>	<i>0.98</i>
		<i>Inferred</i>	<i>65,000</i>	<i>1.43</i>	<i>0.18</i>	<i>2.21</i>
		<i>sub-total</i>	<i>163,000</i>	<i>1.20</i>	<i>0.25</i>	<i>1.47</i>
	<i>Fresh</i>	<i>Indicated</i>	<i>1,174,000</i>	<i>1.33</i>	<i>0.67</i>	<i>1.31</i>
		<i>Inferred</i>	<i>1,183,000</i>	<i>1.30</i>	<i>0.34</i>	<i>2.25</i>
		<i>sub-total</i>	<i>2,357,000</i>	<i>1.31</i>	<i>0.51</i>	<i>1.78</i>
	<i>All</i>	<i>Indicated</i>	<i>1,271,000</i>	<i>1.31</i>	<i>0.64</i>	<i>1.28</i>
		<i>Inferred</i>	<i>1,249,000</i>	<i>1.31</i>	<i>0.33</i>	<i>2.25</i>
		<i>Total</i>	<i>2,520,000</i>	<i>1.31</i>	<i>0.49</i>	<i>1.76</i>
<hr/>						
<i>1% Cu</i>	<i>Partial</i>	<i>Indicated</i>	<i>47,000</i>	<i>1.37</i>	<i>0.37</i>	<i>1.09</i>
		<i>Inferred</i>	<i>31,000</i>	<i>2.14</i>	<i>0.22</i>	<i>2.20</i>
		<i>sub-total</i>	<i>78,000</i>	<i>1.68</i>	<i>0.31</i>	<i>1.53</i>
	<i>Fresh</i>	<i>Indicated</i>	<i>752,000</i>	<i>1.65</i>	<i>0.84</i>	<i>1.54</i>
		<i>Inferred</i>	<i>435,000</i>	<i>2.31</i>	<i>0.49</i>	<i>2.81</i>
		<i>sub-total</i>	<i>1,187,000</i>	<i>1.89</i>	<i>0.71</i>	<i>2.01</i>
	<i>All</i>	<i>Indicated</i>	<i>799,000</i>	<i>1.63</i>	<i>0.82</i>	<i>1.51</i>
		<i>Inferred</i>	<i>467,000</i>	<i>2.30</i>	<i>0.47</i>	<i>2.76</i>
		<i>Total</i>	<i>1,266,000</i>	<i>1.88</i>	<i>0.69</i>	<i>1.97</i>

Empire Resources Limited

Directors' Report

Your Directors submit their report on Empire Resources Limited (the "Company") and its controlled entity (the "Group") for the financial year ended 30 June 2023.

Directors

The Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Michael Ruane – Non Executive Chairman BSc, PhD

Dr Ruane holds BSc and PhD qualifications in chemistry from UWA and has been involved in the mining and chemical industries for over 40 years. Dr Ruane has been responsible for listing or development of numerous Public Companies including Echo Resources Ltd (ASX: EAR) acquired by Northern Star Resources Ltd (November 2019), Reward Minerals Ltd (ASX: RWD) and Yandal Resources Ltd (ASX: YRL).

Dr Ruane held the following positions in these ASX listed entities in the past 3 years:

Company	Position	Appointed	Resigned
Reward Minerals Ltd	Executive Director	2/12/2004	-
NTM Gold Ltd	Director	24/04/2020	15/03/2021

Sean Richardson – Managing Director MEng MSc MBA FAusIMM MEIAust GAICD

Mr Richardson is an experienced minerals industry executive with over 30 years' operational, consultancy and managerial experience in Australian, North American, African, South-East and Central Asian mineral projects. Mr Richardson's experience ranges from exploration through project development and into production having held operational and senior management positions with a number of companies including; Western Mining Corporation, Normandy Mining, Bardoc Gold Limited, North West Nickel, Shaw River Manganese, Atlas Iron and Auricup Resources.

Mr Richardson holds a Master of Engineering Technology (Mining Engineering), a Master of Business Administration (Curtin), a Master of Science in Mineral Economics (WASM), a Graduate Diploma in Mining (WASM) and an Advanced Certificate in Engineering and Mine Surveying (TAFE). Mr Richardson is also a Graduate Member of the Australian Institute of Company Directors (GAICD), a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Member of Engineers Australia (MEIAust).

Mr Richardson held no other positions in any listed company in the last 3 years.

Jeremy Atkinson – Non Executive Director BA CPA GradDipAppFin

Mr Atkinson is a qualified CPA (Australia), professionally trained in project financial modelling. In the past 15 years Mr Atkinson has specialised professionally in the construction of financial models for mining projects in Australia, Africa, Europe and South America and is very conversant with commercial terms and cost parameters associated with mining and processing of a range of mineral commodities including gold and copper. He also holds a degree in modern languages from Oxford University and speaks English, French and German languages fluently. Prior to his involvement in the mining industry Mr Atkinson spent 18 years in senior strategic and operational positions in the development and turnaround of various international manufacturing businesses.

Mr Atkinson held no other positions in any listed company in the last 3 years.

Company Secretary

Simon Storm - BCom. BCompt(Hons). CA, FGIA

Mr Storm is a Chartered Accountant with more than 34 years of Australian and international experience in the accounting profession and commerce. He commenced his career with Deloitte Haskins & Sells in Africa then London before joining Price Waterhouse in Perth. During the past 21 years he has held various senior finance and company secretarial roles with listed and unlisted entities in the resources, agribusiness, banking, construction, telecommunications, property development and funds management industries.

Principal Activities

During the period, the principal activities of the Company consisted of mineral exploration and evaluation of properties in Australia.

Empire Resources Limited

Directors' Report

Dividends

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

Result for the Financial Period

The loss from ordinary activities after provision for income tax was \$1,424,150 (2022: \$2,653,243).

Review of results and operations

The operations and results of the Company for the financial year are reviewed below.

This review includes information on the financial position of the Company, and its business strategies and prospects for future financial years.

Expenses

Interest expense was \$Nil (2022: \$19,373) due to the unsecured loan of \$1.5 million from an entity associated with Dr Michael Ruane being repaid in September 2021.

The Company conducted exploration activities at its various exploration projects with expenditure on exploration decreasing 44% to \$959,486 (2022: \$1,711,796) which was mainly attributable to less drilling programs at Yuinmery.

Operating cash flows

Cash outflows from operating activities were \$1,327,025 (2022: \$2,654,081) due to the decreased payments for exploration and evaluation expenditure in relation to the Yuinmery drilling program.

Investing cash flows

Cash inflows from investing activities were \$20,000 (2022: \$3,212,850) due to the sale of tenements. The prior year inflows mainly resulted from the sale of 13,035,000 DCN shares.

Financing cash flows

Cash inflows from financing activities were \$474,148 (2022: Outflows \$36,195) due to a share placement, net of costs of \$474,148 (2022: \$1,463,805) in December 2022. In the prior year there was also the loan repayment of \$1,500,000.

Statement of financial position

Current assets

Current assets decreased by 49% to \$1,041,532 (2022: \$2,023,919) mainly due to the utilisation of cash for expenditure on exploration projects.

Non-current assets

Non-current assets decreased by 100% to \$Nil (2022: \$12,565) due to the depreciation of plant and equipment.

Current liabilities

Current liabilities decreased by 25% to \$136,684 (2022: \$181,634) due to lower accounts payable as a consequence of the reduced drilling program.

Review of Operations

Refer pages 2-5 for details.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company other than as discussed elsewhere in this Report.

Remuneration Report (Audited)

This report details the amount and nature of remuneration of each director of the Company and other key management personnel.

Remuneration Policy

The principles used to determine the nature and amount of remuneration are applied through a remuneration policy which ensures the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Empire Resources Limited Directors' Report

The remuneration policy, setting the terms and conditions for the executive Directors has been developed internally by the board and taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The remuneration policy is to provide a fixed remuneration component. The board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Directors' objectives with shareholder and businesses objectives.

The remuneration framework has regard to shareholders' interests in the following ways:

- Focuses on sustained growth as well as focusing the Directors on key non-financial drivers of value, and
- Attracts and retains high calibre Directors.

The remuneration framework has regard to Directors' interests in the following ways:

- Rewards capability and experience,
- Reflects competitive reward for contributions to shareholder growth,
- Provides a clear structure for earning rewards, and
- Provides recognition for contribution.

Non-executive Directors

The board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-executive Director and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Directors is subject to approval by shareholders at a General Meeting. Fees for Non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may receive options.

The Directors have resolved that Non-executive Directors' fees will be \$36,000 per annum for the Chairman and for Directors, inclusive of statutory superannuation contributions.

Shareholders have approved aggregate remuneration for all non-executive Directors at an amount of \$250,000 per annum at a general meeting on 4 November 2020. Where applicable, superannuation contributions of 10.5% (2022: 10%) are paid on these fees as required by law.

Share-based compensation

Performance Related Share Issue

The Company has established an option share plan, which is also available to Directors, employees and some consultants, known as the 2010 Empire Resources Option Plan and was approved by shareholders on 25 June 2010. The Empire Resources Option Plan is not currently active insofar as there have been no option issues in the last two years and shareholder renewal, which is required every three years, has not been sought.

There were no options issued as share-based compensation to key management personnel during the current financial year or previous financial year.

No shares were issued during the year upon the exercise of options.

Executive Director

The Executive Director provides his services via an employee services agreement. In July 2019, the Company appointed Sean Richardson as Managing Director on an on-going basis. The fixed remuneration is \$220,000 per annum base salary plus statutory superannuation. The Company may terminate the agreement by providing three months' notice. The Managing Director may terminate the agreement by providing one month's notice.

Non-executive Directors do not receive any retirement benefits. Options are not issued as part of remuneration for long term incentives.

All remuneration paid to Directors and executives is valued at cost to the Company and expensed.

Compensation of Key Management Personnel

The following table discloses the remuneration of the Key Management Personnel ('KMP') of the Company. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Empire Resources Limited Directors' Report

The information in this table is audited.

	Directors' Fees	Salary	Post-employment benefits		Performance based % of remuneration
	\$	\$	\$	Total \$	Options %

Directors

Non-Executive

Dr M Ruane	2023	36,000	-	-	36,000	0%
	2022	36,000	-	-	36,000	0%
Mr J Atkinson	2023	36,000	-	-	36,000	0%
	2022	36,000	-	-	36,000	0%

Executive

Mr S Richardson	2023	-	220,000	23,100	243,100	0%
	2022	-	217,990	21,799	239,789	0%
Total Directors	2023	72,000	220,000	23,100	315,100	0%
	2022	72,000	217,990	21,799	311,789	0%

Equity Holdings

Equity instrument disclosures relating to Directors and other key management personnel

Shareholdings

The number of ordinary shares in the Company held during the year by each director and other key management personnel, including their personally related entities or associates, are set out below.

2023 Shareholdings of Key Management Personnel

Directors	Balance at beginning of year	Granted as remuneration	Net Other change	Additions	Balance at end of year
Dr M Ruane	347,841,768	-	-	53,549,999	401,391,767
Mr J Atkinson	13,226,065	-	-	1,428,571	14,654,636
Mr S Richardson	20,000,000	-	-	2,500,000	22,500,000
	381,067,833	-	-	57,478,570	438,546,403

All equity transactions with key management personnel, which relate to the Company's listed ordinary shares or options, have been entered into on an arm's length basis.

Option holdings

2023 Option holdings of Key Management Personnel

Directors	Balance at beginning of year	Net change other	Balance at end of year	Vested and exercisable at 30 June 2023
Dr M Ruane	20,236,362	-	20,236,362	20,236,362
Mr J Atkinson	788,453	-	788,453	788,453
Mr S Richardson	1,107,144	-	1,107,144	1,107,144
	22,131,959	-	22,131,959	22,131,959

End of Remuneration Report

Empire Resources Limited Directors' Report

Other transactions with Directors, their associates and director related entities are as follows:

Consolidated	
2023	2022
\$	\$

Amounts payable at balance date to Key Management Personnel in relation to remuneration

Kesli Chemicals Pty Ltd - Dr M Ruane	18,000	18,000
Northshore Capital Advisors Pty Ltd - Mr J Atkinson	3,300	3,300
	21,300	21,300

The above amounts relate to unpaid remuneration.

Loans from Directors

Interest expense on unsecured loans		
Kesli Chemicals Pty Ltd - Dr M Ruane	-	19,373
	-	19,373

The company obtained an unsecured loan of \$1.5 million with a 12 month term and 7.5% interest from an entity associated with the Non-executive Chairman, Dr Michael Ruane. The Company had to repay the loan and interest on the earlier of:

- 11 July 2020, or
- on presentation of an Event of Default Notification, or
- seven days from the date of a successful capital raising in excess of \$1.5 million, or
- seven days from the date on which any bidder for the Company becomes entitled to 50% or more of the Company's fully paid securities.

The term was extended indefinitely in July 2020. The loan plus interest was repaid in September 2021.

Share Options

At the date of this report there were the following unissued ordinary shares of the Company under option:

Grant Date	Date of Expiry	Exercise Price \$	Number under Option
7-Dec-21	30-Nov-23	0.016	36,834,239
22-Feb-22	30-Nov-23	0.016	28,076,831
			64,911,070

Directors' Interests

The relevant interest of each Director in the shares and options issued by the Company at the date of this report is as follows:

Director	Number of Ordinary Shares		Number of Options	
	Direct	Indirect	Direct	Indirect
Dr M Ruane	-	402,891,767	-	20,236,362
Mr J Atkinson	-	14,654,636	-	788,453
Mr S Richardson	-	22,992,631	-	1,107,144

Company Performance

Comments on performance are set out in the review of operations.

Empire Resources Limited

Directors' Report

Likely Developments and Expected Results

Disclosure of likely developments in the operations of the Company and the expected results of those operations in future financial years, and any further information, has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company.

Environmental Regulation

The Company's operations were subject to environmental regulations under both Commonwealth and State legislation in relation to its exploration activities.

The Directors are not aware of any breaches during the period covered by this report.

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2023 and the number of meetings attended by each director.

Director	Directors' Meetings	
	Meetings attended	Meetings held whilst a Director
Dr Michael Ruane	4	4
Mr Jeremy Atkinson	4	4
Mr Sean Richardson	4	4

As at the date of this report the Company has not formed any committees as the Directors consider that at present the size of the Company does not warrant such. Audit, corporate governance, Director nomination and remuneration matters are all handled by the full board.

Proceedings on Behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of the proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Indemnification and Insurance of Directors and Officers

Indemnification

The Company has agreed to indemnify current Directors and officers and past Directors and officers against all liabilities to another person (other than the Company or a related body corporate), including legal expenses that may arise from their position as Directors and officers of the Company and its controlled entity, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Directors have not included details of the amount of the premium paid in respect of the Directors' and officers' liability insurance contracts; as such disclosure is prohibited under the terms of the contract.

Events subsequent to reporting date

There has been no matter or circumstance that has arisen after balance date that has 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 years.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Empire Resources Limited Directors' Report

The Directors are satisfied that any non-audit services provided during the year ended 30 June 2023 did not compromise the general principals relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Performance and Ethical Standards Board.

Details of the amounts paid or payable to the auditor (HLB Mann Judd) for audit and non-audit services provided during the year are set out below.

During the period, the following fees were paid or payable for services provided by the auditors of the parent entity HLB Mann Judd, its related practices:

Assurance Services

HLB Mann Judd (Current Auditor)

1. Audit and review services

Audit and review of financial reports and other audit work under the *Corporations Act 2001*

Independent auditor's statement on Form 5

Total remuneration

Consolidated	
Year ended 30 June 2023	Year ended 30 June 2022
\$	\$

30,829	27,407
--------	--------

-	1,106
---	-------

30,829	28,513
--------	--------

2. Company Tax Compliance Services

3,000	4,500
-------	-------

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the company's auditors, HLB Mann Judd, to provide the Directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 30 June 2023. This written Auditor's Independence Declaration is attached to the Independent Auditor's Report to the members and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



Michael Ruane

Director

Perth, Western Australia

14 August 2023

EMPIRE RESOURCES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Consolidated	
		2023 \$	2022 \$
Interest income		11,153	1,036
Other income	2	20,000	207,466
Interest expense		-	(19,373)
Depreciation expense		(1,256)	(1,281)
Exploration expense	3	(959,486)	(1,711,796)
Business development expense		(19,706)	(59,729)
Legal expense		-	(21,407)
Employee benefits expense		(162,076)	(182,932)
Directors' fees expense		(72,000)	(72,000)
Accounting expense		(69,849)	(73,398)
ASX expense		(33,111)	(32,342)
Corporate relations expense		(2,840)	(9,948)
Insurance expense		(40,729)	(45,424)
Net fair value loss on financial assets		-	(482,988)
Other expenses		(94,250)	(149,127)
Loss before income tax		(1,424,150)	(2,653,243)
Income tax benefit	4	-	-
Net loss		(1,424,150)	(2,653,243)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,424,150)	(2,653,243)
Basic and diluted loss per share (cents per share)	5	(0.13)	(0.27)

*The above Statement of Comprehensive Income
should be read in conjunction with the accompanying notes.*

EMPIRE RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Consolidated	
		2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,013,756	1,846,633
Trade and other receivables	7	17,776	167,286
Other financial assets		10,000	10,000
Total Current Assets		1,041,532	2,023,919
NON-CURRENT ASSETS			
Plant and equipment	9	-	12,565
Total Non-Current Assets		-	12,565
TOTAL ASSETS		1,041,532	2,036,484
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	136,684	181,634
Total Current Liabilities		136,684	181,634
TOTAL LIABILITIES		136,684	181,634
NET ASSETS		904,848	1,854,850
EQUITY			
Issued capital	11	27,352,416	26,878,268
Reserves	12	1,802,246	1,802,246
Accumulated losses		(28,249,814)	(26,825,664)
TOTAL EQUITY		904,848	1,854,850

*The above Statement of Financial Position
should be read in conjunction with the accompanying notes.*

EMPIRE RESOURCES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Consolidated			
	Issued Capital \$	Accumulated Losses \$	Option Reserves \$	Total \$
Balance at 1 July 2021	25,414,463	(24,172,421)	1,802,246	3,044,288
Loss for the year	-	(2,653,243)	-	(2,653,243)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(2,653,243)	-	(2,653,243)
Shares issued during the year	1,557,866	-	-	1,557,866
Equity issue expenses	(94,061)	-	-	(94,061)
Balance at 30 June 2022	26,878,268	(26,825,664)	1,802,246	1,854,850
Balance at 1 July 2022	26,878,268	(26,825,664)	1,802,246	1,854,850
Loss for the year	-	(1,424,150)	-	(1,424,150)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(1,424,150)	-	(1,424,150)
Shares issued during the year	520,540	-	-	520,540
Equity issue expenses	(46,392)	-	-	(46,392)
Balance at 30 June 2023	27,352,416	(28,249,814)	1,802,246	904,848

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

EMPIRE RESOURCES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated	
	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	110,000	100,000
Payments for exploration and evaluation expenditure	(969,071)	(1,936,996)
Payments to employees and suppliers	(479,107)	(695,803)
Interest received	11,153	1,036
Interest paid	-	(122,318)
Net cash outflow from operating activities	(1,327,025)	(2,654,081)
Cash Flows from Investing Activities		
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	-
Net cash inflow from investing activities	20,000	3,212,850
Cash Flows from Financing Activities		
Proceeds from issue of equity securities	520,540	1,557,866
Equity securities issue costs	(46,392)	(94,061)
Repayments of borrowings	-	(1,500,000)
Net cash inflow/(outflow) from financing activities	474,148	(36,195)
Net (decrease)/increase in cash held	(832,877)	522,574
Cash at the beginning of the year	1,846,633	1,324,059
Cash at the end of the year	1,013,756	1,846,633

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Empire Resources Limited and its controlled entity ("Group") and Empire as an individual parent entity ("Empire"). Empire is a listed public company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied by the controlled entity and are consistent with those in the 30 June 2022 financial report, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. It has been prepared on the historical cost basis. The financial report is presented in Australian dollars.

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

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity, and is presented in Australian dollars.

The financial report was authorised for issue by the Board on 14 August 2023.

(b) Going Concern

As disclosed in the Statement of Comprehensive Income, the Group recorded a net loss of \$1,424,150 (2022: \$2,653,243) and as disclosed in the Statement of Cash Flows, the Group recorded cash outflows from operating activities of \$1,327,025 (2022: \$2,654,081), cash inflows from investing activities of \$20,000 (2022: \$3,212,850) and cash inflows from financing activities of \$474,148 (2022: Outflow \$36,195). 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:

- The Group has successfully completed capital raisings during the year as disclosed in Note 11(a) 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 \$904,848 (2022: \$1,842,285) at balance date and exploration expenditure commitments for the next 12 months of \$507,045 (2022: \$484,012), as disclosed in Note 14, 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. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(c) Basis of Consolidation

A controlled entity is any entity over which Empire Resources Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities.

Details of the controlled entity are contained in Note 8 to the financial statements. The controlled entity has a 30 June financial year end.

All inter-company balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

Where a controlled entity enters or leaves the consolidated Group during the year, their operating results are included/excluded from the date control was obtained or until the date control ceased.

(d) Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant & equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. Recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation is calculated on the straight line basis and is brought to account over the estimated useful lives of all plant and equipment from the time the asset is held ready for use. The depreciation rates used are:

Office furniture	15-33%
Office computer equipment	33%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to the assets are then transferred to accumulated losses.

(e) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(f) Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of the acquisition plus costs incidental to the acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

(h) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use a forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of these requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under

AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired or been transferred;
- has transferred substantially all the risks and rewards of the asset, or
- The Group no longer controls the asset.

(j) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and acquisition costs are expensed in the year they are incurred. Development costs are capitalised. Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is classified as development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

(k) Employee Entitlements

Salaries, wages and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in other creditors in respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits, that being the Employee Share Option Plan (ESOP), which provides benefits to Directors and senior executives.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes or Binomial option pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Empire Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

The Group expenses equity-settled share-based payments such as option issues after ascribing a fair value to the options issued. The fair value of option issues are recognised as an expense together with a corresponding increase in the share option reserve in equity over the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital when options are exercised.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

(l) Trade and other receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful debts is raised where some doubt as to collection exists.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Revenue Recognition

Amounts disclosed as revenue are net of duties and taxes paid. Revenue is recognised as follows:

(i) Interest

Interest earned is recognised as and when it is receivable, including interest which is accrued and is readily convertible to cash within two working days. Accrued interest is recorded as part of other debtors.

(ii) Sundry income (including Royalty income)

Sundry income is recognised as and when it is receivable. Income receivable, but not received at balance date, is recorded as part of other debtors.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST and the fuel tax rebate.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

1. Statement of Significant Accounting Policies (continued)

(r) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 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 of the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all new Standards and Interpretation that have been issued but are not yet effective for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Group accounting policies.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Empire Resources Limited.

The Group operates only in one business and geographical segment being predominantly in the area of mineral exploration and exploitation in Western Australia. The Group considers its business operations in mineral exploration and exploitation to be its primary reporting function.

(t) Loss per share

Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Parent Entity Financial Information

The financial information for the parent entity, Empire Resources Limited disclosed in Note 20 has been prepared on the same basis as the Group.

2. Revenue and other income

	Consolidated	
	2023	2022
	\$	\$
Other income		
Net gain on sale of tenement	20,000	-
Royalty income	-	200,000
Other income	-	7,466
	20,000	207,466

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

3. Loss from ordinary activities

Consolidated	
2023	2022
\$	\$

The loss from ordinary activities before income tax has been determined after:

(a) Expenses

Drilling	358,991	975,051
Exploration personnel	298,202	291,013
Assaying	144,111	70,561
Other	158,182	375,171
Exploration expense	959,486	1,711,796

4. Income tax

(a) Numerical reconciliation between income tax expense and the loss before income tax

Consolidated		
2023	2022	
\$	\$	
Loss before tax	(1,424,150)	(2,653,243)
Income tax benefit / (expense) at 25%	356,038	663,311
Tax effect of:		
- deductible capital raising expenditure	17,614	28,173
- non deductible expenditure	-	(2,067)
- deductible temporary differences	(505)	123,530
- net fair value gain on financial assets	-	(120,747)
- realised gain on financial assets	-	(440,573)
Deferred tax asset not recognised	(373,147)	(251,627)
Income tax benefit attributable to loss from ordinary activities before tax	-	-

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

4. Income tax (continued)

	Consolidated	
	2023 \$	2022 \$
(b) Unrecognised deferred tax balances		
Tax losses attributable to members of the Group - revenue	24,818,205	21,077,263
Potential tax benefit at 25%	6,204,551	5,269,316
Amounts recognised in statement of comprehensive income		
- employee provisions	8,897	8,503
- other	4,500	4,500
Amounts recognised in equity		
- share issue costs	61,492	61,492
Net unrecognised deferred tax asset at 25%	6,279,440	5,343,811

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1(e) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1(e) are satisfied.

5. Loss per share

	Consolidated	
	2023 Cents	2022 Cents
Basic and diluted loss per share (cents per share)	(0.13)	(0.27)
Loss used in the calculation of basic EPS (\$)	(1,424,150)	(2,653,243)
Weighted average number of shares outstanding during the period used in calculations of basic earnings per share	1,080,043,668	969,985,442

6. Cash and cash equivalents

	Consolidated	
	2023 \$	2022 \$
Cash at bank and in hand	1,013,756	1,846,633
	1,013,756	1,846,633

Cash at bank earns interest at floating rates based on daily deposit rates.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

6. Cash and cash equivalents (continued)

(i) Reconciliation of cash flow from operations with profit / (loss) after income tax

	Consolidated	
	2023 \$	2022 \$
Loss after income tax	(1,424,150)	(2,653,243)
Depreciation	12,565	12,812
Interest expense	-	(102,945)
Net gain from sale of tenement	(20,000)	-
Fair value loss on financial assets	-	482,988
	(1,431,585)	(2,260,388)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
(Increase)/decrease in trade and other receivables	103,741	(94,548)
(Decrease)/increase in trade and other payables	2,118	(320,568)
(Decrease)/increase in employee benefits	(1,299)	21,423
Net cash outflow from operating activities	(1,327,025)	(2,654,081)

7. Trade and other receivables

	Consolidated	
	2023 \$	2022 \$
Current		
Trade receivables	-	110,000
GST receivables	2,133	37,902
Other receivables	15,643	19,384
	17,776	167,286

Provision for expected credit loss

Current trade receivables are non-interest bearing and generally on 30 day terms. In addition, the Group applies AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. A provision for expected credit loss is recognised when there is objective evidence that an individual trade receivable is impaired.

	Consolidated	
	2023 \$	2022 \$
Aging of past due		
30-60 days	-	-
60-90 days	-	-
90-120 days	-	-
Total	-	-

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

8. Financial assets

Investments in subsidiary

Controlled entity	Country of incorporation	Percentage Owned	Percentage Owned
		2023 %	2022 %
Parent Entity: Empire Resources Limited	Australia		
Subsidiary of Empire Resources Limited: Torrens Resources Pty Ltd	Australia	100	100

9. Plant and equipment

	Consolidated	
	2023 \$	2022 \$
Plant and Equipment		
Cost	54,562	54,562
Accumulated depreciation	(54,562)	(54,562)
	-	-
Motor Vehicles		
Cost	166,472	166,472
Accumulated depreciation	(166,472)	(153,907)
	-	12,565
Total Plant and Equipment	-	12,565

	Consolidated	
	2023 \$	2022 \$
Motor Vehicles		
Balance at the beginning of year	12,565	25,377
Depreciation expense	(12,565)	(12,812)
Carrying amount at the end of the year	-	12,565
Total Plant and Equipment	-	12,565

10. Trade and other payables

	Consolidated	
	2023 \$	2022 \$
Trade payables and accruals ¹	80,845	124,496
Employee benefits	55,839	57,138
	136,684	181,634

Trade payables are non-interest bearing and are normally settled on 30 day terms.

¹ Included in these balances are amounts owing to key management personnel at balance date of \$21,300 (2022: \$21,300).

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

11. 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	
	2023 \$	2022 \$
1,112,934,917 (30 June 2022:1,038,572,094) fully paid ordinary shares	27,352,416	26,878,268

	Consolidated	
	2023 No.	2022 No.
(i) Ordinary shares - number		
At 1 July	1,038,572,094	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	74,362,823	-
Balance at 30 June	1,112,934,917	1,038,572,094

	Consolidated	
	2023 \$	2022 \$
(ii) Ordinary shares – value		
At 1 July	26,878,268	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	520,540	-
Less share issue costs	(46,392)	(94,061)
Balance at 30 June	27,352,416	26,878,268

(b) Options

As at 30 June 2023 (30 June 2022:64,911,070) the Company had the following options on issue over ordinary shares:

Grant Date	Date of Expiry	Exercise Price \$	Number under Option
7-Dec-21	30-Nov-23	0.016	36,834,239
22-Feb-22	30-Nov-23	0.016	28,076,831
			64,911,070

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

12. Reserves

	Consolidated	
	2023 \$	2022 \$
Option Reserve	1,802,246	1,802,246

The options reserve is used to recognise the fair value of rights and options issued to Directors, employees and consultants but not exercised.

13. Financial risk management

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group holds the following financial instruments:

	Consolidated	
	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	1,013,756	1,846,633
Trade and other receivables	17,776	167,286
Term deposit	10,000	10,000
	1,041,532	2,023,919
Financial liabilities		
Trade and other payables	136,684	181,634
	136,684	181,634

(a) Market risk

Interest rate risk

The Group's main interest rate risk arises from cash deposits to be applied to exploration and development of areas of interest. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During 2023 and 2022, the Group's deposits at variable rates were denominated in Australian Dollars.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

13. Financial risk management (continued)

As at the reporting date, the Group had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	2023		2022	
	%	\$	%	\$
Deposit		10,000		10,000
Other cash available		1,013,756		1,846,633
Net exposure to cash flow interest rate risk	0.72%	1,023,756	0.05%	1,856,633

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into the renewal of existing positions.

Sensitivity – Consolidated and Parent entity

During 2023 and 2022, if interest rates had been 1% higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax loss for the year. Equity would not have been materially impacted.

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

13. Financial risk management (continued)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within Year	1 to 5 Years	Non-interest bearing	Total
		\$	\$	\$	\$	\$
30 June 2023						
Financial Assets:						
Cash and cash equivalents	0.7%	1,013,756	-	-	-	1,013,756
Trade and other receivables		-	-	-	17,776	17,776
Other financial assets	3.9%	-	10,000	-	-	10,000
Total Financial Assets		1,013,756	10,000	-	17,776	1,041,532
Financial Liabilities:						
Trade and other payables		-	-	-	136,684	136,684
Total financial liabilities		-	-	-	136,684	136,684

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within Year	1 to 5 Years	Non-interest bearing	Total
		\$	\$	\$	\$	\$
30 June 2022						
Financial Assets:						
Cash and cash equivalents	0.0%	1,846,633	-	-	-	1,846,633
Trade and other receivables		-	-	-	167,286	167,286
Other financial assets	0.4%	-	10,000	-	-	10,000
Total Financial Assets		1,846,633	10,000	-	167,286	2,023,919
Financial Liabilities:						
Trade and other payables		-	-	-	181,634	181,634
Total financial liabilities		-	-	-	181,634	181,634

Maturities of financial assets and liabilities

The note above analyses the Group's financial assets and liabilities. The liabilities comprise trade and other payables that are non interest bearing and will mature within 12 months and Director loans that are interest bearing and will be repaid from the proceeds of a future share placement of ordinary shares or sale of financial assets. The amounts disclosed are the contractual undiscounted cash flows. There are no derivatives.

Maturity analysis of financial assets and liabilities based on management's expectation.

Year ended 30 June 2023	<6 months	6-12 months	1-5 years	>5 years	Total
Consolidated					
Financial assets					
Cash & cash equivalents	1,013,756	-	-	-	1,013,756
Trade & other receivables	17,776	-	-	-	17,776
Other financial assets	10,000	-	-	-	10,000
	1,041,532	-	-	-	1,041,532
Financial liabilities					
Trade & other payables	(136,684)	-	-	-	(136,684)
	(136,684)	-	-	-	(136,684)

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

13. Financial risk management (continued)

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, investments in unlisted subsidiaries) is determined using valuation techniques or cost (impaired if appropriate). The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

14. Commitments and Contingencies

Consolidated	
2023	2022
\$	\$

Expenditure commitments contracted for:

Exploration Tenements

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements and are payable:

- not later than 12 months	507,045	484,012
- between 12 months and 5 years	865,223	828,560
- greater than 5 years	1,210,091	1,302,326
	2,582,359	2,614,898

These commitments are based on the Group holding the tenements for the next 5 years.

Contingent asset

On 2 May 2019, the Company agreed with Orminex Penny's Find Pty Ltd (Orminex) to sell the Penny's Find mining tenements and some mining assets for \$600,000 plus an ongoing royalty stream. Penny's Find Gold Mine is now 100% owned by Horizon Minerals Ltd (ASX:HRZ). The cash component consists of \$600,000 broken into three equal milestone payments:

- Completion payment - on signing of full form documents, \$200,000 was received in May 2019,
- Mining Start payment - upon commencement of mining at the Penny's Find project, and
- First Gold payment - at the first gold pour.

Orminex has agreed to pay to the Company:

- an initial 5% ad valorem royalty on gold and silver produced up to the first 50,000 ounces of gold produced from the tenement, and
- a further 2.5% royalty on all future gold and silver derived from the tenement.

The directors consider it probable that the Mining Start and the First Gold payment will be received by the Company.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

15. Directors and other key management personnel

(i) Details of Key Management Personnel

Chairman – non-executive

Dr M Ruane

Managing Director

Mr S Richardson

Non-Executive Director

Mr J Atkinson

(ii) Compensation of Key Management Personnel

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	292,000	289,990
Post-employment benefits	23,100	21,799
	315,100	311,789

The amounts outstanding to Key Management Personnel at the reporting date are included in Note 16.

16. Related Parties

Directors and executives

Disclosures relating to the remuneration and shareholdings of Directors and executives are set out in the Directors' Report.

Other transactions with Directors, their associates and director related entities are as follows:

	Consolidated	
	2023	2022
	\$	\$
Amounts payable at balance date to Key Management Personnel in relation to remuneration		
Kesli Chemicals Pty Ltd - Dr M Ruane	18,000	18,000
Northshore Capital Advisors Pty Ltd - Mr J Atkinson	3,300	3,300
	21,300	21,300
Interest expense on unsecured loans		
Kesli Chemicals Pty Ltd - Dr M Ruane	-	19,373
	-	19,373

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

16. Related Parties (continued)

	Consolidated	
	2023	2022
	\$	\$
Other transactions with Directors for normal business reimbursements		
Kesli Chemicals Pty Ltd - Dr M Ruane	-	820
Reward Minerals Ltd - Dr M Ruane	30,465	29,387
	30,465	30,207

The transactions with Reward Minerals Ltd are normal business reimbursements for rent and other office costs.

17. Remuneration of auditors

The auditor of Empire Resources Ltd is HLB Mann Judd.

	Consolidated	
	2023	2022
	\$	\$
Amounts received or due and receivable by HLB Mann Judd for:		
Audit or review of the financial reports of the Company	30,829	27,407
Independent auditor's statement on Form 5	-	1,106
Tax Compliance	3,000	4,500

18. Segment Information

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 Limited.

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

19. Events after the Balance Date

There has been no matter or circumstance that has arisen after balance date that has 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 years.

Empire Resources Limited

Notes to the Financial Statements 30 June 2023

20. Parent Entity Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023	2022
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,013,756	1,846,633
Trade and other receivables	17,776	167,286
Other financial assets	10,000	10,000
Total Current Assets	1,041,532	2,023,919
NON-CURRENT ASSETS		
Plant and equipment	-	12,565
Total Non-Current Assets	-	12,565
TOTAL ASSETS	1,041,532	2,036,484
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	136,684	181,634
Total Current Liabilities	136,684	181,634
TOTAL LIABILITIES	136,684	181,634
NET ASSETS	904,848	1,854,850
EQUITY		
Issued capital	27,352,416	26,878,268
Reserves	1,802,246	1,802,246
Accumulated losses	(28,249,814)	(26,825,664)
TOTAL EQUITY	904,848	1,854,850
Loss before income tax expense	(1,424,150)	(2,653,243)
Other comprehensive loss for the year, net of tax	-	-
Total comprehensive loss for the year	(1,424,150)	(2,653,243)

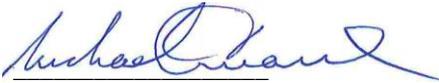
DIRECTORS' DECLARATION

1. In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.



Michael Ruane
Director

Perth, Western Australia
14 August 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Empire Resources Limited for the year ended 30 June 2023, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
14 August 2023



N G Neill
Partner

hl**b.com.au**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Empire Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the *Material Uncertainty Related to Going Concern* section, we have not determined any other matters to be the key audit matters to be communicated in our report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Empire Resources Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 August 2023



N G Neill
Partner

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 20 July 2023.

(a) Distribution of shares

The numbers of shareholders, by size of holding are:

Category (size of holding)	Number of Holders
1 - 1,000	112
1,001 - 5,000	52
5,001 - 10,000	81
10,001 - 100,000	545
100,001 - and over	536
	<u>1,326</u>

The number of shareholdings held in less than marketable parcels is 827.

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

SHAREHOLDERS	Number of shares held	% Holding
1 KESLI CHEMICALS PTY LTD	144,070,261	12.95%
2 KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	131,830,753	11.85%
3 TYSON RESOURCES PTY LTD	124,990,753	11.23%
4 BILL BROOKS PTY LTD<BILL BROOKS SUPER FUND A/C>	55,233,761	4.96%
5 BLAMNCO TRADING PTY LTD	40,000,000	3.59%
6 RBJ NOMINEES PTY LTD <SUPERANNUATION FUND A/C>	22,500,000	2.02%
7 ARMCO BARRIERS PTY LTD	20,000,000	1.80%
8 FITALL GROUP LTD	20,000,000	1.80%
9 AGENS PTY LTD<THE MARK COLLINS S/F A/C>	18,408,852	1.65%
10 MR KENNETH JOSEPH HALL<HALL PARK A/C>	16,320,000	1.47%
11 MR JEREMY PAUL ATKINSON & MRS SARA CAROLINE ATKINSON <ATKINSON SMSF A/C>	14,654,636	1.32%
12 ZINFANDEL EXPLORATION PTY LTD	13,890,742	1.25%
13 RAMILLIES PTY LTD <HASHEMY SUPER FUND A/C>	12,000,000	1.08%
14 HERA INVESTMENTS PTY LTD	11,712,824	1.05%
15 CAMIRA HOLDINGS PTY LTD	11,499,999	1.03%
16 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,898,339	0.98%
17 BNP PARIBAS NOMS PTY LTD <DRP>	10,782,362	0.97%
18 MR RAJPAUL SINGH-SIDHU	10,750,000	0.97%
19 MR SEAN DAVID RICHARDSON & MRS ANNE LUCY RICHARDSON <RICHARDSON FAMILY A/C>	10,500,000	0.94%
20 MR RAJPAUL SINGH SIDHU	10,000,000	0.90%
	<u>710,043,282</u>	<u>63.81%</u>

(c) Substantial Shareholder

Shareholder	Number of shares
MICHAEL RUANE	402,391,767

(d) Securities Exchange Listing

Listing has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Quoted shares on ASX and total issued share capital 1,112,934,917

(e) Voting rights

All shares carry one vote per unit without restriction.

(f) Corporate Governance Statement

The Company's Corporate Governance Statement can be found at <https://resourcesempire.com.au/corporate-governance/>

(g) Unquoted Securities

The Company has the following unquoted equity securities on issue on 20 July 2023.

Unquoted Equity Securites	Number of options	Number of holders
Options over ordinary shares	64,911,070	139

Holdings of unquoted equity securities with holdings of more than 20%:

Option holder	Number of options	%
KESLI CHEMICALS PTY LTD	13,505,243	20.81%

**INTERESTS IN MINING AND EXPLORATION TENEMENTS
AT 20 JULY 2023**

PROJECT	TENEMENT	INTEREST	REMARKS
PENNY'S FIND	E27/592	100%	
	E27/593	100%	
	P27/2245	100%	
	P27/2262	100%	
	P27/2480	100%	
	E27/640	100%	
	E27/690		Application
	E27/691		Application
YUINMERY	M57/265	100%	
	M57/636	100%	
	E57/1037	100%	
	E57/681	92.78%	
	E57/1027	92.78%	
	E57/1159	100%	
BARLOWEERIE	E59/2306	100%	
	E59/2521		Application
	E59/2523		Application
NANADIE	E51/1938	100%	
	E20/968	100%	
	E51/1985	100%	
WILUNA	P53/1707	100%	
PAYNESVILLE	E58/611		Application
WHITE FLAG	E24/238		Application