

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2024

### HIGHLIGHTS

- 🏠 Ongoing business development activities.
  - 🏠 Multiple opportunities assessed during the quarter.
  - 🏠 Several prospective projects identified with project owner engagement into 2024.
- 🏠 Horizon Minerals (ASX:HRZ) reports progress on the high-grade Penny's Find Gold Mine Pre-Feasibility Study (PFS) <sup>[1]</sup>.
  - 🏠 Pre-Feasibility Study and maiden Ore Reserve for Penny's Find on track for completion June quarter 2024.
  - 🏠 Pre-Feasibility study following from the December 2023 Resource update <sup>[2]</sup>
  - 🏠 Empire holds a 5% gold royalty on the first 50,000oz recovered from the Penny's Find Gold Mine <sup>[3]</sup> and 2.5% above 50,000oz.
- 🏠 Non-renounceable rights issue to raise up to \$741,000 announced post quarters end <sup>[4]</sup>.

### Empire Managing Director, Sean Richardson commented:

*"Empire continued to assess and progress several highly prospective business opportunities during the March quarter. Current market conditions lend themselves to unlocking accretive opportunities that would be pivotal to Empire's business. The Company continues to pursue potential business development options."*

*"The Company is also very pleased with the progress of the Penny's Find Gold Mine under the stewardship of Horizon Minerals. The recent 46% increase in the JORC compliant Resource and ongoing pre-feasibility studies, together with all-time high gold prices implies that Empire's royalty entitlement has significant financial implications for both Empire's cash position and underlying enterprise value."*

*"We monitor development of the Penny's Find Gold Mine closely and look forward to regular progress updates from Horizon Minerals as they advance their business towards gold production."*

*"Post the March quarter Empire announced a non-renounceable rights issue to raise funds for activities of the business and for working capital. I encourage all shareholders to consider the offer and recommend they take up their entitlements."*

**ASX Announcement** 30 April 2024

## **BUSINESS DEVELOPMENT**



The Company continues to assess investment and project acquisition opportunities that suit the nature of the Company's current business activities. The Company assessed several prospective opportunities during the quarter that have potential to be value accretive to Empire's business.

While these opportunities remain at the evaluation stage, the Company is encouraged by their potential and remains enthusiastic about progressing at least one of them to a favourable outcome.

## **ROYALTY PORTFOLIO**

### **Penny's Find Royalty**

Empire is entitled to royalty payments <sup>[3]</sup> on gold produced from the Penny's Find Gold Mine to the extent of 5% of gold recovered up to 50,000 oz and 2.5% on gold produced above that amount. Empire is also entitled to milestone payment obligations:

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

Now 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.

On 28 March 2024, Horizon Minerals announced that the Pre-Feasibility Study (PFS) for the Penny's Find Gold Mine was progressing as planned with the study expected to be completed in the June Quarter 2024 <sup>[1]</sup>. The PFS is expected to include a maiden Ore Reserve, with a financial investment decision (FID), pending favourable study results, made thereafter.

This progress towards feasibility study, Ore Reserves and FID at Penny's Find Gold Mine comes on the back of an updated JORC 2012 compliant Resource at the Penny's Find Gold Mine of **429kt @ 4.57g/t Au for 63,000oz** reported by Horizon in December 2023 <sup>[2]</sup>. The December 2023 Resource update represents a 46% increase in global ounces and of significance, contains **305kt @ 5.19g/t Au for 51,000oz** within an Indicated Resource category.

In its March 2024 update, Horizon Minerals also announced that it had commenced dewatering activities at its Cannon Gold Project 33km south of Penny's Find Gold Mine <sup>[1]</sup>. Dewatering is a precursor to production and is required to expose the underground portal location in preparation of commencing underground mining. Horizon states that the development of the Penny's Find Gold Mine would follow Cannon <sup>[5]</sup>.

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

### **Gnaweeda Royalty**

Empire retains a 1% gross revenue royalty on tenement E51/1995 owned by Great Boulder Resources (ASX:GBR). Empire notes that Great Boulder have been particularly active in the region at their Side Well Gold Project which is proximal to E51/1995.

**ASX Announcement 30 April 2024**

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

**Diversity Royalty**

Empire retains a 1% net smelter royalty on tenement E57/1202 owned by Diversity Resources Pty Ltd (Diversity). The tenement forms a part of Diversity's Youanmi Lithium Project. Empire looks forward to seeing progress on tenement E57/1202 under Diversity's stewardship.

**CORPORATE****Financial Position**

Expenditure during the quarter was approximately \$176,000, including \$85,000 expended on direct exploration and evaluation activities. Cash on hand at quarter's end was approximately \$371,000.

Post quarters end, the Company announced a pro-rata non-renounceable rights issue offer to raise up to approximately \$741,957 <sup>[4]</sup>. The board of directors has committed to take up their full entitlement under the offer to an amount of \$294,359.

**Additional ASX Information**

ASX Listing Rule 5.3.5: The Company advises that \$65,000 was paid to related parties or their associates during the quarter, comprising Executive Director salary and superannuation, and Non-Executive Director fees.

This announcement is authorised for release by:

**Sean Richardson**  
**Managing Director**

For further information on the Company

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**Additional Information**

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

1. ASX:HRZ "*Horizon Outlines Pathway to Gold Production and Longer-Term Project Pipeline*" 28 March 2024
2. ASX:HRZ "*Penny's Find Resource Update*" 29 December 2023
3. ASX:ERL "*Sale of Penny's Mining Lease for \$600K and Royalty Stream*" 4 March 2019
4. ASX:ERL "*Pro-Rata Non-Renounceable Rights Issue Offer*" 10 April 2024
5. ASX:HRZ "*Funding and Key Approvals Secured for Cannon Underground Gold Project*" 14 June 2023

**ASX Announcement** 30 April 2024

## About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focussed exploration and development company. Empire owns four highly prospective projects. The Yuinmery Copper-Gold Project 470km northeast of Perth in the Youanmi Greenstone Belt, the Barloweerie multi-element precious and base metal project, the Nanadie Copper-Gold Project southeast of Meekatharra in the Murchison Region and the Penny's Gold Project 45km northeast of Kalgoorlie in the prolific Eastern Goldfields Region of Western Australia. Empire's projects have numerous exploration targets with excellent potential.

Empire has an experienced team of exploration, development and financial professionals who are committed to developing a sustainable and profitable mineral business. Empire seeks to extract value from direct exploration of its existing projects as well as identifying value accretive investment opportunities that complement the Company's development objectives.



**Empire Resources Project Locations**

Tenement Holdings @ 31 March 2024				
Project	Tenement ID	% Interest Held 31 December 2023	% Interest Held 31 March 2024	Comments
Penny's	E27/592	100	100	
	E27/593	100	100	
	E27/640	100	100	
	P27/2245	100	100	
	P27/2262	100	100	
	P27/2480	100	100	
	E27/691	0	0	Application
Yuinmery	M57/265	100	100	
	M57/636	100	100	
	E57/1037	100	100	
	E57/681	92.78	92.78	JV earning up to 95%
	E57/1027	92.78	92.78	JV earning up to 95%
	E57/1159	100	0	Surrendered
Barloweerie	E59/2306	100	100	
	E59/2521	0	0	Application Withdrawn
	E59/2523	0	0	Application Withdrawn
Nanadie Well	E51/1938	100	100	
	E51/1985	100	100	
	E20/968	100	100	
Wiluna	P53/1707	100	100	
White Flag	E24/238	100	100	

## Appendix 5B

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

Name of entity

EMPIRE RESOURCES LTD

ABN

32 092 471 513

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(85)	(374)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(60)	(180)
	(e) administration and corporate costs	(35)	(191)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – net GST (paid) / refunded	3	(3)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(176)</b>	<b>(743)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>100</b>	<b>100</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	447	1,014
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(176)	(743)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	100

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	371	371

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	371	447
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	371	447

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



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

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end</b>	<b>Amount drawn at quarter end</b>
		<b>\$A'000</b>	<b>\$A'000</b>
7.1	Loan facilities	100	100
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	During the March 2024 quarter, Dr M Ruane agreed to loan the Company \$100,000. The loan is unsecured, on reasonable arm's length terms and attracts interest at 7.5% per annum payable quarterly in arrears.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(176)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(176)
8.4	Cash and cash equivalents at quarter end (item 4.6)	371
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	371
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.1
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

## Authorised by the Board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.