

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2024

HIGHLIGHTS

- 🏠 Ongoing business development activities.
 - 🏠 Tenement applications encapsulating prospective gold mineralisation within in the Eastern Goldfields Region.
 - 🏠 Multiple project acquisition opportunities assessed during the quarter.
- 🏠 Horizon Minerals (ASX:HRZ) reports progress on the high-grade Penny's Find Gold Mine Pre-Feasibility Study (PFS) ^[1].
 - 🏠 Pre-Feasibility Study and maiden Ore Reserve for Penny's Find during June quarter 2024 with results due soon thereafter.
 - 🏠 Pre-Feasibility study following from the December 2023 Resource update ^[2]
 - 🏠 Empire holds a 5% gold royalty on the first 50,000oz recovered from the Penny's Find Gold Mine ^[3] and 2.5% above 50,000oz.

Empire Managing Director, Sean Richardson commented:

"Empire has continued to assess project acquisition opportunities during the June quarter. The Company continues to pursue potential business development options that complement its existing asset portfolio."

"The Company is also very pleased with the progress of the Penny's Find Gold Mine under the stewardship of Horizon Minerals as they progress their preliminary feasibility and Reserve studies. 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."

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BUSINESS DEVELOPMENT

Tenement Applications

The Company lodged two tenement applications during the June quarter. Competition for prospective gold mineralisation tenure is extremely high within the Eastern Goldfields Region. Opportunistic tenement applications are seen as an excellent conduit to gaining access to low-cost, prospective land packages.

Tenement application E27/739 for 9 blocks at Kalpini South is prospective for gold mineralisation as identified in historical geochemical soil surveys. Preliminary examination of soil sampling results documented in WAMEX Reports A82047 (Xtrata) and A92182 (Pioneer Resources Ltd) has identified anomalous zones of gold mineralisation that appear to be coincident with lithological contacts and faults. Kalpini South lies within 2km of and within the same structural corridor as Horizon Minerals' (ASX:HRZ) 139,000-ounce Kalpini Gold Project ^[1].

The Kalpini South tenement application (refer Figure 1 below) represents an excellent, low-cost opportunity for the Company to gain access to exploration ground prospective for gold mineralisation.

Tenement application E28/3461 at Acra South for 7 blocks lies approximately 15km south of the Kalpini South tenement application. The Acra South tenement application encapsulates a geophysical anomaly coincident with the regional Emu Fault and mapped eastern goldfields greenstones including ultramafic lithologies.

The Acra South area has had little modern exploration and represents a rare greenfield exploration opportunity in the Eastern Goldfields Region.

Project Acquisition

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 had potential to be value accretive to Empire's business. Technical assessment and related negotiations are ongoing with several interested parties.

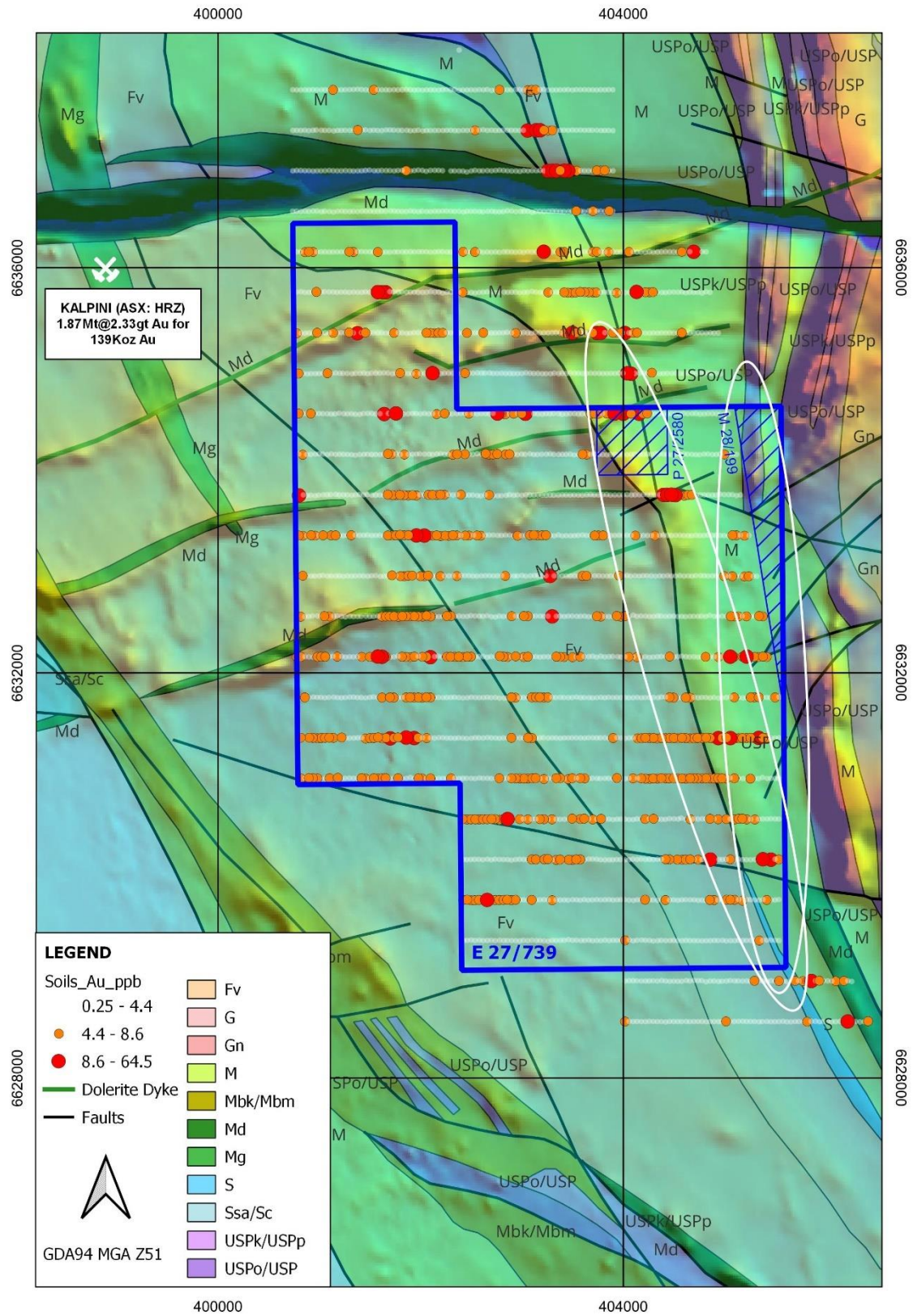


Figure 1 – Tenement Application E 27/739

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ROYALTY PORTFOLIO

Penny's Find Royalty

Empire is entitled to royalty payments ^[3] 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 29 April 2024, Horizon Minerals reiterated their commitment to delivering a Pre-Feasibility Study (PFS) for the Penny's Find Gold Mine ^[1]. 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 ^[2]. 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 April 2024 quarterly report, Horizon Minerals commented that Penny's Find presents an early underground development and production opportunity to generate cash ^[1]. Horizon states that the development of the Penny's Find Gold Mine would commence following development of their Cannon Project.

Empire is pleased with the progress Horizon Minerals has made so far and looks forward to 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.

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.

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CORPORATE

Financial Position

Expenditure during the quarter was approximately \$203,000, including \$73,000 expended on direct exploration and evaluation activities. Cash on hand at quarter's end was approximately \$763,000.

During the March 2024 quarter, Dr Ruane agreed to loan the Company \$100,000. The loan was unsecured and on reasonable arm's length terms attracting interest at 7.5% per annum payable quarterly in arrears. The full loan amount of \$100,000 plus interest was repaid to Dr Ruane during the June 2024 quarter.

Additional ASX Information

ASX Listing Rule 5.3.5: The Company advises that \$82,000 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 "*Quarterly Activities Report for the Period Ended 31 March 2024*" 29 April 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

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About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focused 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 @ 30 June 2024				
Project	Tenement ID	% Interest Held 31 March 2024	% Interest Held 30 June 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	93.57	JV earning up to 95%
	E57/1027	92.78	93.57	JV earning up to 95%
Barloweerie	E59/2306	100	100	
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	
Kalpini South	E27/739	0	0	Application
Acra South	E28/691	0	0	Application

Appendix 5B

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

Name of entity

EMPIRE RESOURCES LTD

ABN

32 092 471 513

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(73)	(447)
(b) development	-	-
(c) production	-	-
(d) staff costs	(45)	(225)
(e) administration and corporate costs	(84)	(275)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – net GST (paid) / refunded	(1)	(4)
1.9 Net cash from / (used in) operating activities	(203)	(946)

2. Cash flows from investing activities		
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	-	-

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 (12 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	742	742
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	(47)	(47)
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	(100)	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	595	695

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	371	1,014
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(203)	(946)
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)	595	695

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	763	763

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	763	371
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)	763	371

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	82
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(203)
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)	(203)
8.4 Cash and cash equivalents at quarter end (item 4.6)	763
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	763
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.75
<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	

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

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

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.

Compliance statement

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

Date: 26 July 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.