

10 December 2020

Empire Metals Limited ('Empire' or the 'Company')
Further Positive Drilling Results & Completion of 75% Acquisition of Eclipse Gold Project

Empire Metals Limited, the AIM-quoted resource exploration and development company, is pleased to announce an update relating to its Eclipse Gold Project, located 55km north-east of Kalgoorlie, Western Australia ('Eclipse' or the 'Project').

Overview

- Initial work programme completed at Eclipse has increased confidence in the Project's potential to host a profitable small-scale high-grade open pit gold mine
- Further significant assay results received to date include:
 - **ECRC20_022: 14m @ 3.78 g/t gold ('Au') from 22m, including 1m @ 21.4 g/t Au, and 1m @ 16.65 g/t Au** – This hole includes three different clusters of quartz veining mainly associated with the higher grades, confirming there is more than one mineralised structure
 - **ECRC20_027: 8m @ 2.27 g/t Au from 32m including 3m @ 5.27 g/t Au**
 - **ECRC20_032: 5m @ 6.50 g/t Au from 26m, including 3m @ 9.29 g/t Au**
 - **ECRC20_017: 3m @ 3.18 g/t Au from 49m including 1m @ 6.49 g/t Au**
 - **ECRC20_026: 1m @ 6.93 g/t Au at surface, and 1m @ 4.50 g/t Au from 10m**
 - **ECRC20_021: 14 m @ 1.70 g/t Au from 9m depth including 1m @ 7.76 g/t Au at 9m and 4m @ 2.37 g/t Au from 19m**
- Additional work programme to commence before year end including infill and extension drilling at Eclipse to better define the near-surface potential resource and extensions at depth and along strike, in addition to target testing at Houdini and others defined from geochemistry
- Completion of 75% acquisition of Eclipse through execution of option agreement following fund raising completed on 24 November 2020

Mike Struthers, CEO, said: *"We are pleased to have now exercised our option to acquire a 75% interest in Eclipse which, coupled with the Company's recent placing, allows us to push ahead with developing the Project. These additional drill results in the uppermost 50m of Eclipse are very encouraging and add further to our confidence in the potential for a profitable small-scale and high-grade open pit operation. This is very attractive, but the fact that the Eclipse mineralisation is also open at depth is particularly interesting and will be a key element of further work as we continue to advance the Project.*

"The Company is also expecting to receive a permit in the near term for drilling further to the north-west along the strike of Eclipse, in the vicinity of the other old workings of Jack's Dream and Steinhobel. These lie 200-300m north-west of the Eclipse shaft, on the same mineralised structure. Jack's Dream was worked in the early 1900s and produced 197 tonnes @ 23.8 g/t Au and whilst there are no records

of the production at Steinhobel, old stopes are visible at surface indicating that historically it produced gold.

“We are now focusing our efforts on preparing for the next phase of drilling and look forward to providing further updates on the continued work at Eclipse over the coming weeks.”

Further Details

The initial work programme at Eclipse is now completed. This comprised soils geochemistry, a detailed ground magnetics geophysics survey, and Reverse Circulation (‘RC’) drilling. A total of 2,578 metres of RC drilling was completed at the Eclipse and Houdini prospects during October and November 2020. 43 holes (for 2,086 metres) have been completed at Eclipse, with an additional six holes at Houdini.

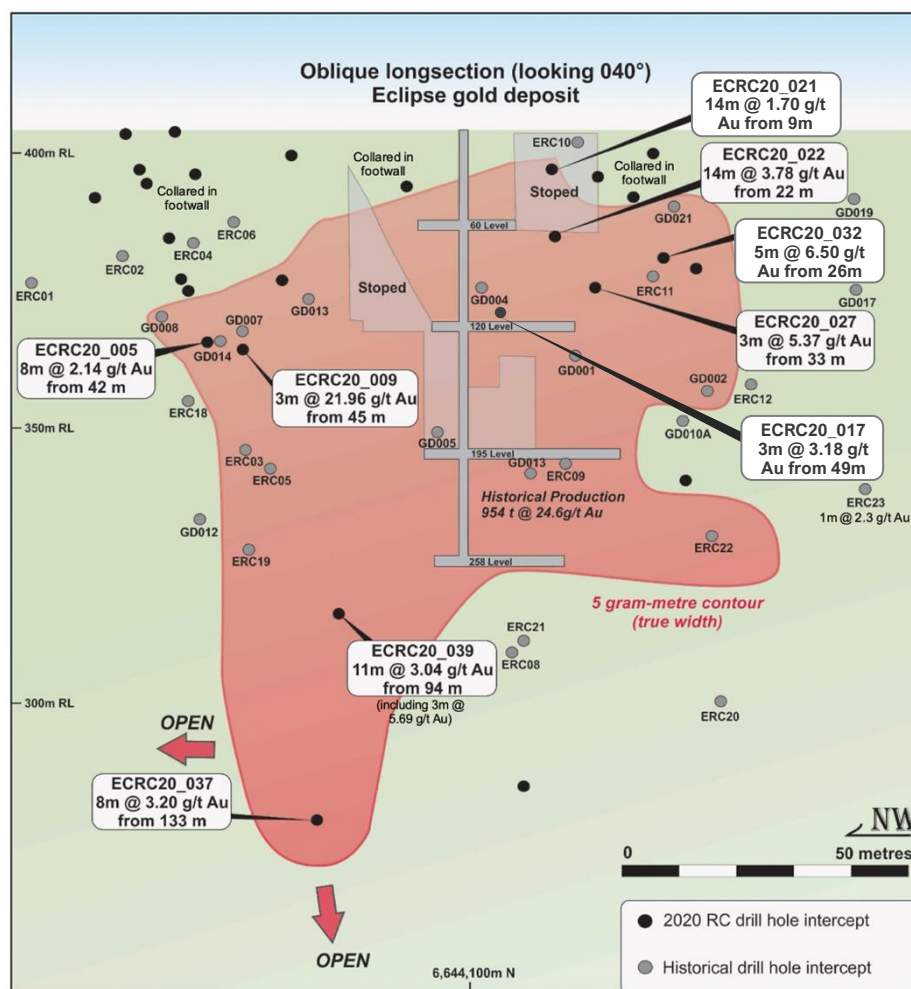


Figure 1: Oblique long section showing drill results to date, historical drilling, and old workings

The initial holes at Houdini intersected low grade mineralisation but appeared to miss the main structure. This is not surprising since these preliminary holes were only positioned using soils geochemistry data, but Empire now has detailed geophysics over the whole area which will allow it to target further drilling much more accurately.

The next phase of drilling will focus on three main elements:

- (i) Infill and extension drilling at Eclipse to better define the near-surface potential resource for a small-scale high-grade open pit operation, and resource extensions at depth and along strike
- (ii) Drilling along strike from the Eclipse shaft to target the extension of the resources towards and beyond the other old workings
- (iii) Additional target testing at Houdini and the other new targets defined from the soils programme (refer RNS, 5 October 2020).

The Company will also look to complete some limited diamond drilling at Eclipse for geotechnical and metallurgical studies.

Exercise of Option

Empire Metals has exercised its Option to acquire a 75% interest in the Eclipse Gold Project from Philips Exploration Pty Ltd. The Company will pay AUD\$1,000,000 (approximately £550,000) in cash, AUD\$500,000 (£277,750) to be settled via the issue of 7,095,510 new ordinary shares of no-par value at a price of 3.91p (calculated by reference to the 30-day VWAP) and the issue of 7,095,510 warrants exercisable at 4.70p (a 20% premium to the 30-day VWAP) for two years. In addition, a finder's fee will be paid to an unrelated party of AUD\$500,000 (£277,750) to be settled via the issue of 7,095,510 new ordinary shares of no-par value at a price of 3.91p (calculated by reference to the 30-day VWAP) and the issue of 7,095,510 warrants exercisable at 4.70p (a 20% premium to the 30-day VWAP) for two years.

The Company will continue to have an option to acquire the remaining 25% of the Project at a price determined by an independent valuer.

Completion of the acquisition, and issue of the option exercise shares, is subject to the receipt of Ministerial Consent for the transfer of the licence and Foreign Investment Review Board approval. These approvals are both expected to be received in due course.

Competent Person Statement

The information in this announcement that relates to drilling results is based on information reviewed by Mr. Mike Struthers, who is a Member of the Institute of Mining, Metallurgy and Materials (IOM3), a Chartered Engineer with the IOM3, and a Member of the Australian Institute of Mining and Metallurgy.

Mr. Struthers is an employee of Empire Metals Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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' and as a qualified person as defined in

the *Note for Mining and Oil & Gas Companies* which form part of the AIM Rules for Companies. Mike Struthers has reviewed this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

****ENDS****

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About Empire Metals Limited

Empire Metals' primary focus is on the Eclipse Gold Project in Western Australia which produced 954 tonnes @ 24.6 g/t Au for 754.25 oz Au from the Eclipse shaft which operated up to 1910. In addition to the known mineralisation at and surrounding the Eclipse old workings, recent geophysics and geochemistry work has highlighted further potential mineralisation at two additional targets north-west of Eclipse, the Houdini and Easy prospects.

The Company also has a 50% joint venture in Georgia which covers an area of over 860 sq km and has a 30-year mining licence. The joint venture covers a variety of targets and projects ranging from greenfield exploration / target definition phase through intermediate target-testing phases to more advanced projects including Kvemo Bolnisi East which is due to advance to Feasibility Study.

The Board continues to evaluate opportunities through which to realise the value of its wider portfolio and reviews further assets which meet the Company's investment criteria.