

27 April 2020

**Empire Metals Limited ('Empire' or the 'Company')**  
**Acquisition of Controlling Interest in Australia's Largest Undeveloped Palladium Deposit**

Empire Metals Limited, the AIM-quoted resource exploration and development company, announces that it has entered into a Binding Heads of Agreement (the 'Agreement') with ASX listed Artemis Resources Limited ('Artemis') to acquire a 41% interest in the Munni Munni Palladium Project in the West Pilbara, Western Australia ('Munni Munni' or the 'Project') and has first right of refusal on a further 29% interest in the project.

**Overview:**

- Munni Munni hosts the largest intrusion in the globally recognised resource destination of West Pilbara and is the largest undeveloped primary Platinum Group Elements Resource in Australia:
  - JORC 2004 Resource of 24Mt @ 2.9 g/t Platinum Group Element (PGE) and gold (12.4Mt Measured, 9.8Mt Indicated, and 1.4Mt Inferred), containing 1.14Moz palladium, 0.83Moz platinum, 152Koz gold and 76Koz rhodium)
  - Four granted mining leases covering a total of 64km<sup>2</sup>
  - Layered mafic/ultramafic intrusion with mineralisation hosted in the Ferguson Reef with all likely extensions contained within Munni Munni exploration tenements
  - PGEs are a group of six precious metals clustered together on the periodic table: platinum (Pt), palladium (Pd), iridium (Ir), osmium (Os), rhodium (Rh) and ruthenium (Ru).
  - Palladium is extremely rare and is now one of the most valuable precious metals, with a supply shortage driving current prices to circa US\$2,000/oz; Rhodium prices are currently circa US\$7,500/oz
- Agreement advances Empire's strategy to diversify project portfolio and expand geographic focus:
  - The Pilbara in Western Australia is one of the most highly mineralised regions globally and hosts numerous world class mines within a stable mining jurisdiction
  - Munni Munni represents a low-cost entry point to an attractive and mature investment environment with significant upside potential
- Total cost of acquisition of £975,000, to be settled via the issue of 95 million new ordinary shares at a price of 1 pence per share and a cash option payment of £25,000
- Completion subject to satisfaction of certain conditions including transfer of licences and regulatory approvals
- Initial work programme to consist of reinterpretation of existing data with a view to undertaking an initial drill programme in the second half of the year.

Mike Struthers, CEO, said: "This acquisition represents the start of a new chapter for Empire. Over the past 18 months the Company has been actively reviewing a number of exciting opportunities to fulfil the objective of de-risking our growth strategy by diversifying away from a single jurisdiction investment. We believe the opportunity presented with the Munni Munni Project in Australia satisfies this goal by combining an exceptional project with an attractive and mature investment environment.

“Having recently received confirmation on the tenure of two of our primary projects in Georgia and with an appeal process commenced on a third key asset, the Company has achieved some major steps towards the recommencement of fieldwork at Kvemo Bolnisi and other key assets. But as is the case with most countries, government agencies in Georgia are focussed on those activities considered a priority for dealing with the COVID-19 pandemic and as a result, we are waiting for clarity on how our development schedule will advance.

“We are very excited about this new opportunity and look forward to updating shareholders on completion and our plans for Munni Munni in due course.”

### **Transaction Terms**

Empire Metals has entered into a Binding Term Sheet with Artemis Resources Limited and Almeera Ventures Limited (“Almeera”) (the “Agreement”) to acquire an effective 41% interest in four mining licences and an exploration licence, covering a 64km<sup>2</sup> tenement area, located in the West Pilbara, Western Australia, known as Munni Munni.

Artemis currently hold a 70% interest in Munni Munni and the remaining 30% is held by ASX listed Platina Resources Limited. Almeera has claim to an option over Artemis’s holding in Munni Munni. Almeera has agreed to withdraw its claim to allow Empire to enter into the Agreement. In consideration for the withdrawal of this claim, Empire will make a loan to Almeera of £100,000 (which will be made in the form of an issue to Artemis of 10,000,000 new ordinary shares of Empire) to satisfy the consideration due to Artemis for the acquisition of a 10% stake in the Munni Munni licence (the “Almeera Shares”) by Almeera. The loan is repayable by Almeera three years from the date of Completion and will attract an interest rate of 2% per annum. The total consideration payable to Artemis of £600,000 is to be satisfied via the issue of 60,000,000 new ordinary shares (including the Almeera Shares) at a price of 1 pence per share. An introduction and advisory fee of £350,000 will also be paid to a third party on Completion and will be satisfied by the issue of 35,000,000 new ordinary shares at a price of 1 pence per share. The total new ordinary shares expected to be issued pursuant to the Agreement is 95,000,000, which will represent 32.9% of the enlarged share capital of the Company.

On Completion, Empire will hold an effective interest of 41% in the Munni Munni Project, Platina Resources Limited will hold 30%, Artemis will hold 19% and Almeera will hold 10% (together the “Parties”). Empire will be the operator of the Project and will have also a right of first refusal for the acquisition of the remaining interest held by Artemis and Almeera in the Munni Munni Project, allowing Empire to move to 70%.

Completion is subject to a number of conditions precedent including completion of due diligence, execution of a formal joint venture agreement between the Parties, obtaining necessary regulatory approvals and obtaining all necessary third-party consents and approvals to give effect to the proposed acquisition. A significant amount of work has already taken place between the Parties and it is expected that the Conditions Precedent will be completed in a timely manner.

## **The Munni Munni Project**

The Munni Munni Project is located in the world-class Pilbara mining region of northern Western Australia, approximately 55km south of the port and rail hub of Karratha. The project comprises four granted mining leases and an exploration licence covering the Munni Munni Resource and peripheral intrusion.

The Munni Munni Project contains the largest intrusion in the West Pilbara and hosts a JORC-compliant 2004 Resource of 24Mt @ 2.9 g/t Platinum Group Element (PGE) and gold (12.4Mt Measured, 9.8Mt Indicated, and 1.4Mt Inferred), containing 1,140,000 ounces palladium, 830,000 ounces platinum, 152,000 ounces gold and 76,000 ounces rhodium. Munni Munni is the largest unexploited primary PGE Resource in Australia.

The PGE potential was first recognised by world renowned expert Dr. John Ferguson (former Division Head/Acting Director at the BMR, now Geoscience Australia, and ex-Platina Non-Executive Director) in the 1980s, and accordingly, the identified mineralised horizon is referred to as the “Ferguson Reef”. Exploration activities since the initial discovery have defined a significant PGE and gold resource, all within the four granted mining leases and all likely extensions of the Ferguson Reef are also within the exploration tenements.

## **Geology**

The Munni Munni Project area is situated within the Archaean Pilbara Block of the Pilbara Craton, which consists of an elongate east-west trending granite greenstone terrain. The late Archaean Munni Munni Igneous Complex (MMIC) is a layered mafic-ultramafic intrusion emplaced into granitic rocks of the West Pilbara Block. The MMIC is the largest (25km x 9km) and one of the best preserved of a number of complexes, which occur throughout the Pilbara and has been dated at 2.92 billion years.

The MMIC is a ‘boat-shaped’ intrusive complex composed of an alternating sequence of ultramafic rocks overlain by a thick mafic package of predominantly gabbroic rock (Figure 2). The mineralised Ferguson Reef occurs at the contact between the lower ultramafic rocks and the upper gabbroic rock types. The intrusion is likely in excess of 5km thick with the keel of ultramafic material 1800m thick and the upper gabbroic package 3600m thick.

The uppermost unit of the ultramafic zone is a medium to coarse grained porphyritic websterite. The upper portion of this unit is the host to the PGE mineralised Ferguson Reef. The most obvious alteration in the ultramafic series is the serpentinisation of olivine although pervasive talc alteration is also apparent.

The upper gabbroic material is a monotonous sequence of poorly layered gabbro to gabbro-norite. The southern portion of the MMIC is unconformably overlain by flat-lying sediments and volcanics of the Mount Bruce Supergroup and more particularly the Fortescue Group.

## **The Munni Munni Resource**

Munni Munni has a Measured, Indicated and Inferred Mineral Resource, reported in accordance with the JORC Code 2004 (Table 1). The estimation was first completed by SRK Consulting in July 2002, was then re-estimated and confirmed by Snowden Consulting in 2003, and Platina Resources also completed their own estimation in 2004. This resource includes all drilling completed in the Cherratta, Pinderi, Central, Maitland and Yannery Zones of the Northern Domain. The resource does not include additional drilling completed by Platina in 2007.

Empire intends to update the resource to comply with the JORC 2012 standard.

								Contained Metal		
								Moz		
JORC Category	Million	Pd g/t	Pt g/t	Au g/t	Rh g/t	Cu	Ni	Pd	Pt	Au
Measured	12.4	1.4	1.1	0.2	0.1	0.09	0.07	0.56	0.44	
Indicated	9.8	1.6	1.1	0.3	0.1	0.22	0.11	0.50	0.35	
Inferred	1.4	1.6	1.1	0.3	0.1	0.15	0.09	0.07	0.05	
<b>Total</b>	<b>23.6</b>	<b>1.5</b>	<b>1.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.15</b>	<b>0.09</b>	<b>1.14</b>	<b>0.83</b>	<b>0.15</b>

Table 1. Munni Munni undiluted JORC 2004 resource estimate at a cut-off grade of 1.9g/t PGE + Au (SRK, 2002, subsequently confirmed by Snowden, 2003, as reported in Platina Annual Report)

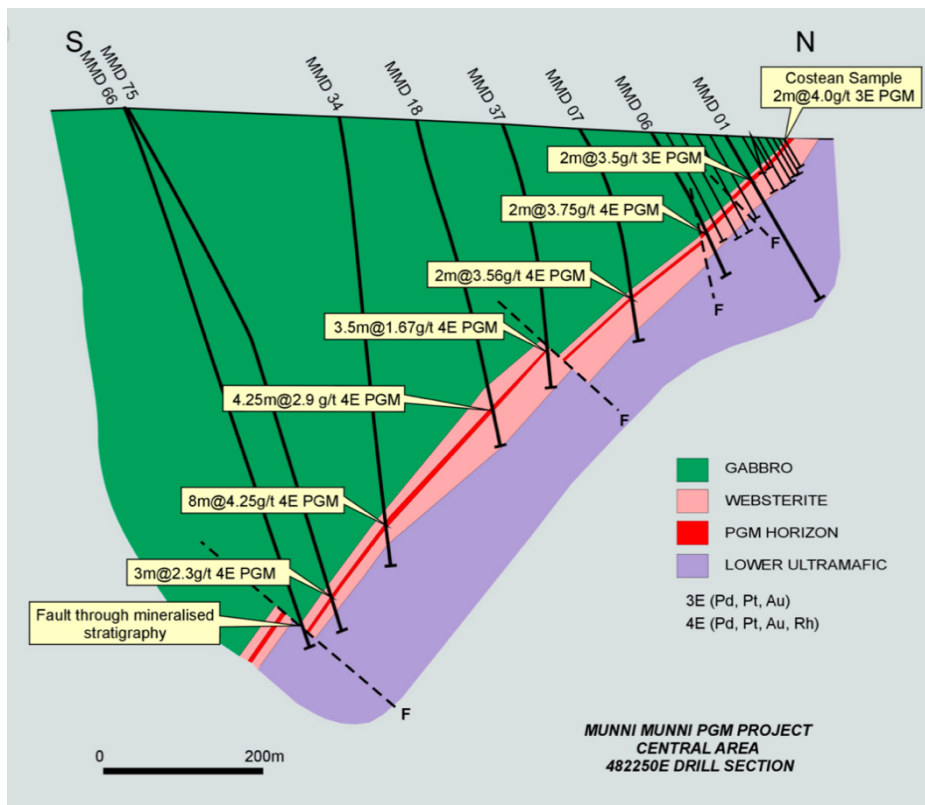


Figure 1. Munni Munni drill section Central Area

### Metallurgical Test Work and Mining Studies

Preliminary metallurgical test work completed in 1988 indicated that conventional flotation would concentrate the PGE sulphide mineralisation. Further test work in 2001 (on 12-year old core) incorporated batch roughing and cleaning flotation tests with moderate PGE recoveries of the high sulphide and low sulphide ore of 70% and 66% respectively. This basic flotation test work has not used modern reagent schemes for PGE recovery, which may be improved in future test work.

An economic study by AMC Consultants in 2010 produced a mine plan (combined open pit and underground) and economic model but a review of this work by Whittle Consulting Pty Ltd in 2011 concluded that the project was sub-economic at that time, citing the major factor as being current metal prices. In the 10 years subsequently palladium prices have increased by approximately 320% from ~US\$500 per oz in 2010 to ~US\$2,100 per oz.

Empire are now preparing a detailed development plan to advance the project through some important milestones and will provide further details as and when they become available.

#### **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\*\***

For further information please visit [www.empiremetals.co.uk](http://www.empiremetals.co.uk) or contact:

Mike Struthers	Empire Metals Ltd	Company	Tel: 020 7907 9327
Ewan Leggat	S. P. Angel Corporate Finance LLP	Nomad & Broker	Tel: 020 3470 0470
Soltan Tagiev	S. P. Angel Corporate Finance LLP	Nomad & Broker	Tel: 020 3470 0470
Damon Heath	Shard Capital Partners LLP	Joint Broker	Tel: 020 7186 9950
Susie Geliher	St Brides Partners Ltd	PR	Tel: 020 7236 1177
Beth Melliush	St Brides Partners Ltd	PR	Tel: 020 7236 1177

#### **About Empire Metals Limited**

Empire Metals Limited (formerly Georgian Mining Corporation) has 50% ownership of the Bolnisi Copper and Gold Project in Georgia, situated on the prolific Tethyan Belt, a well-known geological region and host to many high-grade copper-gold deposits and producing mines. The Bolnisi concession covers an area of over 860 sq km and has a 30-year mining licence with 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 Company is assessing the potential for expanding the Company's portfolio through the addition of new assets, which have the ability to add value in the short term.