

20 May 2021

Empire Metals Limited ('Empire' or the 'Company')
Option and Earn-In to Acquire Highly Prospective Gold Project in Western Australia

Empire Metals Limited, the AIM-quoted resource exploration and development company, is pleased to announce that in line with its strategy to acquire value-accretive projects and build a sizeable mineralised footprint in the Western Australian gold sector, it has entered into an Option Agreement (the 'Option') to acquire a controlling 75% interest in four exploration licences which comprise the Central Menzies Gold project ('Central Menzies' or the 'Project').

Highlights:

- Central Menzies is located in one of the region's major productive gold fields, is serviced by the Goldfields Highway and has access to power and water as well as being within trucking distance of a number of gold processing plants.
- The Project lies within a classic granite-greenstone belt, with mineralisation associated with the regional Menzies Shear Zone. Gold-bearing quartz veins occur along the contact between basalts and sediments. A series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions.
- The locality is underexplored and is directly south along strike of the 15km-long First Hit – Yunndaga line of workings which had a total metal inventory of 1.1Moz of gold.
- ASX-listed Kingswest Resources' *Menzies Gold Project*, which virtually surrounds the Project area, has current total mineral resources of 320,000oz @ 2.1g/t Au.
- Recent surface prospecting in the Project uncovered a suite of gold nuggets totalling approximately 20 ounces in a pushed-up area approximately 40 to 60 centimetres below surface at a laterite/calcrete interface.
- The Central Menzies project is owned by renowned Kalgoorlie prospector, Mel Dalla-Costa, who has been responsible for a number of significant discoveries in the WA gold fields over the past 50 years.
- The total cost to acquire the 9-month option is AUD\$250,000 in cash, AUD\$100,000 to be settled via the issue of 1,921,068 new ordinary shares in Empire at a price of 2.85p per share.
- Empire has agreed to spend AUD\$500,000 on exploration at Central Menzies within the 9-month option period and can exercise the Option at a cost of AUD\$1.75 million in cash and AUD\$1.25 million to be settled via the issue of new ordinary shares at a 10% discount to the 30-day VWAP at the time of exercise.

Shaun Bunn, Managing Director designate, said: *"We believe that the gold mining industry in Western Australia offers tremendous opportunity and we are delighted to be able to extend our mineralised footprint in the region with this highly prospective asset, located 90km north-west from our Eclipse Gold Project."*

“Central Menzies is early-stage but has a great address and offers the potential for near-surface high-grade gold mineralisation, as evidenced from the significant historical gold production along the same mineralised trend, and the results of exploration within the licence. The Project has been held for several years by Mel Dalla-Costa and we are confident that we can now add significant value with relatively simple and inexpensive exploration to define the locations, extents and grades of the mineralised structures to give a tangible sense of the resource potential of this prospect. We are in a strong financial position to move forward with initial exploration work and we look forward to providing more information in due course.”

The Central Menzies Gold Project

The Central Menzies Gold Project is located in the Menzies Shire, approximately 115km north of the city of Kalgoorlie-Boulder and 10km south of the township of Menzies. The prospect is accessible from Kalgoorlie-Boulder via the sealed Goldfields Highway and then by a 2km unsealed road. The city of Kalgoorlie-Boulder provides facilities to supply and maintain exploration activities in the project area.

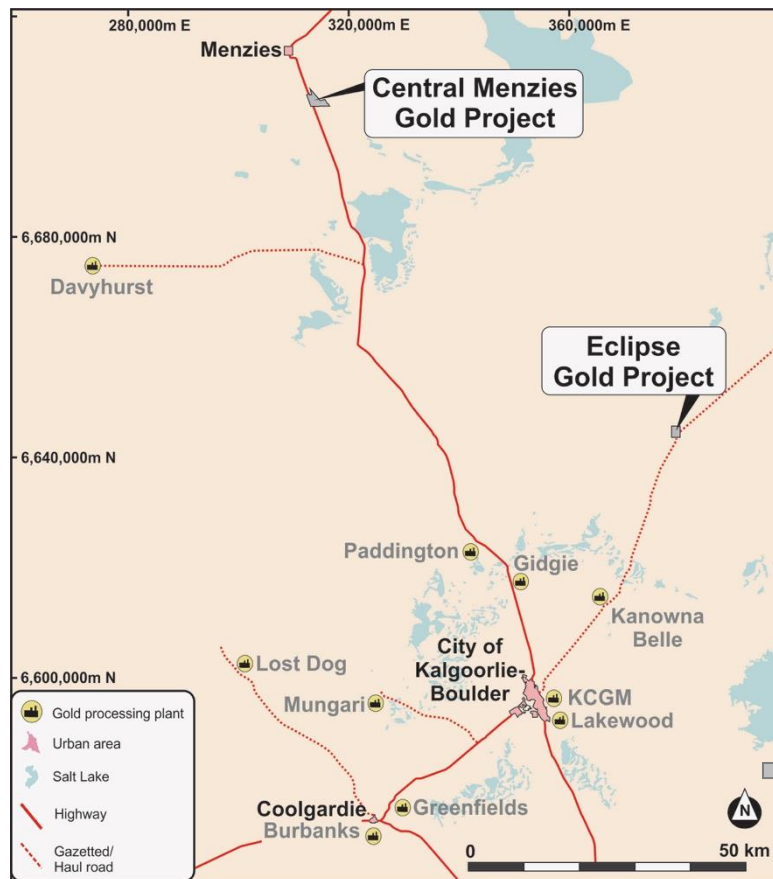
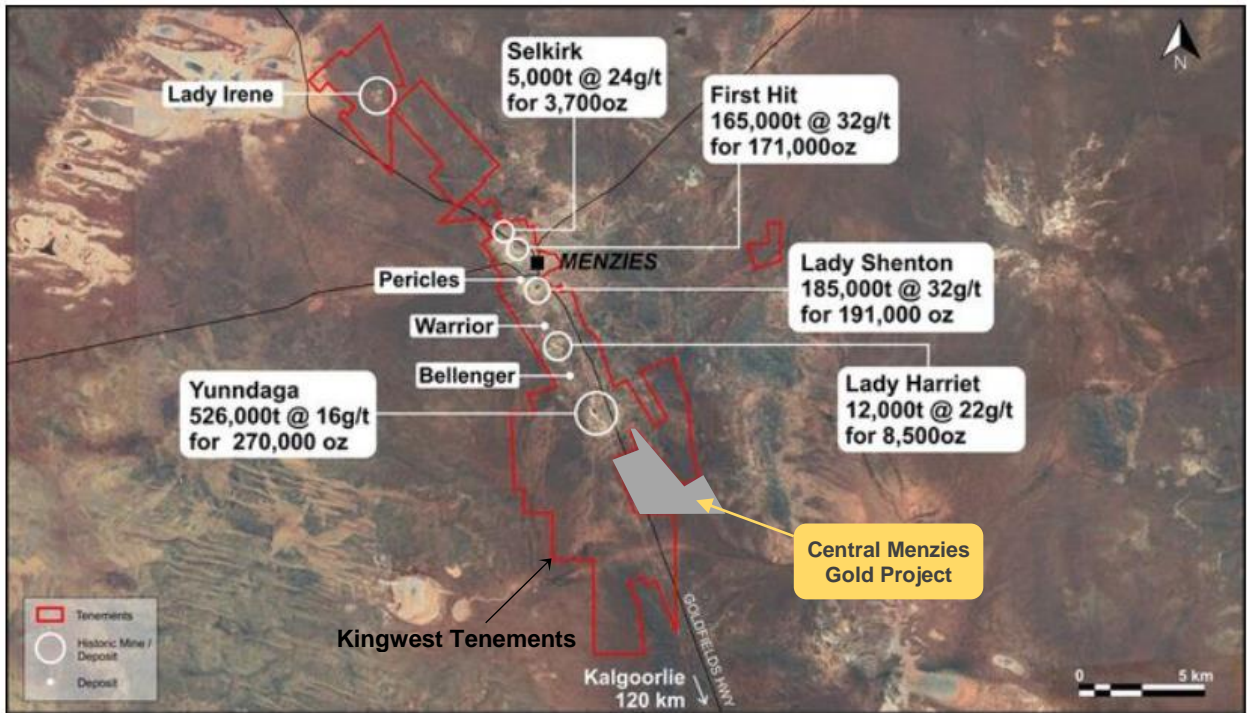


Figure 1: The location of the Central Menzies Gold Project relative to major infrastructure, the Eclipse Gold Project, and the city of Kalgoorlie-Boulder

Tenements

The Central Menzies Gold Project comprises four tenement blocks, all 100% owned by a well-known and successful local prospector. All the tenements are in good standing. The licence area is largely surrounded by tenements held by Kingwest Resources Ltd (refer Figure 2) and occurs along a lineament of historical mine workings. A number of old shafts and trenches also occur within the tenements (e.g. Figure 3).



Kingwest tenure and historical production at the main prospects

Figure 2: Central Menzies Gold Project in Relation to Kingwest Tenements

[Source: Kingwest Resources Ltd website]



Figure 3: Barunga Shaft in the North-East of the Tenement Area

Regional Geology

The Project is wholly located within a north-north-west trending greenstone belt, with basalts as the dominant hosts together with interbedded shales and magnetite-rich banded iron formations (“BIF”), with mineralisation hosted within the Menzies Shear Zone, or associated fault splays. Gold-bearing quartz veins occur along the contact between basalts and sediments. A series of structurally controlled high-grade gold

deposits have been historically mined and display extensive exploration potential for high-grade extensions.

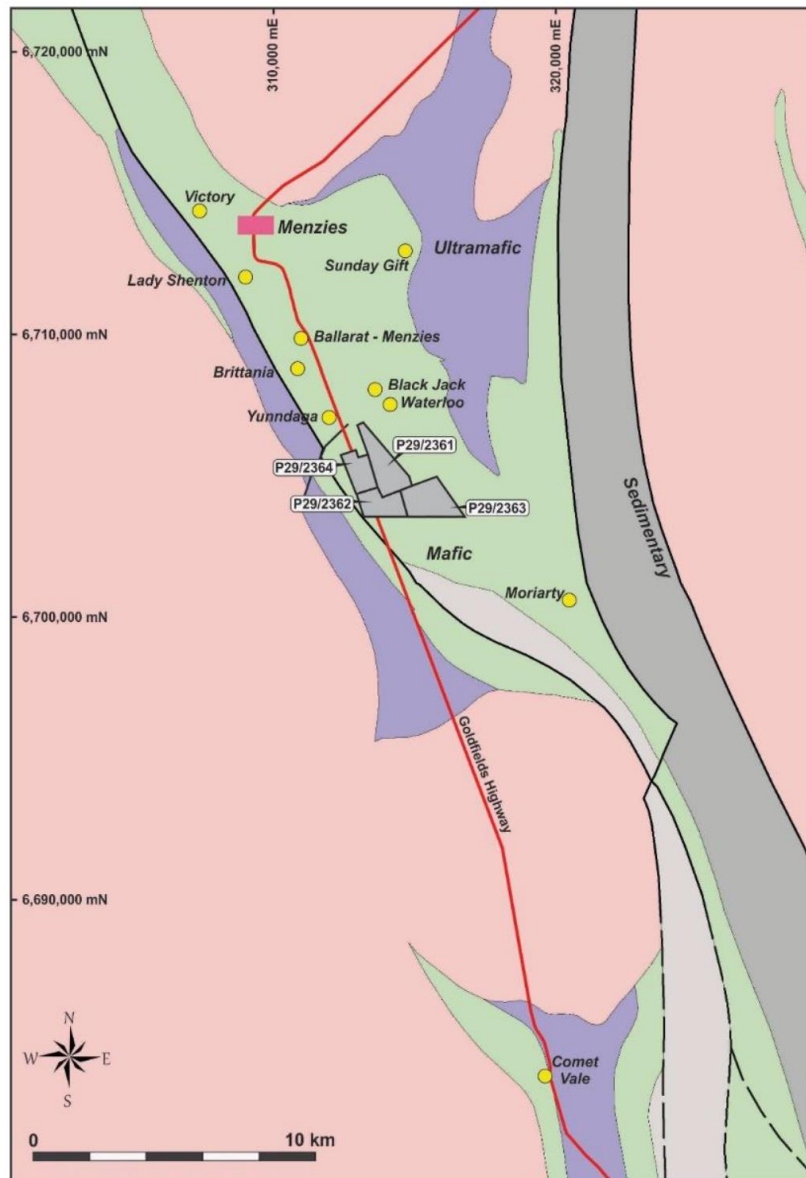


Figure 4. The local geology for the project. The tenement outlines are shown. Also illustrated are the GSWA records of gold workings/ deposits, interpreted structures, and mapped shafts

Recent Exploration

Surface prospecting has occurred intermittently on all four licences, with areas being cleared along strike of historical pits and along strike of the Yunnadaga Shear Zone. Rotary air blast ('RAB') drilling was undertaken in the mid-1990s, but more recently reverse circulation ('RC') drilling has been completed in the tenements. However, to date no geophysics has been undertaken.

A suite of nuggets was discovered totalling up to 20 ounces in a pushed-up area approximately 40 to 60 centimetres below surface at a laterite/calcrete interface (M. Dalla-Costa, *pers. comm.*, Figure 5).



Figure 5: Acid-bath washed nuggets from western portion of the tenements

Generally, the tenements area is underexplored and is directly along strike of the First Hit – Yunndaga line of workings, located less than 2km to the north-north-west which has total metal inventory of 1.11Moz of gold. This comprises 640koz at 22.5 g/t Au sourced from underground mining; 145koz at 2.6 g/t Au from open pit mining during the 1980s and 1990s; and the current Kingwest Resources mineral resources at a 0.5 g/t Au cut off of 320koz at 2.1 g/t Au.

Historically over 700m of reverse circulation drilling has been completed at the property, with some high-grade intercepts, but this has not yet been verified by the Company. This will be a focus during the initial work programme.

Next Steps

Empire is now preparing a detailed development plan to advance the Project and will provide further details in due course.

Transaction Terms

Eclipse Exploration Limited, a wholly owned subsidiary of Empire Metals has entered into a 9-month Option Agreement to acquire a 75% interest in the Central Menzies Project from Philips Exploration Pty Ltd. The Company has paid AUD\$250,000 (approximately £136,000) in cash, AUD\$100,000 (£54,750) to be settled via the issue of 1,921,068 new ordinary shares of no-par value at a price of 2.85p. In addition, a finder's fee has been paid to an unrelated party of AUD\$100,000 (£54,750) to be settled via the issue of 1,921,068 new ordinary shares of no-par value at a price of 2.85p. Empire has also agreed to spend AUD\$500,000 within a 9-month period on exploration, administration and maintenance.



Empire can exercise the Option at any time up to the 9-month option expiration date by payment of AUD\$1,750,000 in cash and AUD\$1,250,000 to be settled via the issue of new ordinary shares of no-par value at a price calculated by reference to a 10% discount to the 30-day VWAP.

In addition, a finder's fee will be payable of AUD\$500,000 to be settled via the issue of new ordinary shares of no-par value at a price to be calculated by reference to the 30-day VWAP prior to exercise.

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

Application for Admission

The new shares issued pursuant to the Option Agreement and finder's fee will rank *pari passu* in all respects with the existing ordinary shares of no-par value in the capital of the Company. Application will be made to the London Stock Exchange for the new shares to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective on or around 26 May 2021.

Total Voting Rights

As a result of the issue of the new shares as described above, the issued share capital of the Company now consists of 332,716,517 ordinary shares of no-par value. The figure of 332,716,517 ordinary shares may be used by shareholders of the Company as the denominator for the calculations by which they will determine if they are required to notify their investment in, or a change in their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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, as incorporated into UK law by the European Union (Withdrawal) Act 2018, 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. Empire owns 75% of Eclipse with a right to acquire a further 25%.

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.

Empire also holds a portfolio of three precious metals projects located in a historically high-grade gold production region comprising the Rotgulden, Schonberg and Walchen prospects in central-southern Austria.

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.