

12 August 2020

Empire Metals Limited ('Empire' or the 'Company')
Option and Earn-In to Acquire High-Grade Gold Mining Licence in Western Australia

Empire Metals Limited, the AIM-quoted resource exploration and development company, is delighted to announce that it has entered into an Option Agreement (the 'Option') to acquire a 75% interest in the high-grade Eclipse gold mining licence, located 55km north-east of Kalgoorlie, Western Australia ('Eclipse' or the 'Project') from Philips Exploration Pty Ltd.

Overview:

- Acquisition of a controlling interest in a large, high-grade and previously producing mining licence which has been held by one private individual for the past 30 years and has had only cursory modern exploration applied to a very small part of the entire ~300 hectare licence area
- Historical gold production **of 954 tonnes @ 24.6 g/t Au for 754.25 oz Au** from the **Eclipse shaft** which operated up to 1910
- Additional gold production from two further shafts:
 - **Jack's Dream** (situated 230m north-west of the Eclipse shaft along strike) was worked from 1907 to 1911 with a total production of 197 tonnes at 23.8 g/t Au for 150.7 oz Au
 - **Steinhobel shaft** (100m along strike from Jack's Dream) produced gold historically (no records are available)
- Recent drilling (2014) has identified high-grade mineralisation all within a 30-metre zone either side of the main Eclipse shaft – highlights include:
 - GD008: **7m @ 13.07 g/t Au** from 34 metres
 - GD014: **12m @ 5.13 g/t Au** from 39 metres
 - ERC03: **8m @ 3.11 g/t Au** from 66 metres
 - ERC019: **6m @ 3.92 g/t Au** from 87 metres
- The gold mineralisation at Eclipse is open along strike in both directions and at depth and is hosted within quartz-carbonate lodes that run semi parallel to the main shear zone, a structure that can be traced for around 2.5km on the licence
- The Eclipse mine shaft has been recently refurbished and dewatered, allowing immediate access
- 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**
- Additional sub-parallel structures to the east have also been identified coincident with gold-in-soil anomalies
- The total cost to acquire the 6-month option is AUD\$100,000 in cash, AUD\$300,000 to be settled via the issue of 9,387,908 new ordinary shares in Empire at a price of 1.75p and the issue of 9,387,908 warrants exercisable at a price of 3 pence with a two year expiry
- Empire has agreed to spend AUD\$300,000 on exploration at Eclipse within the 6-month option period and can exercise the Option at a cost of AUD\$1 million in cash and AUD\$1 million to be

settled via the issue of new ordinary shares at a 30 day VWAP at time of exercise and 1 for 1 warrants at a 20% premium to the issue price

Mike Struthers, CEO, said: *“This acquisition is a great addition to our portfolio. A large active gold mining lease less than 60km along strike from the Kalgoorlie super pit in a politically stable jurisdiction is a remarkable find for the shareholders.*

“As noted previously, the Company has for some time now been working to acquire additional assets outside of its interests in Georgia, and we have been in discussions on a variety of candidate projects. Acquiring a majority interest in Eclipse is a great opportunity to add value to the Company. This project has received very little exploration across most of the licence area, which is remarkable given the very high-grade nature of the mineralisation both at depth and along strike from the shaft that ceased operation in 1910.

“The high-grade mineralisation occurs in a quartz-carbonate vein with an average width of 2.2m. The mineralisation occurs at the intersection of north-west trending volcanics and major north-east faults, and in addition to Eclipse there are two other known points of intersection of these features along the 2.5km of strike, as well as potential for additional nearby gold deposits in parallel features. These will be the focus of the team as we now move quickly to drilling and other evaluation work.

“By entering into an option over the Project we are gaining a foothold in one of the most productive gold regions in Australia, surrounded by a number of major producers. Eclipse has been privately held by one individual for around 30 years. Historical production records have been preserved, and together with recent geophysics and drilling there is now a robust understanding of the gold mineralisation and the potential for significant high-grade gold resource development.”

Transaction Terms

Empire Metals has entered into an Option Agreement to acquire a 75% interest in the Eclipse Gold Project from Philips Exploration Pty Ltd. The Company has paid AUD\$100,000 (approximately £55,000) in cash, AUD\$150,000 (£82,144) to be settled via the issue of 4,693,954 new ordinary shares of no-par value at a price of 1.75p and the issue of 4,693,954 warrants exercisable at 3p for two years. In addition, a finder's fee has been paid to an unrelated party of AUD\$150,000 (£82,144) to be settled via the issue of 4,693,954 new ordinary shares of no par value at a price of 1.75p and the issue of 4,693,954 warrants to subscribe for ordinary shares, exercisable at 3 pence for two years. Empire has also agreed to spend AUD\$300,000 within a 6-month period on exploration, administration and maintenance.

Empire can exercise the Option at any time up to the 6-month option expiration date by payment of AUD\$1,000,000 in cash and AUD\$500,000 to be settled via the issue of new ordinary shares of no par value at a price calculated by reference to the 30 day VWAP prior to exercise and the issue of one for one warrants exercisable at a 20% premium to the option exercise consideration share issue price valid for two years from completion.

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 and the issue of one for one warrants exercisable at a 20% premium to the consideration share issue price valid for two years from completion. 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 18 August 2020.

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 203,144,899 ordinary shares of no par value. The figure of 203,144,899 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.

The Eclipse Gold Project

The Project is located less than 55km north of Kalgoorlie, Western Australia. It is accessible via a public road which runs through the Project area.

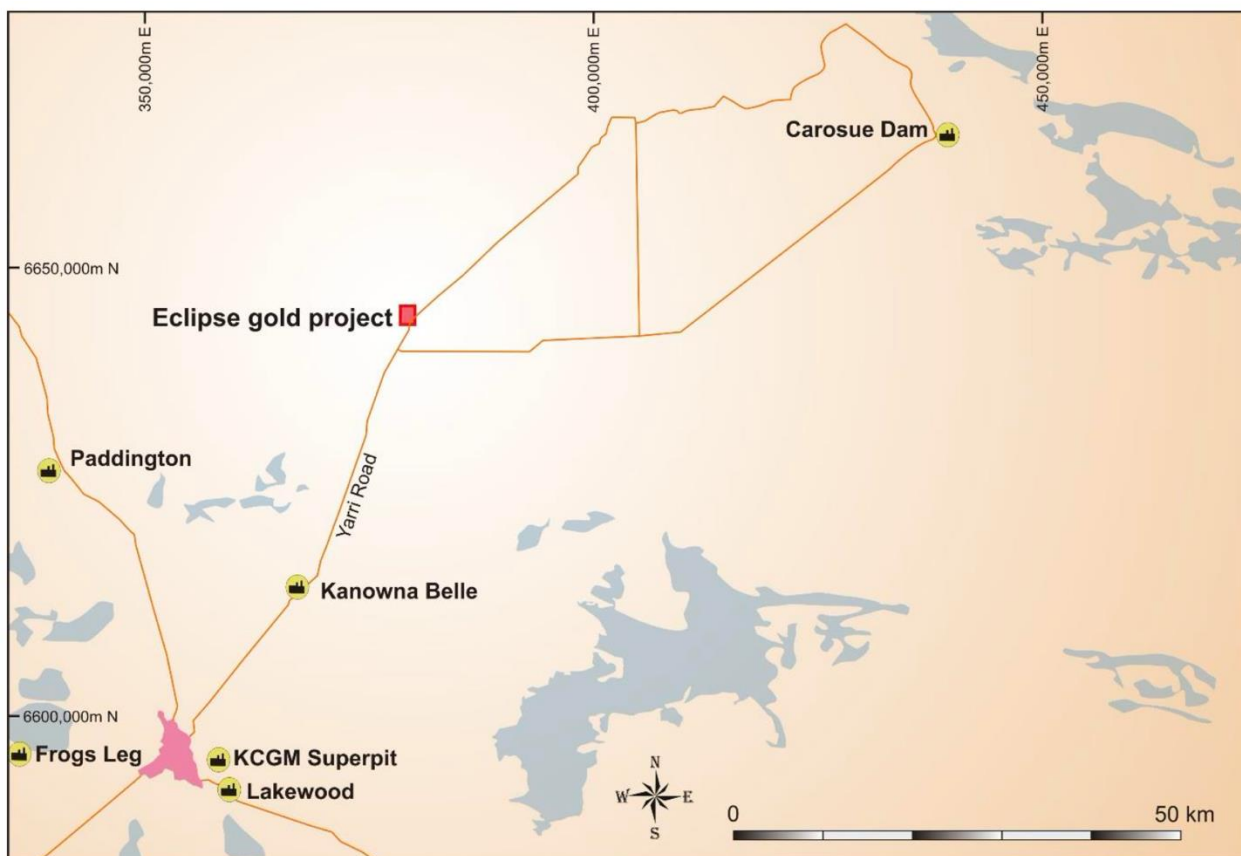


Figure 1. The location of the Eclipse gold project relative to major road and mill infrastructure and the city of Kalgoorlie-Boulder.

Production and Exploration History

The Eclipse gold mine has had a number of owners since 1902. By 1910 the shaft was sunk to its current depth of 78 metres. Despite the extensive shaft excavation, very little development and stoping was undertaken. The production during this period was 954 tonnes @ 24.6 g/t Au for 754.25 oz Au (source: GSWA Mindex database). In the 1990s the shaft was refurbished to the bottom level and the collar of the shaft was re-established with concrete.



Figure 2. The new cement footing laid at the Eclipse shaft

Prospecting has occurred intermittently on the licence. In the early 1990s drilling was conducted targeting extensions of the Eclipse mine. A further two RC holes were drilled in 1997 targeting the Steinhobel workings (situated ~ 330m to the northwest of the Eclipse shaft). In 2004 another phase of RC drilling was conducted infilling and extending upon previous drilling. No further drilling has been conducted since.

As series of soil sampling programmes were undertaken in the early 1990s with additional samples collected from the western edge of the licence in 2004. At various times rock chips have been collected and assayed. These were taken from both surface and underground exposures. The rock chip sampling is not comprehensive and often wide-spaced reflecting the rare exposures and outcrop.

Free gold contained within quartz is reported from old workings in the east of the licence area, and there are also unverified accounts of nuggets reported to have been found along strike between the Eclipse shaft and Jack's Dream (Figure 3).



Figure 3. Gold nuggets detected within M27/153

Regional and Local Geology

The Project is situated in the Gindalbie domain of the Kurnalpi terrane. Within 3km either side of the Eclipse mining licence (M27/153) are north-south trending regional scale faults. The Gindalbie domain is largely comprised of volcano-clastic sequences. The volcanic units include assemblages of welded tuffs and tuffaceous lavas. Clastic assemblages include interbedded siltstone, sandstone, shale and thin bedded conglomerates.

The Project is located on a north-west trending sequence of felsic-intermediate-mafic volcanics and clastic sediments. All of the rocks are part of the Gindalbie Formation. There is little exposure of the basement geology, with isolated float debris relied upon.

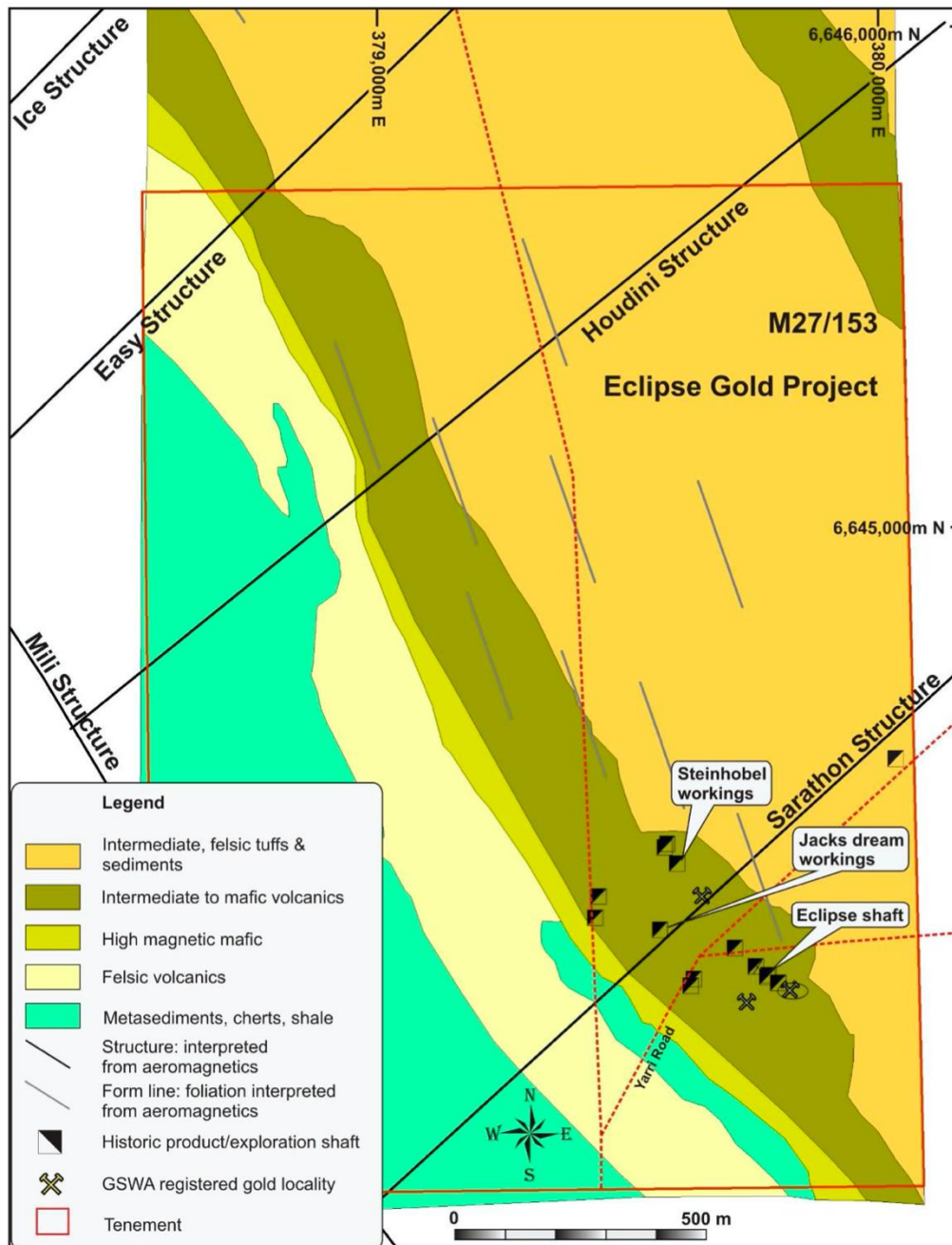


Figure 4. The local geology for the Project. The tenement outline is shown. Also illustrated are the GSWA records of gold workings/ deposits, interpreted structures and form lines and mapped shafts

Various soil sampling campaigns have been completed. These soil surveys identified elevated gold concentrations in the middle and southern portions of the Eclipse mineralised system. They also recognised domains in the vicinity of the Houdini and Easy structures as being anomalous. The peak gold-in-soil value at the Eclipse gold deposit is 170 ppb, while the peak value at the Houdini prospect is 73 ppb Au. The peak value within M27/153 at the Easy prospect is 21 ppb Au, while the peak value outside the licence but on the same structure is 267 ppb Au.

Mineral Resources and Underground Workings at Eclipse

The gold mineralisation of the Eclipse gold deposit has not been subject to a Mineral Resource estimation. However, historical production records have been preserved, and recent geophysics and drilling have led to a good understanding of the nature, distribution and controls of the gold mineralisation.

Some of the best drill intercepts (downhole lengths) include:

- GD008: 7m @ 13.07 g/t Au from 34 metres
- GD014: 12m @ 5.13 g/t Au from 39 metres
- ERC03: 8m @ 3.11 g/t Au from 66 metres
- ERC019: 6m @ 3.92 g/t Au from 87 metres

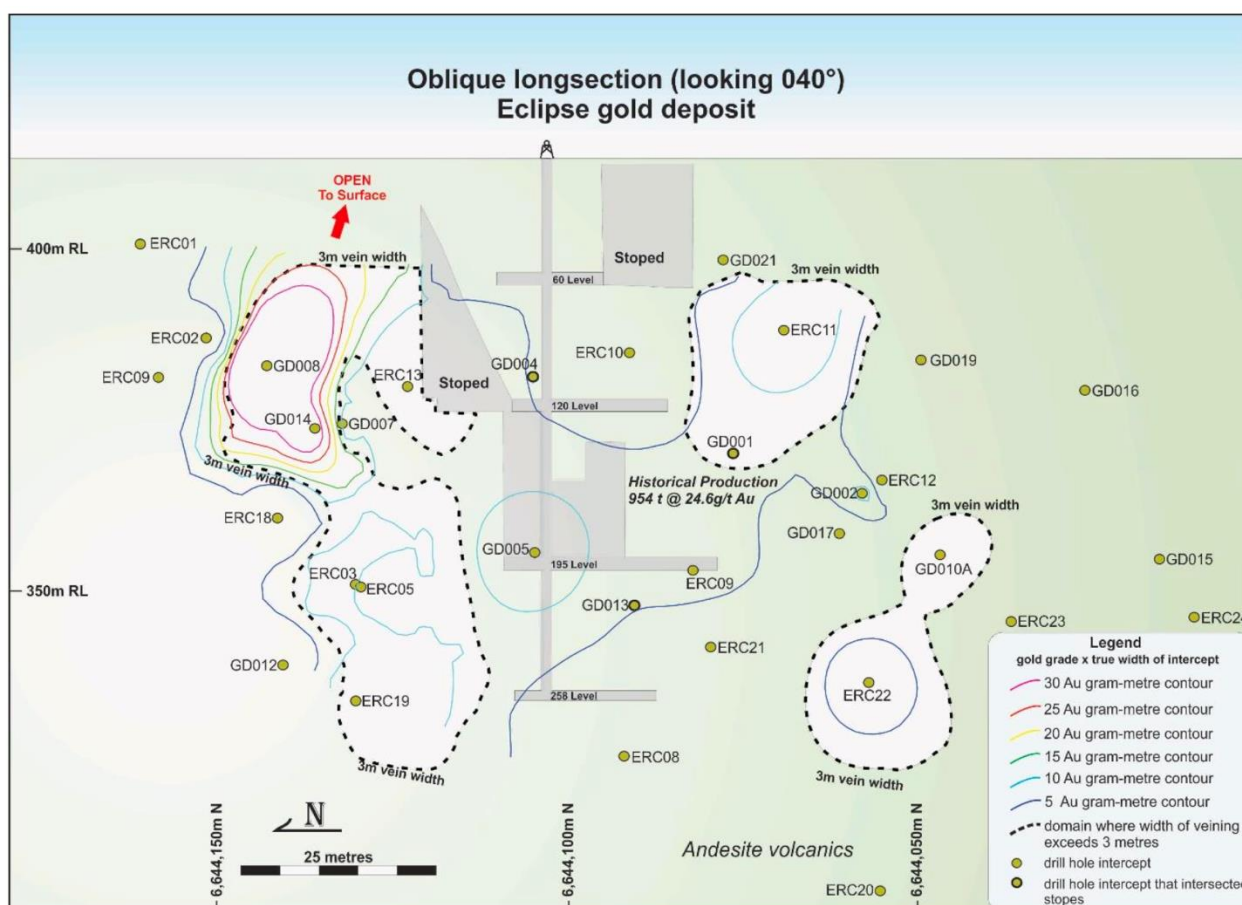


Figure 5. Long-section view of the Eclipse gold deposit looking north-east. Contours illustrate the distribution of gold in gram-metres (true width of an intercept multiplied by the mean gold grade)

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

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 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.