



ACN 092 471 513

21 September 2018

ASX Release

PENNY'S FIND ASSETS REVERT TO EMPIRE IN SETTLEMENT OF JV PARTNER'S DEBT

- Empire acquires 100 percent of Penny's Find Gold Mine
- Empire acquires 100 percent of the Penny's Find exploration tenements
- Finalises all matters with Brimstone

WA gold producer, Empire Resources Ltd ("Empire", "Company", ASX code: ERL) has moved to full ownership of all assets and exploration tenements associated with the Penny's Find gold mine, 50 kilometres northeast of Kalgoorlie.

The outcome follows the conclusion of negotiations concerning debt owed to it by Empire's 40% joint venture participant in Penny's Find, the public unlisted Brimstone Resources Ltd ("Brimstone"). The parties have agreed to enter into a Settlement Agreement evidencing the finalisation of matters between Empire and Brimstone.

Brimstone incurred the debt as a consequence of Empire funding Brimstone's share of the the mining JV expenditure. A receiver was appointed by Empire to Brimstone's 40% interest in the mine late in June 2018 for non-payment of more than A\$1 million owing to Empire under the mining joint venture.

Under the settlement agreement:

- Empire will own all of the project including its mine infrastructure, resource inventory, and other associated facilities, as well as several nearby gold exploration tenements;
- Brimstone will withdraw all court cases commenced by Brimstone;
- Empire will be entitled to retain all proceeds arising from the dispute with Eastern Goldfields Mining Services; and
- Empire indemnifies Brimstone in respect to the claim commenced by Mr Steve Norregaard.

Empire Managing Director, Mr David Sargeant, said today full assessment and a final investment decision on taking Penny's Find into a much larger, longer-term underground gold mine, had been put on hold pending the resolution of the ownership of Brimstone's interest in the mine.

Figure 1 shows the location of the mine in relation to Kalgoorlie.

Figure 2 shows the Penny's Find mine and associated exploration tenements now 100% owned by Empire (shaded in red).

DAVID SARGEANT
MANAGING DIRECTOR
September 2018

For further information on the Company,
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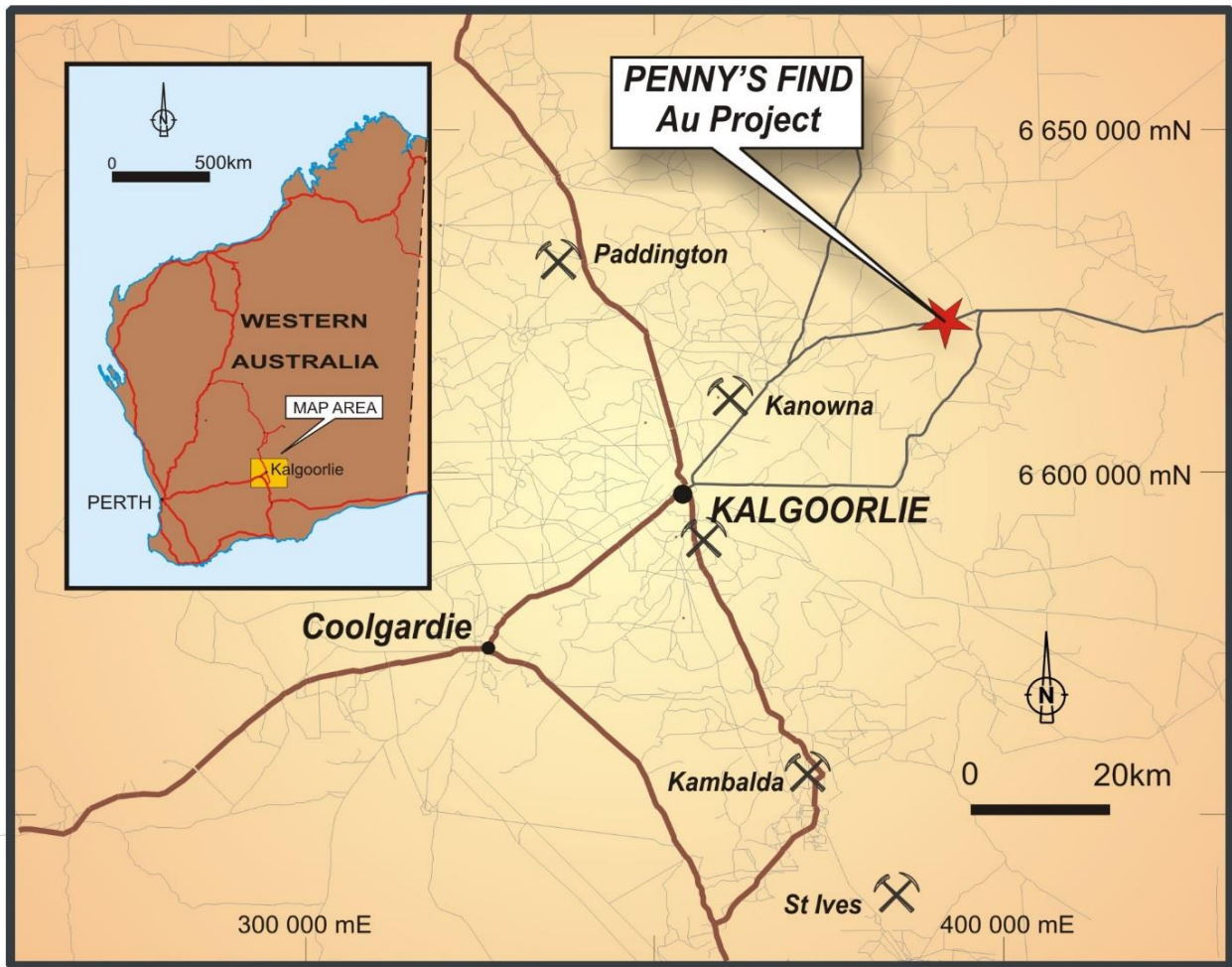


Figure 1 - Location Penny's Find Project



386000mE

388000mE

390000mE

392000mE

394000mE

-30°27'

-30°28'

-30°29'

-30°30'

-30°31'

-30°32'

-30°33'

6630000mN

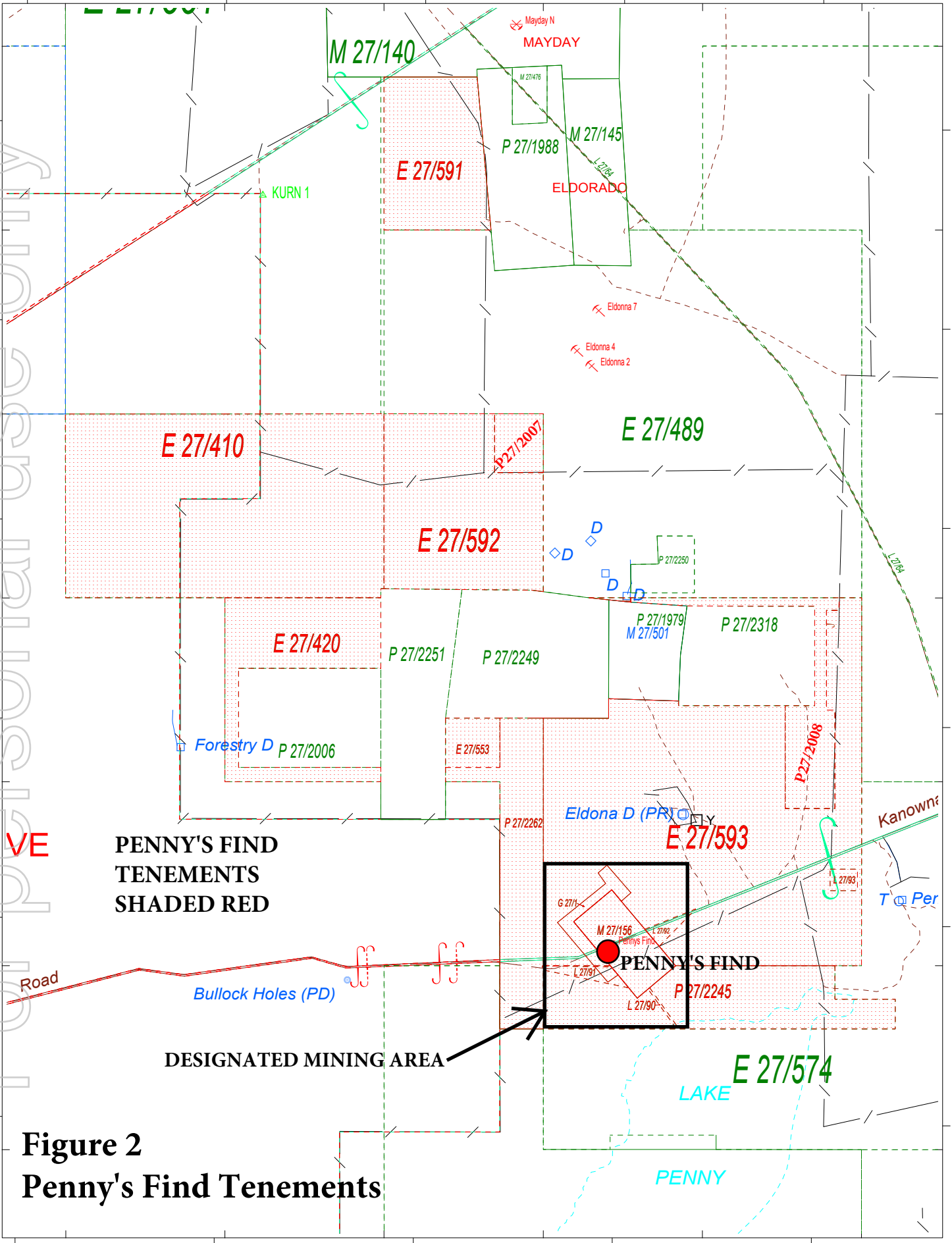
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**PENNY'S FIND
TENEMENTS
SHADED RED**

DESIGNATED MINING AREA

**Figure 2
Penny's Find Tenements**

121°49' 121°50' 121°51' 121°52' 121°53' 121°54'

Scale: 1:50,000

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 km

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