



ACN 092 471 513

29 March 2018

ASX Release

## **PENNY'S FIND GOLD MINE.**

### **Dispute with Eastern Goldfields Milling Services Pty Ltd (EGMS)**

Empire has commenced dispute resolution proceedings under the Dispute Resolution provisions of the Toll Treatment Agreement between Empire and EGMS.

Empire is seeking to recover in excess of \$830,000 owed to Empire by EGMS following the toll treatment in November and December 2017 by EGMS of ore from the Penny's Find joint venture.

The claim may be broken down into 3 areas:

#### **1. Failure to pay Final Gold in Circuit (GIC)**

EGMS has failed to pay to Empire 384.748 ounces of gold resulting from the Final GIC conducted at the Burbanks facility following termination of the milling campaign in December 2017.

The value of that gold at a gold price of \$1,740 per ounce (the Perth Mint buy price as at 26 March 2018) is \$669,461. Offset against that are amounts owed by Empire to EGMS of \$370,436 leaving a balance owing of \$299,025.

That amount was due and payable over 6 weeks ago.

#### **2. Gold Ounces Discrepancy**

Following a thorough review of the records maintained by EGMS Empire believes that EGMS has failed to account for 315 ounces of gold contained in ore that was delivered to the Burbanks Facility.

The value of that gold at \$1,740 per ounce is \$548,100.

#### **3. Errors in calculation of Belt Calibration Adjustments**

Empire believes that the Belt Calibration adjustments applied to the amount of ore as measured by the weightometer has been incorrectly applied by EGMS.

The error has resulted in an overcharge for toll milling fees of \$55,009.35.

Empire has confirmed the position with the firm that carried out the belt calibration.

#### **4. Other**

The final amount claimed will be subject to adjustment for the gold price, the silver price, legal costs and other adjustments.

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If the matter is not settled by negotiation between the parties Empire will proceed to a formal arbitration.

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