



## ESPERANCE MINERALS LIMITED (ASX: ESM)

# Quarterly Report for July to September 2013

### KUNUNURRA PROJECT (E80/3367)

The Kununurra Project is located in the Northeast Kimberley in the vicinity of Kununurra Township. The project is prospective for SEDEX and VMS style gold and base metal mineralisation. Esperance Minerals Limited (“Esperance” or “the Company”) is currently planning its 2013/14 exploration program which will involve a detailed Mapping and Sampling program along the entire Silver Hills Fault System. The extension of the IP coverage to the north of the anomaly prior and drill testing the entire strike extent to the anomaly. In addition, further stepping-out drilling is planned for Shangri La North (outside the open pit) and at Shangri La South.

### CORPORATE

#### New Project Generation

The Board remains committed to identifying and locating a project or assets that will either supplement the existing project and/or create shareholder value. A number of potential projects were reviewed during the quarter and this process is ongoing.

#### Capital Raising

During the quarter, the Company raised \$570,000 via an issue of Convertible Notes (**Note**) to various shareholders, including a company that is associated with the Chairman, Mr Kris Knauer. The key terms of the Notes are outlined in an ASX Release dated 30 September 2013. The capital raised under the Convertible Notes Issue will be used to fund, current working capital requirements of the Company, exploration at the Company’s Kununurra Project, and the evaluation of potential new projects for the company.

In addition to the above, the Company has also reached agreement with the same group of shareholders to restructure its prior costs associated with the Brazilian Project for the sum of approximately \$345,000. As announced by the Company on the 11 March 2013, the Company and the group of shareholders (referred to in the 11 March 2013 as “AAR”) agreed to reimburse those shareholders for costs incurred at the value of one Company share at 6 cents per share, plus 1 free attaching option at 10 cents with an expiry date of 1 June 2017 for every one dollar of expenditure. However, the terms of that agreement has been superseded by reducing the amount owing from approximately \$345,000 to \$330,000 and such debt is converted into a Note on the same terms as the Notes which raise money for the Company.



For further information, please contact Robert Lees.



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*The information in this Report that relates to the Exploration Results of the Company's Kimberley leases is based on information compiled by Frans Voermans who is a Fellow of the Australian Institute of Mining and Metallurgy and an independent consultant. Frans Voermans' services are provided under contract by Voermans Geological Services Pty Ltd, a company in which Frans Voermans has an interest as a Director. Frans Voermans has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Frans Voermans consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*