

ESPERANCE MINERALS LIMITED (ASX: ESM)

29 July 2016

Quarterly Report for April to June 2016

The Directors of Esperance Minerals Limited (ASX: ESM or “Esperance”) are pleased to release the quarterly report and appendix 5B for the period ended 30 June 2016:

CORPORATE

New Project Generation

During the quarter, the Board has undertaken a review of several businesses involved in the manufacturing and marketing of health care products in Australia. As at 30 June 2016, the Company had not yet formally identified a suitable acquisition opportunity. The company continues to undertake due diligence of potential opportunities with a view to entering into an agreement and announcing it to market through an ASX announcement in coming weeks.

The Board has implemented a strict internal process for selecting a suitable business to acquire. Potential acquisition targets must satisfy a number of key selection criteria in terms of revenue generation, profitability, historical business growth, length of operating history and potential for future growth, amongst other factors.

Shareholders should note that shares in the Company will be suspended from trading from the earlier of 15 September 2016 or the date of the acquisition announcement until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules and satisfies all necessary approvals required for re-admission to the official list of the ASX.

The Board is confident that it will enter into a suitable Transaction agreement and announce it to market on or before 15 September 2016.

Any Transaction agreement that Esperance enters into will be subject to satisfactory completion of due diligence, approval by shareholders of Esperance in a general meeting and Esperance re-complying with Chapters 1 and 2 of the ASX Listing Rules.

The Board looks forward to providing a further update on progress in due course.

Funding

On 28 July 2016 the Company announced a 1 for 4 non-renounceable Rights Issue at \$0.02 to raise up to \$1.18 million. The Company also has a \$300,000 convertible note debt facility in place. The balance of the facility is \$300,000 plus accumulated interest accruing at a rate of 10% per annum. The Convertible Notes are unsecured and repayable or convertible into equity at the noteholders’ option. Full details of the Convertible Notes can be found in ESM’s annual report.



Level 7, 99 Macquarie Street, Sydney, NSW, 2000 AUSTRALIA

ACN 009 815 605

Email: info@esperancemineral.com

Telephone: +61 2 8226 3388

Facsimile: +61 2 9251 7285

www.esperanceminerals.com

Board Composition

Mr Shaun Palmer and Mr Robert Lees resigned from the Board on 12 July and 15 July 2016 respectively. On 15 July 2016 Mr Alan Beasley was appointed as non-executive Chairman. On 27 July 2016 Mr Barney Cheung, CPA, replaced Mr Robert Lees as Company Secretary.

The current board of the Company is:

Mr. Alan Beasley - Chairman
Mr. John Rawicki - Executive director
Ms. Sophia Zhang - Managing Director
Mr. Barney Cheung - Company secretary

For further information, please contact John Rawicki.

A handwritten signature in blue ink, appearing to read 'John Rawicki', is written over a light blue rectangular background.

John Rawicki
Executive Director

Office: +61 (0)2 8226 3388

Email: john.rawicki@esperancemineral.com

Website: www.esperanceminerals.com