

Esperance Minerals Limited (ASX: ESM)

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QUARTERLY REPORT FOR JANUARY TO MARCH 2018

The Directors of Esperance Minerals Limited (ASX: **ESM** or “**Esperance**”) are pleased to release the quarterly report and appendix 5B for the period ended 31 March 2018.

CORPORATE

Continuation of Greenenz Transaction

During the quarter Esperance executed a revised agreement (“**Placement Agreement**”) with Greenenz describing the requirements and conditions for the Proposed Transaction to proceed, including Esperance’s objective of relisting on the ASX. The structure and key terms of the Placement Agreement are consistent with the ASX In-Principle Advice Application lodged with the ASX in November 2017.

Key terms of the Placement Agreement are:

- **Placement:** Esperance to raise \$531,250 from the two shareholders of Greenenz, Mr Wayne Breeze and Mr Mark Riddiford, via a placement issue of 232,250,000 ESM shares (assuming a 1 for 10 consolidation of the Company’s capital).
- **Six Projects:** ESM to execute a total of six Project Transaction documents: one for the acquisition of a USA-based project, one for the establishment of an Australia-based project, and four Project Options to establish four additional projects.
- **Territorial exclusivity:** ESM and Greenenz will have entered into a Deed of Covenant regarding territorial exclusivity based on Projects to be developed by ESM.
- **Board Appointments:** Messrs Breeze and Riddiford being appointed as directors of Esperance and entering into services agreements with Esperance.

Completion of the Placement Agreement is conditional upon all shareholder, regulatory and board approvals as required under the ASX Listing Rules and Corporations Act, including Esperance’s re-compliance with Chapters 1 and 2 of the ASX Listing Rules and minimum Prospectus raising being achieved.

During the quarter, Esperance engaged professional advisers to commence preparation of the Prospectus and its key elements, including an:

- Independent Experts’ Report;
- Independent Accountants’ Report; and

- Independent Technical Report.

A draft Notice of Meeting for the Annual General Meeting is being prepared, and upon finalisation will be released to the ASX and sent to shareholders in due course. The Notice of Meeting will include an Explanatory Statement detailing, among other things, the pro-forma corporate structure of Esperance should the Transaction be completed.

Background

In December 2016, Esperance announced it had entered into an agreement with the shareholders of unlisted New Zealand company, Greenenz Group Limited (**Greenenz**). Greenenz has developed a gasification technology that efficiently recovers high concentrations of precious metals from electronic waste (e-waste) in an environmentally-friendly manner.

The agreement with Greenenz is subject to the due diligence trial being acceptable to ESM, and ESM's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Shares in ESM were suspended from trading on 28 September 2016 and will remain in suspension 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.

If the proposed transaction is completed, then it will result in a significant change in ESM's activities and shareholding structure. Esperance will cease to be a mining exploration entity under the Listing Rules.

The Board looks forward to announcing the complete details of the Greenenz transaction and due diligence exercise, and relisting timetable to market in the near future.

Funding

During the quarter the Company raised \$475,000 through a new Convertible Note (**Series F**) for working capital to be utilised for the purposes of relisting the Company. Series F Convertible Notes are convertible into ordinary shares of the Company at a face value of 2 cents per share and mature on 30th June 2018.

Board Composition

On 7 February 2018 Sophia Zhang resigned as a director of Esperance. Esperance welcomed Anthony Karam to the board as non-executive director on the same day to assist the company with completing the Greenenz transaction, and facilitate legal and commercial agreements involved in the transaction framework.

FOR FURTHER INFORMATION PLEASE CONTACT

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