



7 May 2014

A \$1 MILLION CAPITAL RAISING AT 2 CENTS PER SHARE AND NEW DIRECTORS

Esperance Minerals Limited (ASX: ESM or the Company) is pleased to announce that it has raised \$1 million via a combined Placement and Converting Note Issue. Both the placement and the Converting Note have been completed at a price of 2 cents per share, each share with a free attaching option expiring on 31 August 2018. Additionally the holders of \$300,000 of the existing Convertible Notes have agreed to convert their Notes on the same terms as the current capital raising. Concurrently with this above, the Company has undertaken a re-organisation of the Board and is now on a path of actively exploring new opportunities.

Further details of the above are as follows:

Fund raising

The Company has completed a placement of 20 million shares at a price of 2 cents to raise \$400,000. The shares were issued under the company's existing placement capacity under Listing Rule 7.1 and 7.1A. The issue of the 1 for 1 attached \$0.10 option exercisable on or before 31 August 2018 will be subject to shareholder approval. The company has received an initial Tranche of \$200,000 under the Converting Note Issue with the balance of \$400,000 to be received in 30 days. The Board sees this as an attractive option to access sufficient capital to meet the ongoing programs of the Company at a significant premium to the current share price.

The Convertible Notes and placement shares were issued to sophisticated and institutional investors under sections 708(8), 708(10) and 708(11) of the Corporations Act 2001 (Cth) (the Act), without disclosure to investors under Part 6D.2 of the Act. The Notes will be subject to shareholder and all relevant regulatory approvals and until all approvals are obtained the funds advanced under the Note Issue will remain as an unsecured loan.

The key terms of the Converting Notes are as follows:

- each Note has a face value of \$100,000.
- Conversion price is 2 cents per ordinary share
- for each share issued on conversion, the Noteholder will be issued with 1 free option to subscribe for an additional ordinary share in the Company exercisable on or before 31 August 2018 at an exercise price of 10 cents per share
- the Notes will accrue interest at a rate of 8% per annum.
- the Notes will mandatorily convert into new shares upon the earlier of the conversion of the Notes being approved by shareholders or the Company having sufficient capacity to convert the Notes under Listing Rule 7.1 or 7.1A
- the Notes are unsecured.



Full details will be set out in a Notice of General Meeting at which the Company will seek shareholder approval to approve the issue of the placement options, and shares and options on conversion of any of the notes where shareholder approval for that issue is required.

Purpose of fund raising

The funds from the capital raising will be used for working capital purposes and to explore new opportunities both in and outside of the resource sector. The company is looking to commence a review of business in the health and wellness sector located in Asia. Any acquisition will be subject to regulatory and shareholder approvals.

Board re-organisation

The company is also pleased to announce the appointment of two new Directors. Ms Sophia Zhang as Executive Director and John Rawicki as Non-executive Director. Ms Sophia Zi Ying Zhang has 20 years of international sales and marketing experience in healthcare. Ms Zhang currently runs a successful import/export business that markets and distributes Australian healthcare products, in particular Nature's Care and Toplife brands in China. Ms Zhang holds a Bachelor of Arts degree from Shen Zhen University of PRC. John Rawicki has 10 years experience in stockbroking and corporate finance across the healthcare, resources and technology sectors. John is the Managing Director of BlueSky Shareholder Services, which provides investor relations and corporate advisory services to listed companies. John holds a Bachelor of Commerce from the University of Sydney.

The Company also announces that Mr Jacob Khouri has tendered his resignation as a Director to allow himself spend more time focussing on his role as a Director of Mooter Media Limited. The Company thanks Mr Khouri for his contribution in his role of Non-Executive Director.

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