

ESPERANCE MINERALS LIMITED (ASX: ESM) - ASX RELEASE



28 July 2016

The Manager
ASX Market Announcements
ASX Limited
Sydney

For immediate release

ENTITLEMENT ISSUE - PRO RATA 1 FOR 4 NON-RENOUNCEABLE RIGHTS ISSUE

Esperance Minerals Limited (ASX:ESM) (**Company**) is pleased to announce that it will undertake a pro rata 1 for 4 non-renounceable rights issue (**Rights Issue** or **Offer**) at \$0.02 per share to raise approximately \$1.18 million (before costs) through an offer of up to a maximum of 59,063,670 fully paid ordinary shares (**New Shares**).

The Offer will be made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) without disclosure to investors under Part 6D.2 of the Corporations Act.

The Offer will be open to eligible shareholders with a registered address in Australia or New Zealand as at 5:00pm on Thursday, 4 August 2016 (**Eligible Shareholders**).

The Offer will also include a shortfall facility that will provide Eligible Shareholders with the opportunity to apply for additional shares above their pro-rata entitlement. Any entitlement not taken up pursuant to the Offer will form the shortfall that will be dealt with in accordance with the shortfall facility. The allocation of additional New Shares under the shortfall facility will be at the discretion of the Directors. To the extent any shortfall remains after allocation to Eligible Shareholders who have applied for New Shares under the shortfall facility, subject to the Corporations Act and the ASX Listing Rules, the Company will use its best endeavours to place the remaining New Shares.

The proceeds of the Rights Issue will be applied by the Company towards:

- identifying, evaluating and conducting due diligence enquiries in respect of the potential acquisition of a suitable business in the health care sector;
- engaging expert staff who will assist the Company with securing and managing a potential transaction;
- other general working capital; and
- funding the costs of the Rights Issue.

The Rights Issue is not underwritten.



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Eligible Shareholders' entitlements pursuant to the Rights Issue are non-renounceable and accordingly, Eligible Shareholders may:

- take up their rights in full or in part;
- do nothing, in which case their rights will lapse and their interests will be diluted as a result of the Rights Issue; or
- take up their rights in full and apply for additional New Shares.

Full details of the Rights Issue will be set out in the Rights Issue offer document which will be despatched to Eligible Shareholders on Tuesday, 9 August 2016. The New Shares under the Rights Issue will rank equally with the Company's existing ordinary shares on issue.

The Offer is being conducted in accordance with the following timetable:

Event	Date
Announcement of Rights Issue	Thursday, 28 July 2016
Lodgement of documents associated with the Rights Issue and Appendix 3B	Friday, 29 July 2016
Despatch of notices to Shareholders informing them of Rights Issue	Tuesday, 2 August 2016
Ex-Date	Wednesday, 3 August 2016
Record Date	Thursday, 4 August 2016
Despatch of Offer Documents to Eligible Shareholders	Tuesday, 9 August 2016
Rights Issue Opening Date	Tuesday, 9 August 2016
Rights Issue Closing Date	5.00pm (AEST) Thursday, 18 August 2016
Deferred Settlement Trading	Friday, 19 August 2016
Shortfall Date	Tuesday, 23 August 2016
Issue of New Shares	Thursday, 25 August 2016
Normal Trading	Friday, 26 August 2016

These dates are indicative only. Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Shareholders with queries concerning the Rights Issue should contact their professional advisor or the Company's share registry, Security Transfer Registrars Pty Limited on (08) 9315 2333.

Update on identifying a suitable business

During recent months the Board has undertaken a review of several business opportunities in the health care product manufacturing sector in Australia. While the Company has not formally identified a suitable business opportunity at the present time, it intends to continue undertaking a thorough review of a number of potential acquisition opportunities with a view to finalising its selection process shortly.

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.

Once a suitable acquisition opportunity is identified, the Company will enter into an agreement to document the acquisition and immediately announce the acquisition to the market through an ASX announcement.

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 looks forward to providing a further update on the Company's progress in due course and to shareholders' participation in the Rights Issue.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Alan Beasley', with a stylized, flowing script.

Alan Beasley
Chairman