

# Esperance Minerals Limited (ASX: ESM)

## Quarterly Report for April to June 2010



Esperance Minerals Limited (ASX: ESM) continues to own significant interests in a suite of prospective oil shale tenements.

### Esperance Minerals Tenement Schedule

	Alpha (MDL 330) %	Lowmead (MDL 188) %	Nagoorin (MDL 234 (App)) %
Greenvale Mining NL	50	25	50
Esperance Minerals NL ("Esperance")	50	50	25
Queensland Energy Resources Limited ("QER")	-	25	25
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Lowmead and Nagoorin

The Lowmead and Nagoorin tenement areas remained on a care and maintenance during the quarter.

The renewal application for the Nagoorin EPM 7721 was granted by the Department of Mines and Energy ('DME') and the tenement is now current to 21 March 2011. The maintenance of the EPM is to maintain granted tenement coverage whilst the process of grant for MDL 234 continues. The statutory annual report and expenditure for EPM 7721 was lodged and accepted by the DME in April.

The grant process for MDL 234 at Nagoorin under section 29 of the Native Title Act 1993 (NTA) continues.

Queensland Energy Resources ('QER') on behalf of the Joint Venture finalised the terms of an Ancillary Agreement with the Port Curtis Coral Coast Native Title Claimants. The Ancillary Agreement and Section 31 Deed have been signed off by all the JV parties and the Coral Coast Native Title Claimants and was signed off by the Minister of Natural Resources, Mines and Energy for State of Queensland in May 2010. Once the objection application withdrawal notice has been received from the NNTT, the DME can be informed of the withdrawal of the objection and the MDL can proceed to grant.

Given the current DME policy is not to grant new tenure over oil shale areas until the finalisation of a Government review on the development of oil shale in Queensland, an offer of grant is not anticipated in the short term.

Routine groundwater monitoring and sampling continued at both Nagoorin and Lowmead during the quarter. Field groundwater surveys were completed during the quarter adding to the ongoing groundwater monitoring program.

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## Alpha Torbanite Deposit

During the quarter the Company continued its activities to identify and assess suitable technologies to maximise the value of its in-ground shale assets and to maintain the standing of its tenement assets.

Further to the releases contained in the previous quarterly report the Company continues to await feedback on the testing being done by a South African based, potential technology provider ("PTP").

The Company is continuing to evaluate technologies for the treatment of its oil shale.

## Queensland Oil Shale Moratorium

The Company notes the moratorium on oil shale exploitation imposed by the Queensland government continues.

## Yampi Sound (E04/1448)

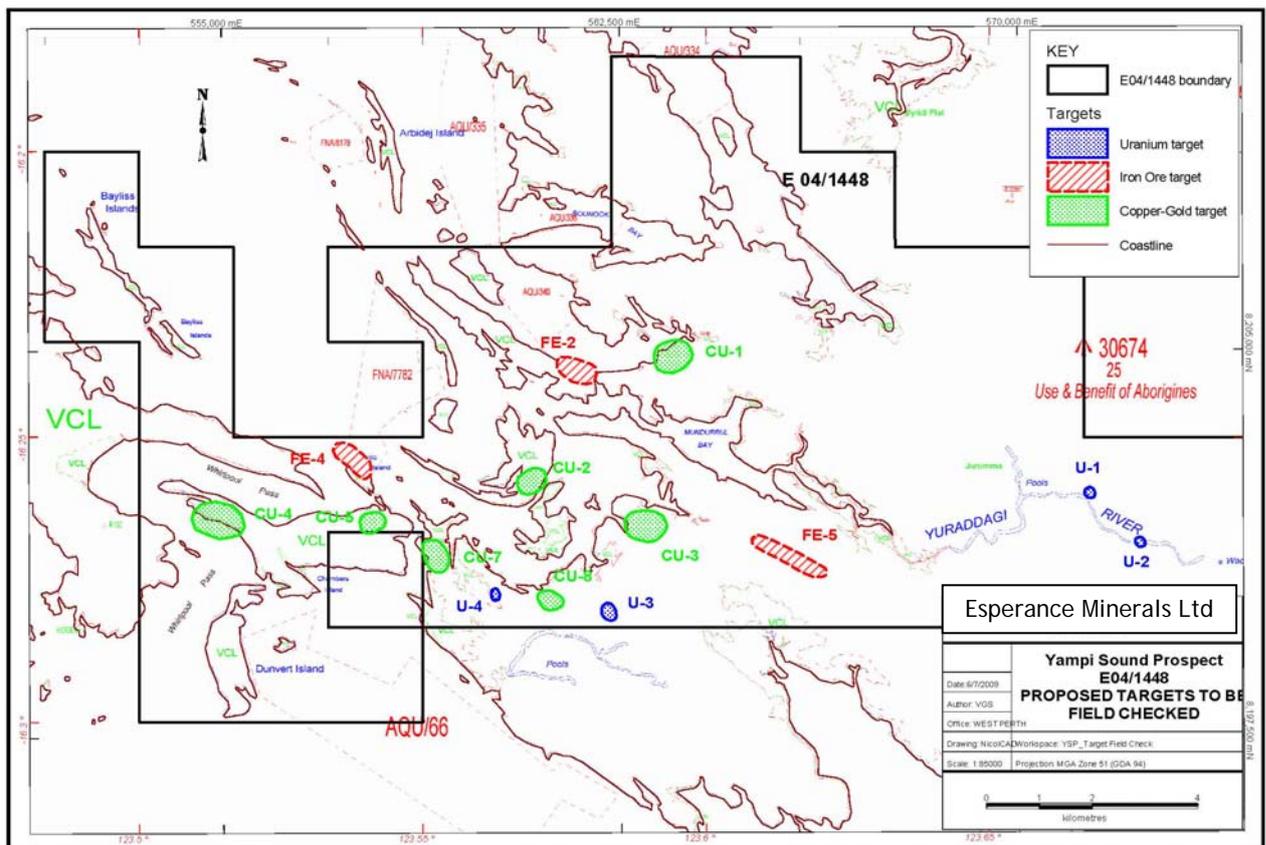


Figure 1: Yampi Sound Project with proposed Copper, Uranium and Iron targets identified for field checking

During the quarter a helicopter-assisted field trip was carried out at the Yampi Sound Project area (E04/1448) located in the remote North-western Kimberley area of Western Australia.

The Aeromagnetic and Radiometric interpretation study undertaken in 2009 generated a number of copper-gold and iron targets. A total of ten targets were selected for detailed field assessment.

In May a field crew of two geologists visited as many of these targets as possible. However, some of these targets could not be properly assessed on the ground as the rugged nature of the terrain prevented the helicopter from landing.

The field party was unable to explain the strongly magnetic features which, according to the interpretative study, could represent iron enrichment similar to the Koolan Island Iron Ore Mine located to the north of Yampi Sound.

However, the principal copper/gold target, the Yampi Sound Copper Mine, was extensively studied and sampled. Some of these samples contained high amounts of visible copper mineralisation.

The samples have been submitted for chemical analysis to Genalysis Laboratory Services in Perth. They will be analysed for an extensive suite of elements. Results are expected shortly and these will be reported in the next quarterly report.

## Corporate activities

The company changed its structure from that of a 'No Liability' ('N L') company to a 'Limited' company, limited by shares, during January 2010 and the formal name change of the company to Esperance Minerals Limited took place on 12 February 2010.

With the corporate restructure completed the board of Esperance intends to expand the company's exploration activities to further prospective mineral projects that can create value for shareholders. To achieve this, the company will seek additional funding support from shareholders. Further information will be made available to shareholders as soon as the board is able to do so.

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*The information in this Report that relates to Exploration Results is based on information compiled by Ed Mead who is a member of the Australian Institute of Mining and Metallurgy and an independent consultant. Ed Mead's services are provided under contract by Doraleda Pty Ltd, a company in which Ed Mead has an interest as a Director. Ed Mead 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'. Ed Mead consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*