

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**Cervantes Corporation Limited**

ABN

**79 097 982 235**

Quarter ended ("current quarter")

**31 December 2015**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(18)	(37)
1.3 Dividends received	(33)	(77)
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other -		
<b>Net operating cash flows</b>	<b>(50)</b>	<b>(112)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

		Current quarter \$A'000	Year to date (6 months) \$A'000
1.8	Net operating cash flows (carried forward)	(50)	(112)
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets	(12)	(21)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
<b>Net investing cash flows</b>			
<b>1.14</b>	<b>Total operating and investing cash flows</b>	(62)	(133)
<b>Cash flows related to financing activities</b>			
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
<b>Net financing cash flows</b>		(62)	(133)
<b>Net increase (decrease) in cash held</b>		(62)	(133)
1.21	Cash at beginning of quarter/year to date	239	310
1.22	Exchange rate adjustments to item 1.20		
1.23	<b>Cash at end of quarter</b>	177	177

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	38
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	<p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                     Reference 1.24 Directors fees \$18,000 (Bookkeeping and Serviced Office provided by a Director \$19,500)                 </div>	

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

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+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	7	10
4.2 Deposits at call	170	229
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>177</b>	<b>239</b>

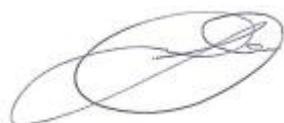
## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 21 January 2016

Print name: Timothy Clark  
(Company secretary)

+ See chapter 19 for defined terms.

## **Notes Attached to this Report**

The disposal of the company's Cray pots at maximum market prices in February 2015 provided a meaningful injection of cash to the company, allowing it to assess various assets during the previous and current quarter. The board has continued to assess projects introduced by New York Securities Pty Ltd in a range of commodities including but not limited to graphite, gold, nickel, copper, zinc, and Lithium. Whilst initial assessment offers submitted by the company on a number of these projects were rejected, the Company remains in discussion with a number of vendors of more advanced projects, in pursuit of a favourable outcome for Cervantes shareholders, including the continued pursuit for a technical solution to the existing gold tailings venture in WA.

The board continues to be advised on the progress of the iron sands project in the Philippines, where Cervantes has an opportunity to participate via a secured loan, interest bearing and profit sharing arrangement over the project. Cervantes was granted first right of refusal, in the event that the party wished to joint venture or dispose of part or all of the venture in the future, on terms that are mutually acceptable to both parties. The grant came as a result of Cervantes introducing the project to a listed company who currently provides financial assistance to assess the technical and other merits of the project, via an unlisted public company that controls the project, which required and was commissioned to secure financial support for the project. Cervantes believes it remains worthy of continued consideration, and the weak market conditions present a favourable negotiating position. Accordingly the board remain committed to the ongoing discussions in preparing an agreement over the venture when all outstanding issues are resolved, in conjunction with any other projects that may fit within Company guidelines.

Cervantes has secured a strategically located Exploration licence in the Fraser Range immediately adjoining Mount Ridley as announced in August of this year and resolution of the native Title process is underway. Other areas in other strategic locations are being considered.

Cervantes continues to be one of the least expensive run companies on the ASX with minimal directors' fees, totalling some combined \$72,000 per annum with no direct staff, and office administration cost of some \$70,000 per annum. This austerity will continue until the Directors and management are able to be adequately rewarded for their time, and for the ever increasing liabilities and responsibilities attached to being directors of a public company imposed on them by politicians, the ASX and the ASIC.

Cervantes currently has some \$250,000 of cash, and liquid assets, which can be disposed of as and when required to meet ongoing expenditures, and when deemed appropriate, the Company will exchange assets from time to time for improving the medium to longer term goals, and to diversify the operations and assets.

Cervantes continues to be approached by groups wishing to instigate possible back door listings, but believe the terms and conditions proposed are unfair and unrealistic to current shareholders, and that our proposed plans going forward are slowly materialising, and will be considerably more beneficial to current shareholders. Cervantes, based on its current assets and cash, has sufficient reserves to meet its costs and expenses for the next 2 quarters, as and when they fall due.

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