

5th February 2016

ASX Announcement/Press Release

Cervantes Secures Acreage in Doray Mining area

Cervantes Corporation Ltd (ASX: CVS) (“Cervantes” or “the company”) is pleased to announce that it has secured a strategically located area of exploration ground by way of an Exploration Permit subject to completion of the Native Title process. The application is in the name of “Cervantes Gold Pty Ltd”, a 100% owned subsidiary of Cervantes Corporation Ltd.

The permit is located in Meekatharra, South West of **Doray Mining’s “Andy Well”** project area and Mill (approx 10km) , North of and adjoining **Thundelarra’s recently acquired (Red Dragon) ground**, North West of the Meekatharra Township(approx 10km) and North of **Metals X’s Bluebird operations and Mill.**

The opportunity was introduced to Cervantes by **New York Securities Pty Ltd** (AFSL 317392), a WA based stockbroking firm, as a result of their research and connections within the exploration and mining industry sector.

Red Dragon has reported a portfolio of attractive gold tenements in Western Australia that Thundelarra believes offer excellent exploration potential for new greenfields discoveries. The package comprises four main projects, located in active gold exploration provinces that are close to established infrastructure and to established and operating gold plants with surplus capacity.

The Board of Cervantes has developed a strategic view that the success enjoyed by a number of West Australian gold producers had created a distinct opportunity in the gold exploration space. Producers like Metals Ex (MLX), Northern Star (NST), and others, have consciously sought to consolidate operating and mothballed gold plants in conjunction with nearby brown field’s mineral resources and exploration projects to develop gold production hubs. This creates an opportunity for green field’s explorers to put together exploration prospects in prospective geological settings within trucking distance of these production hubs. Ideally in locations where previous historical exploration had established the presence of gold but where there were not yet any established resources, possibly due to the lack of systematic exploration.

Cervantes believes the potential for exploration success that could lead quickly to the definition of resources to supply ore feed for the nearby production hubs, was seen as an efficient and effective way to deliver value quickly for shareholders, particularly at this stage of the commodity and share market cycle.



Any commercial success in exploration on this permit will create an early cash flow based on near mills available capacity, and a major cost savings of avoiding large Capex costs for a mill, as well as no provision for a tailings dam.

Doray Mining has been having considerable success in their general exploration activity and especially as announced yesterday at their Wilbur North extensional drilling. Refer to their Website www.dorayminerals.com.au (ASX announcements)

Doray quoted:

*“The high-grade Wilber Lode gold deposit was discovered at Andy Well by Doray in March 2010, has been in production since August 2013, and is **currently the highest grade gold operation in Australia.**”*

Cervantes will now finalise the standard Native Title process and continue to keep the market informed of our progress leading up to an exploration program.

Albany Fraser Range Project

The Meekatharra project area is a prized acquisition of quality exploration ground in a strategic location and is a welcome addition to our **Albany Fraser Range** acquisition, announced on the 13th August 2015, **immediately adjoining** the **Mount Ridley Mines Ltd** currently active exploration program, and who have recently released the following current comments:

- ❖ *The Company has continued staged exploration on its 100% owned Mt Ridley Project conducting diamond and aircore drilling to identify the nature of conductor targets in its highly prospective Albany-Fraser Range tenements.*
- ❖ *Narrow stringer of semi-massive sulphide intersected at 179 metres downhole in diamond hole MRDD010. Assay results returned 1.1% nickel (Ni) and 0.55% copper (Cu). Sulphide stringer likely to have proximal source.*
- ❖ *Portable XRF Niton results from holes MRDD010 and MRDD011 confirm the presence of up to 5.5% nickel (Ni) and 4.9% copper (Cu) from large sulphide blebs in diamond core.*

Mt Ridley Mines Ltd is actively targeting nickel sulphide deposits in the **Albany-Fraser Range Province**, Western Australia, **the site of Sirius Resources Nova Nickel-Copper Deposit**. The Company currently has a portfolio of tenements totalling in excess of 1000sq/kms **in what is fast becoming the world’s most exciting emerging nickel province.**





Whilst the Cervantes board are extremely pleased with the current acquisitions, they continue to assess and seek a more advanced gold project, and will also continue to assess and discuss other potential investments, none of which have to date been advanced beyond general discussions to a definitive or material stage.

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