

# 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")

**30 June 2016**

### Consolidated statement of cash flows

| Cash flows related to operating activities                | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from customers                               | -                          | -                                      |
| 1.2 Payments for (a) staff costs                          | (18)                       | (71)                                   |
| (b) advertising and marketing                             |                            | (1)                                    |
| (c) research and development                              |                            |  |
| (d) leased assets   |                            |  |
| (e) other working capital                                 | (32)                       | (154)                                  |
| 1.3 Dividends received                                    |                            |  |
| 1.4 Interest and other items of a similar nature received | -                          | 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>(224)</b>                           |

+ See chapter 19 for defined terms.

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|   |   | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|---|----------------------------|--|
| 1.8   | Net operating cash flows (carried forward)      | (50)                       | (224)                                  |
| <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                    | (11)                       | (38)                                   |
| 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)             |                            |  |
|   |   | (11)                       | (38)                                   |
|   | <b>Net investing cash flows</b>                 |                            |  |
| 1.14  | <b>Total operating and investing cash flows</b> | (61)                       | (262)                                  |
| <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                         | (25)                       | (25)                                   |
| 1.19  | Dividends paid                                  |                            |  |
| 1.20  | Other (provide details if material)             |                            |  |
|   |   | (25)                       | (25)                                   |
|   | <b>Net financing cash flows</b>                 |                            |  |
|   | <b>Net increase (decrease) in cash held</b>     | (86)                       | (287)                                  |
| 1.21  | Cash at beginning of quarter/year to date       | 109                        | 310                                    |
| 1.22  | Exchange rate adjustments to item 1.20          |                            |  |
| 1.23  | <b>Cash at end of quarter</b>                   | 23                         | 23                                     |

+ 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<br>\$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 | Explanation necessary for an understanding of the transactions   |                            |
|      | Reference 1.24 Directors fees \$18,300 (Bookkeeping and Serviced Office provided by a Director \$19,500) |                            |

**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<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | N/A                         | N/A                    |
| 3.2 | Credit standby arrangements | 100                         | -                      |

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## 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank  | 2                          | 4                           |
| 4.2 Deposits at call  | 21                         | 105                         |
| 4.3 Bank overdraft  |                            |                             |
| 4.4 Other (provide details)   |                            |                             |
| <b>Total: cash at end of quarter (item 1.23)</b>  | <b>23</b>                  | <b>109</b>                  |

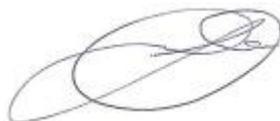
## Acquisitions and disposals of business entities

|   | Acquisitions<br>(Item 1.9(a)) | Disposals<br>(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: 29 July 2016

Print name: Timothy Clark  
(Company secretary)

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## Notes Attached to this Report

Cervantes has successfully transitioned itself from a Lobster company to an exploration company over the last reporting periods and commenced its acquisition of strategically located exploration areas in attractive geographical areas covering Gold and Nickel.

During the quarter the company advised the Native Title agreement on its **Albany Fraser Range** permit had been executed. Since the successful execution the company has progressed to the collection of historical data on the permit to assist in the formulation of a suitable exploration program. The permit resides within the famous Fraser Range district that hosted the Nova Bollinger project sold to Independence Group for \$1.8 billion and adjoins the boundaries of Mount Ridley Mines Ltd and is in the immediate vicinity of several other exploration companies seeking to replicate the success of the Nova Bollinger project. While the board continues to collect data it will continue to monitor the success of other companies' exploration programs in the local vicinity to ensure full knowledge of the area before commencing expenditure on any exploration, in consultation with our exploration consultants..

As mentioned in previous reporting periods, the company successfully added to its exploration portfolio through the **acquisition of acreage located in Meekathara WA** via its 100% owned subsidiary "Cervantes Gold Pty Ltd". The permit is strategically located South West of Doray Mining's "Andy Well" project area and Mill (approx 10 km), North West of the Meekatharra Township (approx 10 km), North of Metals X's Bluebird operations and Mill, and adjoining Thundelarra's recently acquired (Garden Gully) ground which is currently undergoing an initial exploration program and today (29<sup>th</sup> July) released exceptional gold grades on their project.

The board believes the acquisition is an efficient and cost effective way to deliver value quickly for shareholders given the permits potential for exploration could lead to an expeditious definition of resources, paving the way to supply ore feed to nearby production hubs. The company is currently waiting for Native Title to be finalised on this project which the company expects to occur early in the new financial year. Any commercial success in exploration on this permit could create early cash flow based on near mills available capacity, and a major cost savings of avoiding large Capex costs for a mill, or a tailings dam.

In addition the board continues to assess projects introduced by New York Securities Pty Ltd and others in a range of commodities including but not limited to graphite, gold, nickel, copper, zinc, Phosphate and lithium. Whilst initial assessment offers submitted by the company on a number of projects have been unsuccessful, the Company remains in discussion with a number of vendors 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.

In the immediate term, due to the recent change in Government in the Philippines, including the appointment of a new mining minister the ongoing assessment of the Iron Sands project has been put on temporary hold. We do continue to monitor the situation to ensure we are fully aware if the new Government brings about new changes to the Industry.

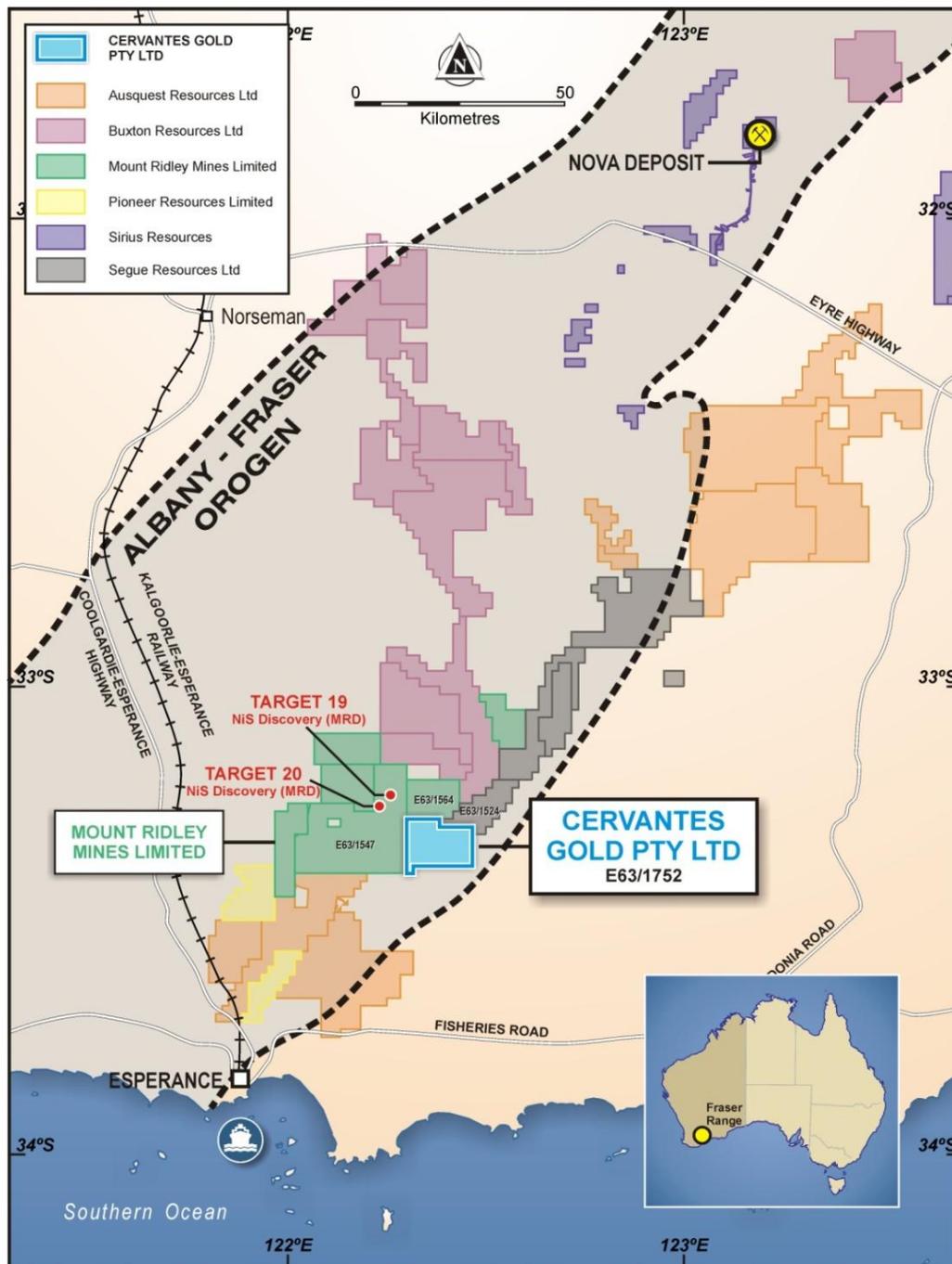
Cervantes continues to be one of the least expensive run companies on the ASX with minimal directors' fees, totalling some combined \$71,000 per annum. This austerity will continue until the Directors and management are able to be adequately rewarded for their time, and for the ever increasing liabilities and responsibilities attached to being directors of a public company imposed on them by politicians, the ASX and the ASIC. Cervantes currently has access to sufficient cash, and current assets, which can be disposed of as and when required to meet ongoing expenditures, and

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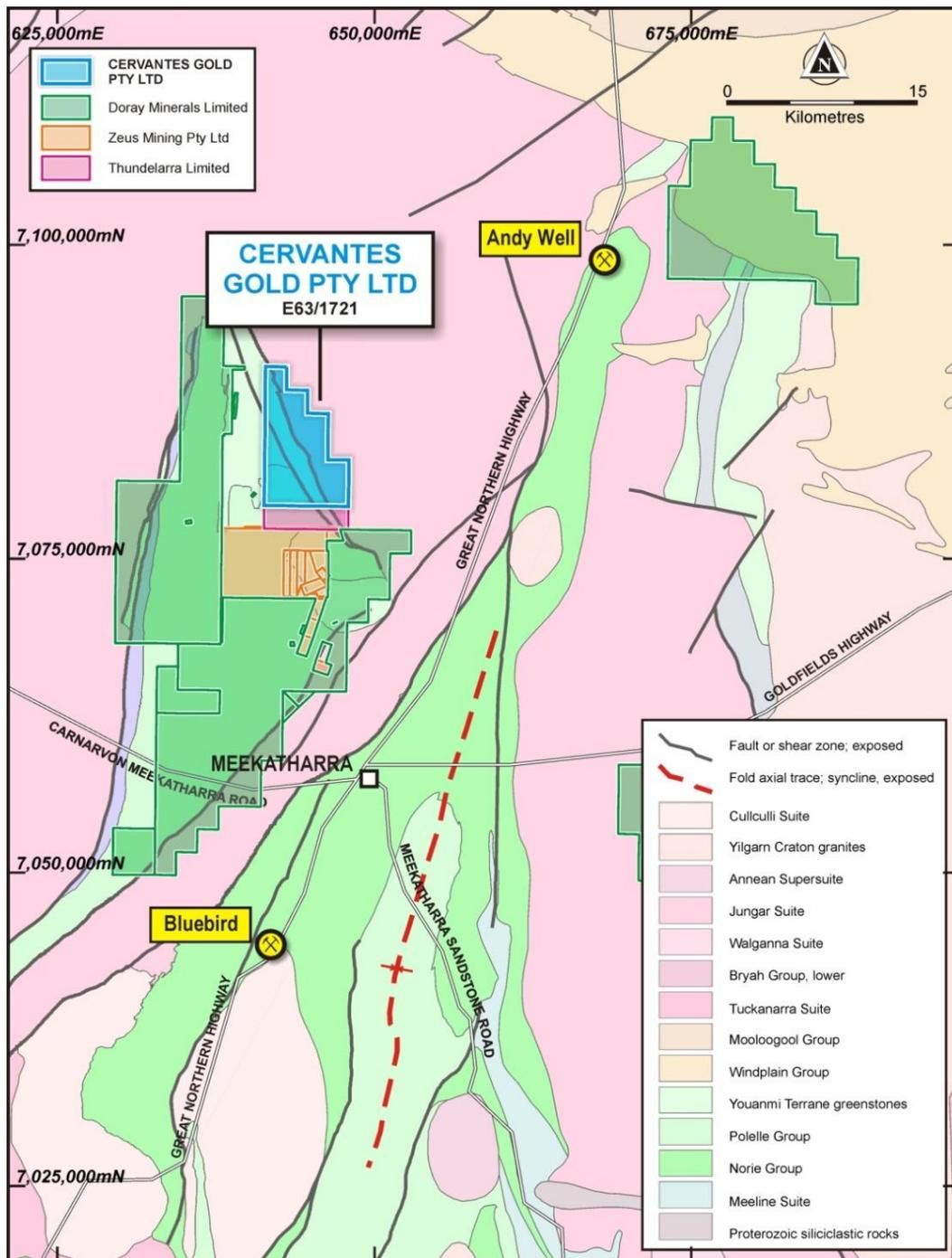
when deemed appropriate, the Company will exchange assets from time to time for improving the medium to longer term goals, and to diversify the operations and assets. The Board retains its favourable stance towards a capital raising in due course for working capital, reduction of debts and pursuit of initial exploration programs on our newly acquired assets and possible acquisition of more advanced projects.

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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24/10/2005