

CERVANTES CORPORATION LIMITED
ACN 097 982 235
(COMPANY)

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 Share for every 3 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Share to raise up to \$994,237 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Collin Vost (*Executive Chairman*)

Justin Vost (*Non-Executive Director*)

Timothy Clark (*Non-Executive Director*)

Joint Company Secretaries

Timothy Clark

John Greeve

Share Registry*

Advanced Share Registry
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Auditor

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
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Perth WA 6000

Lead Manager

New York Securities Pty Ltd
Shop 11, South Shore Piazza
85 The Esplanade
South Perth, WA 6151

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the directors Cervantes Corporation Limited, I am pleased to offer you the opportunity to participate in this non-renounceable entitlement issue.

Each Shareholder who is eligible to participate in the Offer will be entitled to subscribe for one (1) new Share for every three (3) existing Shares held by the Shareholder on the Record Date at an issue price of \$0.01 per Share.

Proceeds from this Offer, if fully subscribed, will strengthen the Company's balance sheet by approximately \$994,000 (before deducting the estimated expenses of the Offer), to be used to reduce debt, meet exploration expenditures of our recently acquired portfolio of gold and nickel assets, assess other more advanced gold projects, and for general working capital as outlined in this Prospectus.

The Offer will also provide a solid platform for the Company to move forward with its existing projects and enable it to take advantage of any new opportunities that may arise.

Your Company has successfully transitioned from an industrial company to an exploration company which is continuing to acquire strategically located gold and nickel tenements as outlined in the various ASX announcements over the last 12 months.

The board of Cervantes continues to assess and have discussions on more advanced gold projects in Western Australia and Queensland, to develop itself into a successful exploration and, ultimately, production company.

For us to now exploit the potential of these acquired assets we need your support to raise sufficient funds to pursue a comprehensive initial exploration program on each permit.

You can also apply for additional Shortfall Shares under the Shortfall Offer in addition to your Entitlement by completing the Shortfall section contained in the Entitlement and Acceptance Form.

This Prospectus contains important information concerning your potential participation in the Offer, including:

- (a) the terms of the Offer;
- (b) instructions on how to participate;
- (c) a non-exhaustive list of potential risks faced by the Company and investors in the Company; and
- (d) a personalised Entitlement and Acceptance Form which details your rights, to be completed in accordance with the instructions provided.

Before making a decision to participate in the Offer, I recommend that you seek independent advice from your stockbroker, accountant or other professional advisor.

Yours sincerely

Collin Vost
Executive Chairman

10th October 2016

3. TIMETABLE

Lodgement of Prospectus with the ASIC	10 October 2016
Lodgement of Prospectus & Appendix 3B with ASX	10 October 2016
Notice sent to Shareholders	12 October 2016
Ex date	13 October 2016
Record Date for determining Entitlements	14 October 2016
Prospectus sent out to Shareholders & Company announces this has been completed	19 October 2016
Last day to extend the offer closing date	7 November 2016
Closing Date*	10 November 2016
Shares quoted on a deferred settlement basis	11 November 2016
ASX notified of under subscriptions	15 November 2016
Issue date/Shares entered into Shareholders' security holdings	17 November 2016
Quotation of Shares issued under the Offer*	17 November 2016

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

4. IMPORTANT NOTES

This Prospectus is dated 10 October 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

4.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained

in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.01 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 99,423,704 Shares will be issued pursuant to this Offer to raise up to \$994,237.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the Shares.

The Company currently has no Options on issue as at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

5.2 Minimum subscription

There is no minimum subscription.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

(a) if you wish to accept your **full** Entitlement:

- (i) complete the Entitlement and Acceptance Form; and
- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or

(b) if you only wish to accept **part** of your Entitlement:

- (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per Share); or

(c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Cervantes Corporation Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

5.6 Underwriting

The Offer is not underwritten.

5.7 Effect on control of the Company

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below.

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	3.35%	3,333,333	10,000,000	2.51%
Shareholder 2	5,000,000	1.68%	1,666,667	5,000,000	1.26%
Shareholder 3	1,500,000	0.50%	500,000	1,500,000	0.38%
Shareholder 4	400,000	0.13%	133,333	400,000	0.10%
Shareholder 5	50,000	0.02%	16,667	50,000	0.01%
Total	298,271,112		99,423,704		397,694,816

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

5.8 Lead Manager

New York Securities Pty Ltd (ACN 111 049 800) (**Lead Manager**) has been appointed as Lead Manager to the Offer. The terms of the appointment of the Lead Manager are summarised in Section 9.4 of this Prospectus. The Lead Manager is a related party of the Company by virtue of being controlled by Director Collin Vost. The Company considers the terms of the Lead Manager's appointment are on arms' length terms.

5.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be at least \$0.01 being the price at which Shares have been offered under the Offer.

Eligible Shareholders may apply for additional Shares under the Shortfall Offer by completing the prescribed area on the Entitlement and Acceptance Form designated to the Shortfall and by paying the appropriate Application Monies in accordance with the instructions set out in the Entitlement and Acceptance Form.

The Directors reserve the right, in consultation with the Lead Manager, to issue Shortfall Shares at their absolute discretion. Therefore, unless you are a Shareholder, do not apply for Shortfall Shares unless instructed to do so by the Directors or the Lead Manager.

The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

There is no guarantee that participating parties will receive any additional Shares applied for under the Shortfall.

The Company may seek to place some of the Shortfall to creditors of the Company, in debt for equity swaps under which the Company and a creditor agree that some or all of the debt owed to the creditor is offset against Shortfall

subscription funds the creditor would otherwise have to pay in cash. To the extent any such arrangement is made, the Company will not receive a cash subscription amount from the creditor for Shares issued to it under the Shortfall while the Company's debts will be reduced by the foregone cash subscription amount.

5.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.11 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

5.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not distribute any part of this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand and Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.13 Enquiries

Any questions concerning the Offer should be directed to Timothy Clark or John Greeve, joint company secretaries, on + 61 8 6436 2300.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$994,237.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Full Subscription (\$)	%
Expenses of the Offer ¹	33,806	3.4
Repayment of creditor loans	150,000	15.09
Assessment and acquisition of new resources projects	25,000	2.51
Exploration of existing and newly acquired projects	150,000	15.09
Working capital	635,431	63.91
Total	994,237	100

Notes:

1. Refer to Section 9.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event that the Offer is undersubscribed, the specific use of funds in respect of the Offer will be scaled back by reducing working capital (once expenses of the Offer are paid).

If, and to the extent, the Company enters into debt for equity swaps with creditors who subscribe for Shortfall as detailed in Section 5.9, the funds actually raised under the Shortfall will be reduced by the amount of debt offset against the creditor's Shortfall subscription funds.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$960,431 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 298,271,112 as at the date of this Prospectus to 397,694,816 Shares.

6.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2016 and the unaudited pro-forma balance sheet as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2016	PROFORMA 30 June 2016
CURRENT ASSETS		
Cash	22,904	983,335
Other current assets	27,739	27,739
TOTAL CURRENT ASSETS	50,643	1,011,074
NON-CURRENT ASSETS	3,601	3,601
Exploration ¹	53,076	53,076
TOTAL NON-CURRENT ASSETS	56,677	56,677
TOTAL ASSETS	107,320	1,067,751
CURRENT LIABILITIES		
Creditors and borrowings	829,607	829,607
TOTAL CURRENT LIABILITIES	829,607	829,607
TOTAL LIABILITIES	829,607	829,607
NET ASSETS (LIABILITIES)	(722,287)	238,144
EQUITY		
Share capital	12,088,070	13,082,307
Options Reserve	Nil	nil
Retained loss	(12,810,357)	(12,844,163)
TOTAL EQUITY	(722,287)	238,144

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

Shares

	Number
Shares currently on issue	298,271,112
Shares offered pursuant to the Offer	99,423,704

Total Shares on issue after completion of the Offer	397,694,816
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The capital structure on a fully diluted basis as at the date of this Prospectus would be 298,271,112 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 397,694,816 Shares.

As announced to the ASX on 10 October 2016, the Company has conditionally agreed to acquire a prospecting licence (PL 51/2937) in consideration for the issue of 1 million Shares and a royalty. As such, the total number of Shares on issue will increase by 1 million if the conditions are satisfied in due course.

6.5 Details of substantial holders

Based on publicly available information as at 10 October 2016, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
New York Holdings Pty Ltd <CV Superannuation Fund A/C>	48,570,000 ¹	16.28
New York Holdings Pty Ltd		

Notes:

1. 40,800,000 Shares are held by New York Holdings Pty Ltd <CV Superannuation Fund A/C> and 7,770,000 Shares are held by New York Holdings Pty Ltd, who is an associate of New York Holdings Pty Ltd <CV Superannuation Fund A/C>.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

7. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

7.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

7.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

7.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

7.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

7.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

7.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

7.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

7.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8. RISK FACTORS

8.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, the number of Shares in the Company will increase from 298,271,112 currently on issue to 397,694,816. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.011 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(a) Future Funding

There is likely to be a requirement in the future for the Company to raise additional funding. The Company's ability to raise capital or other funding is not able to be forecast at this time. If the Company is unable to raise the required funds in the future it may not be able to continue to carry on its business and you may lose your investment.

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

8.3 Industry specific – Mining Exploration

(a) Exploration

No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

(b) Native Title and title risks

Both the *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

(c) Environmental risks and regulations

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to any mineral tenements.

8.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

8.5 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29/10/15	Annual Report to Shareholders
29/10/15	Notice of Annual General Meeting and Proxy Form
30/11/15	Results of Meeting
21/01/16	Appendix 4C - Quarterly
05/02/16	Cervantes Secured Strategic Acreage in Meekatharra
09/02/16	Cervantes Update on Fraser Range
25/02/16	Appendix 4D, Half Yearly Report and Accounts
29/03/16	Change of Director's Interest Notice
04/04/16	Fraser Range Update – Native Title Agreement Executed
29/04/16	Appendix 4C – Quarterly Report
22/06/16	Cervantes Activity Update
29/07/16	Appendix 4C - Quarterly
01/08/16	Quarterly Activities and Cashflow Report - Amendment
30/09/16	Full Year Statutory Accounts
30/09/16	Appendix 4G
10/10/16	Cervantes Increases its Portfolio of Gold Prospects

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.cervantescorp.com.au.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the

three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	0.011	10 July 2016 – 10 October 2016
Lowest	0.011	10 July 2016 – 10 October 2016
Last	0.011	10 October 2016

9.4 Lead Manager Mandate

The Company has appointed New York Securities Pty Ltd as the Lead Manager for the Offer and Shortfall Offer.

The Company will pay the Lead Manager:

- (a) a \$5000 fee to act as Lead Manager in respect of the Offer; and
- (b) a 6% fee on any Shortfall Shares issued by the Company. The Company reserves the right to pay a 5% capital raising fee on Shortfall subscription funds raised by brokers or other third parties. The Lead Manager must meet any such fee from its 6% fee.

9.5 Material Contracts and Proposals

There are no material agreements which relate to the Offer that have not been disclosed by the Company.

As disclosed in the annual report to shareholders for the year ending 30 June 2016, the Company has submitted a number of non-binding offers to acquire interests in a range of resource projects.

As at the date of this Prospectus no formal agreements have been reached or firm commitments made.

The Company may undertake negotiations in respect of these offers, and other opportunities, during the Offer period or during the Shortfall Offer, which may result in the execution of binding agreements requiring, amongst other things, the issue of Shares or other securities in the Company and/or cash payments.

The Company will keep the market informed of any material proposals in accordance with its continuous disclosure obligations.

9.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Collin Vost	48,570,000 ¹	-	16,190,000	161,900
Justin Vost	12,337,223 ²	-	4,112,408	41,125
Timothy Clark	1,520,000 ³	-	506,667	5,067

Notes:

1. 7,770,000 Shares are held by New York Holdings Pty Ltd (a company in which Collin Vost is a director and shareholder) and 40,800,000 are held by New York Holdings Pty Ltd <CV Superannuation Fund A/C>.
2. Justin Vost holds 10,000,000 shares directly. 300,000 shares are held through Justin A Vost & Jennifer A Vost ATF Avost Superannuation Fund and 2,037,223 shares are held through Avost Holdings Pty Ltd ATF Bluesky Trust.
3. Timothy Clark holds all 1,520,000 shares indirectly through Li Hwa Pty Ltd ATF Li Hwa Trust (a trust of which Timothy Clark is a beneficiary).

The Board recommends all Shareholders take up their Entitlement.

Remuneration

The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors. The total aggregate fixed sum per annum to be paid to the Directors from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares. No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission or a percentage of operating revenue, and no executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day. Any increase in the remuneration of Directors shall be in accordance with the Corporations Act and the Listing Rules. The current amount was set on 13 March 2007 at an aggregate amount of \$150,000. This may be varied by ordinary resolution of the shareholders in general meeting.

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2017 (proposed)	2016	2015	2014
Collin Vost	\$102,000	\$102,000 ¹	\$97,000 ²	\$87,718 ³
Justin Vost	\$24,000	\$24,000	\$34,000 ⁴	\$24,000
Timothy Clark	\$25,200	\$25,200	\$34,400 ⁵	\$24,000

Notes:

1. This includes \$78,000 paid to New York Securities Pty Ltd which provides a serviced office, including bookkeeping services and is the landlord of Cervantes Corporation Ltd. Mr Collin Vost is a director of New York Securities Pty Ltd.
2. This includes \$73,000 paid to New York Securities Pty Ltd which provides a serviced office, including bookkeeping services, and is the landlord of the Company. Mr Collin Vost is a director of New York Securities Pty Ltd.
3. This includes \$63,000 paid to New York Securities Pty Ltd which provides a serviced office, including bookkeeping services, and is the landlord of the Company. Mr Collin Vost is a director of New York Securities Pty Ltd. It also includes \$718 paid to New York Securities Pty Ltd for share trading and investment services.
4. Justin Vost was granted \$10,000 worth of shares in the Company as part of his remuneration package.
5. Timothy Clark was granted \$10,000 worth of shares in the Company as part of his remuneration package.

9.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$35,566.01 (excluding GST and disbursements) for legal services provided to the Company.

New York Securities Pty Ltd will be paid fees in respect of the Offer as set out in Section 9.4. During the 24 months preceding lodgement of this Prospectus with the ASIC, New York Securities Pty Ltd has been paid fees totalling \$151,000 by the Company.

9.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;

New York Securities Pty Ltd has given its written consent to being named as Lead Manager to the Offer in this Prospectus. New York Securities Pty has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and

Rothsay Auditing has given its written consent to being named as Auditor to the Company in this Prospectus and the inclusion of the audited statement of financial position as at 30 June 2016 in the form and context in which it is included. Rothsay Auditing has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$33,806 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,350
ASX fees	5,171
Capital Raising Fees*	5,000
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	1,285
Total	<u>33,806</u>

* In addition, a 6% fee is payable to the Lead Manager on Shortfall Share subscription amounts received by the Company.

9.10 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6436 2300 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.cervantescorp.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.13 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Collin Vost
Executive Chairman
For and on behalf of
Cervantes Corporation Limited

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Cervantes Corporation Limited (ACN 097 982 235).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Lead Manager means New York Securities Pty Ltd (ACN 111 049 800).

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.9 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Sub-Register	
HIN/SRN	
Shareholding at Record Date 14 October 2016	
Entitlement to Shares on 1 New Share for every 3 Existing Shares held basis.	
Amount payable on acceptance at \$0.01 per Share	

For a non-renounceable pro rata entitlement issue of approximately 99,423,704 New Shares on the basis of one (1) New Share for every three (3) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.01 per New Share, to raise up to approximately \$994,237 (Offer).

NON-RENOUNCEABLE ENTITLEMENT ISSUE CLOSING AT 5.00PM (WST) 10 NOVEMBER 2016

To the Directors

CERVANTES CORPORATION LIMITED

- I/We the above mentioned, being registered on 14 October 2016 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned New Shares in accordance with the enclosed Offer Document;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

ENTITLEMENT			
(A)	(B)	(C)	(D)
Number of New Shares applied for (being not more than the entitlement shown above)	Number of additional New Shares applied for (in excess of the entitlement shown above)	Total New Shares applied for	Amount Payable (C) * \$0.01
			AUD\$

METHOD OF ACCEPTANCE				
You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.				
<input type="checkbox"/>	Please enter cheque or bank draft details	Drawer	Bank	Branch
				Amount
				\$
OR				
<input type="checkbox"/>		You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.		

CONTACT DETAILS	
Name:	<input type="text"/>
Telephone:	<input type="text"/>
Email:	<input type="text"/>

NOTE: Cheques should be made payable to "CERVANTES CORPORATION LIMITED-ENTITLEMENT ISSUE ACCOUNT", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than 5:00 pm (WST) on 10 November 2016.

PLEASE REFER OVERLEAF FOR INSTRUCTIONS

CERVANTES CORPORATION LIMITED

REGISTERED OFFICE: Shop 11, South Shore Piazza, 85 South Perth Esplanade, South Perth WA 6151
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is \$0.01
4. Please complete the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY® or by cheque/bank draft, you confirm that you agree to all of the terms and conditions of the CERVANTES CORPORATION LIMITED Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Offer Document.

Your cheque/bank draft should be made payable to "CERVANTES CORPORATION LIMITED - ENTITLEMENT ISSUE ACCOUNT" in Australian currency, crossed "NOT NEGOTIABLE" and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for additional New Shares under the Shortfall Facility.

Contact Details

Please enter your contact details where requested overleaf. These details will only be used in the event that the Share Registry has a query regarding this Entitlement and Acceptance Form.

Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return this Entitlement and Acceptance Form however you are encouraged to return it to the Share Registry for reconciliation purposes – in that case you can post or send by facsimile (details below). Your payment must be received by no later than 5.00pm (WST) on 10 November 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque/bank draft, your Application must be received by the Share Registry by no later than 5:00pm (WST) on 10 November 2016. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque/bank draft attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

**If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on
telephone +61 8 9389 8033 or fax +61 8 9262 3723.**



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