

27th October 2016

QUARTERLY ACTIVITIES AND CASH FLOW REPORT
PERIOD ENDED 30th SEPTEMBER 2016

CONTACTS:

Collin Vost
Telephone: 08 6436 2300

ISSUED CAPITAL:

298,271,112 Ordinary Shares

Directors:

Collin Vost (Executive Chairman)
Justin Vost (Non Executive)
Timothy Clark (Non Executive)

**Australian Securities
Exchange (ASX)**

Code: CVS
(Ordinary Fully Paid Shares)

Company Secretaries:

Timothy Clark
John Greeve

Cash (30th September 2016)

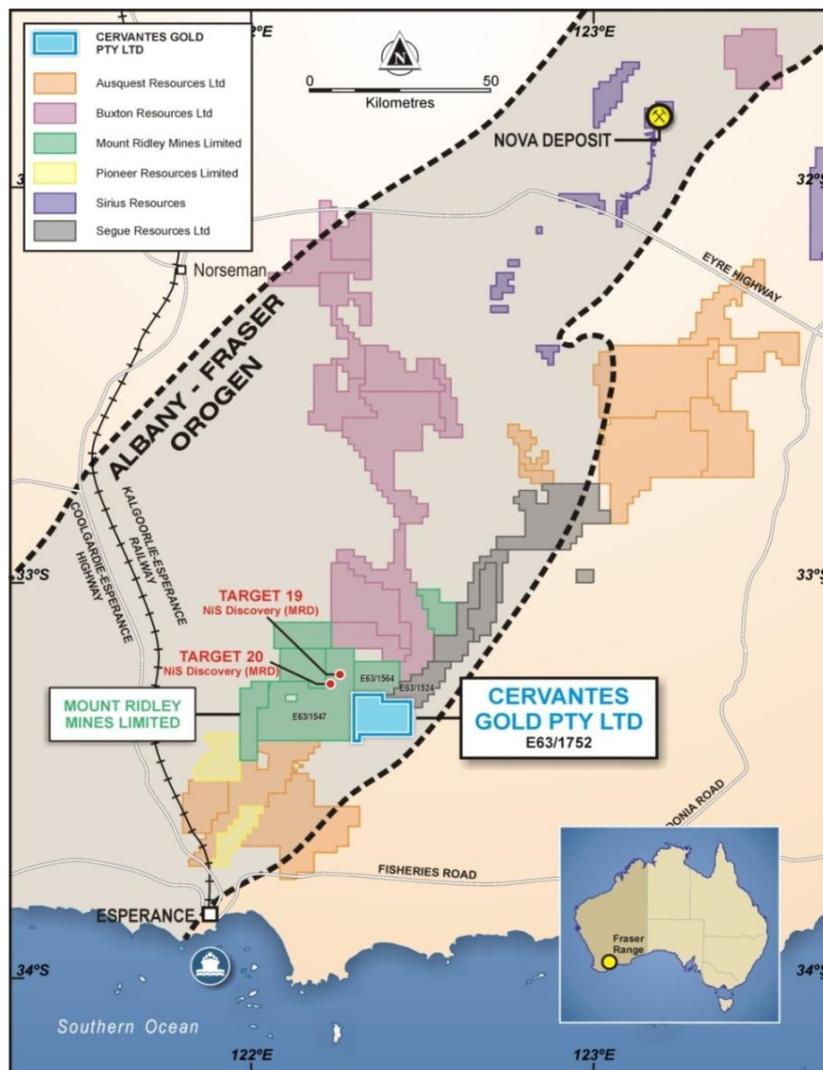
\$36,000



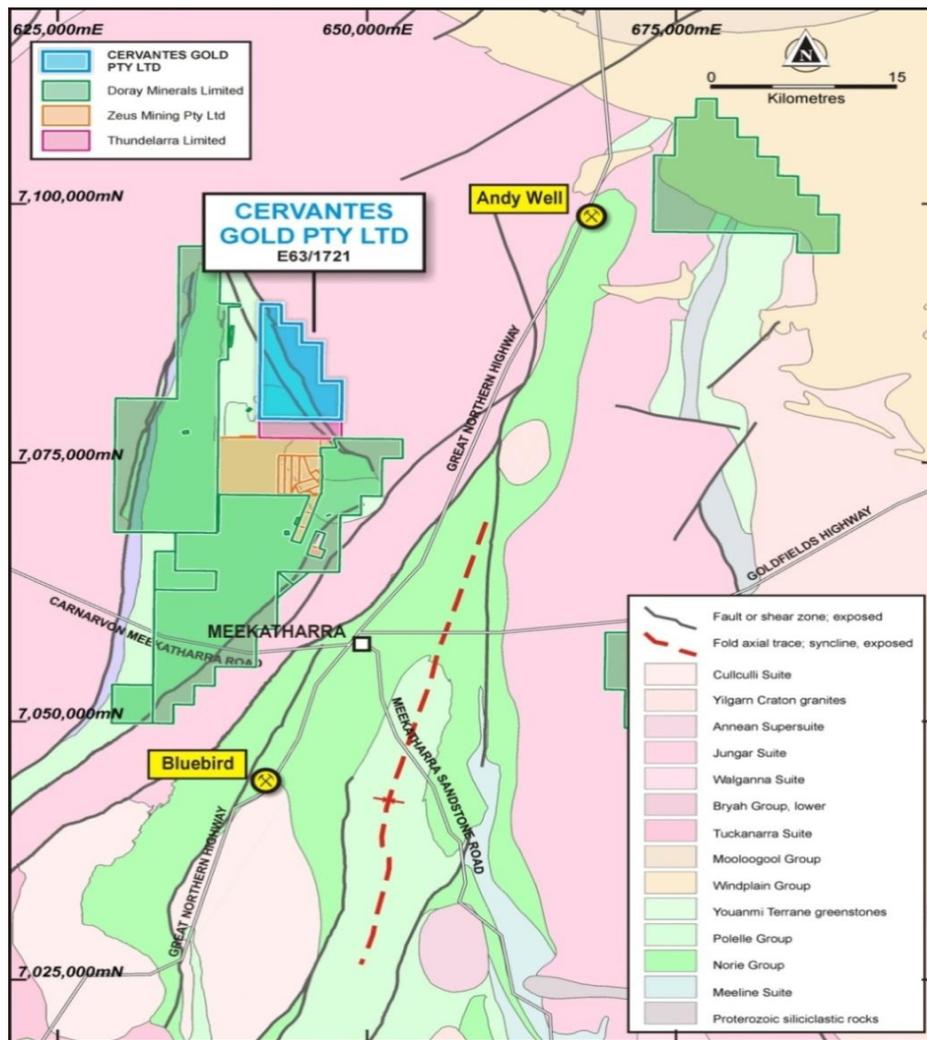
SEPTEMBER 2016 QUARTERLY ACTIVITY REPORT

Cervantes has, as previously stated, successfully transitioned itself from a lobster company to a Mining Exploration Entity over the last reporting periods. The company commenced its acquisition of strategically located exploration permits in attractive geographical areas covering Gold and Nickel. Shareholders should note the company now reports as a Mining Exploration Entity by definition under ASX listing rules.

During the quarter the board continued 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. Discussions continue with numerous parties in relation to multiple projects of interest, these discussions are ongoing and the results of such are still unknown. If any of these, or other discussions progress to a material point we will inform the market.



While the board continues to collect data on its **Albany Fraser Range** permit (shown above) 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 field exploration, in consultation with our exploration consultants.



The company continues to wait for Native Title to be finalised on its **Meekatharra** project (shown above). 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 continues to undergo a follow-up drilling program.

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 in the short term. 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 environmental issue.

As mentioned in the last quarterly, due to recent changes in the 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 currently has access to sufficient cash, and current 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. The company has just recently announced a Non-Renounceable Rights Issue to raise sufficient funds 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, together with the current non-Renounceable Rights issue, has sufficient reserves to meet its costs and expenses for the next 2 quarters, as and when they fall due.

Appendix 5B

The Appendix 5B for the quarter ended 30 September 2016 is attached.

Forward-Looking Statements

This press release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Cervantes, including, without limitation, statements pertaining to management's future plans and operations. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this release and Cervantes does not assume any obligation to update or revise them to reflect new events or circumstances



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cervantes Corporation Ltd

ABN

79 079 982 235

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (three months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(25)	(25)
(b) development	-	
(c) production	-	
(d) staff costs	(18)	(18)
(e) administration and corporate costs	(49)	(49)
1.3 Dividends received(see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(92)	(92)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (three months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	105	105
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	105	105

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	23	23
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(92)	(92)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	105	105

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (three months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	36	36

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	36	36
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36	36

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
18
-

Directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
20
-

Bookkeeping and Serviced Offices provided by a Directors company
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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	100	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Cervantes has a credit standby arrangement with Baraka Energy & Resources who benefits from an interest rate of 5.5% or the equivalent of NAB 90day deposit rate on the funds advanced, plus a profit on each venture as mutually agreed, depending on the profit generated.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	50
9.2	Development	-
9.3	Production	-
9.4	Staff costs	18
9.5	Administration and corporate costs	49
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	117

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 27th October 2016

Print name: Timothy Clark
(Non Executive Director/Company secretary)

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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Cervantes Corporation Limited
Schedule of Tenements as at 30 June 2016

Project	Tenement	Nature of Company's Interest
Mt Heywood ,Fraser Range	E63/1752	100%
Abbotts, Meekatharra	E51/1721	**100%

**As announced 5 February 2016, Cervantes had secured E51/1721, however this remains subject to Native Title Approval.

+ See chapter 19 for defined terms.