

ASX ANNOUNCEMENT/MEDIA RELEASE

21 December 2017

Settlement of Paynes Find Gold Project acquisition

Cervantes Corporation Limited (ASX:CVS) (**Cervantes**) is pleased to advise, together with European Lithium Limited (ASX:EUR) (**EUR**), that Settlement of the acquisition of the Paynes Find Gold Project occurred today.

Accordingly, and in accordance with the terms of the Tenements Sale Agreement, Cervantes has agreed to issue 25,000,000 Shares in the issued capital of Cervantes to EUR at a deemed issue price of \$0.02 per Share, which issue will occur on or before 29 December 2017.

In addition, the parties have agreed to amend the terms of the Tenements Sale Agreement. The total Cash Consideration remains the same, being \$500,000 (of which \$220,000 has been paid to date), with deferred cash payments now payable as set out below:

- \$25,000 on or before 15 January 2018.
- \$25,000 on or before 28 February 2018.
- \$230,000 on or before 31 March 2018.

The total Consideration in relation to the acquisition remains unchanged.

Cervantes' exploration manager is currently preparing an exploration program over the Paynes Find Gold Project area and also the Albury Heath and Garden Gully areas. Cervantes expects to commence this exploration program in the first quarter of 2018.

Cervantes has also been approached by two parties regarding the possibility of joint ventures on two of the Company's gold projects, and these will be considered by the board in more detail in the New Year.

Cervantes is also continuing ongoing discussions with multiple parties regarding capital raising. In due course, the board will make an appropriate announcement regarding funds proposed to be raised to pay the above deferred cash payments and for further exploration of the Company's projects.

For Further information please contact:

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