

ASX ANNOUNCEMENT/MEDIA RELEASE

1 May 2018

Cervantes to Commence Inaugural Drilling Programme

Cervantes Corporation Limited (ASX:CVS) (the **Company**) is pleased to advise that the inaugural drilling programme at the Albury Heath Project is expected to commence on Thursday 3 May 2018. The drillers will mobilise Wednesday morning with the drilling expected to take 7 to 10 days to complete, depending on weather.

The Albury Heath tenement package (P51/2937, P51/2997 - 3001) is located approximately 23 kilometres South East of the mining town of Meekatharra in Western Australia (*Figure 1.*). The project was strategically acquired by the company for its near term production potential. Having reached a number of milestones, the Company is very excited to be commencing its first drilling programme and the potential that is gradually coming to fruition.

As announced on 7 February 2017, Continental Resource Management (CRM) estimated a Maiden JORC Resource of Indicated and Inferred Resources of 390,000t at 2.15g/t Au, for a total of 27,000oz of contained gold above a cut-off grade of 0.5g/t Au. This is an 80% increase in estimated ounces since the last published (1999 JORC) Resource Estimate of 164,500t @ 2.87 g/t Au for 15,200oz.

	Tonnes	Grade (g/t)	Au (ounces)
Indicated	300,000	2.25	21,500
Inferred	90,000	1.9	5,500
Totals	390,000	2.15	27,000

Table 1. Resource Summary– above lower cut off of 0.5g/t

Beyond the mineral resource estimated by mining industry consultant CRM the modelling exercise threw up several factors inherent in the drilling technology used at the time and in the resource modelling process, that open the potential for additional exploration potential. Cervantes is developing a drilling programme that will assess potential resource upside by testing;

- 1) **Down dip potential (the mineralisation is open at depth)**
- 2) **Up dip potential (known mineralization is inadequately sampled at shallow depths), and**

3) Sampling of the potentially high grade footwall to existing stopes that weren't sampled by past drilling.

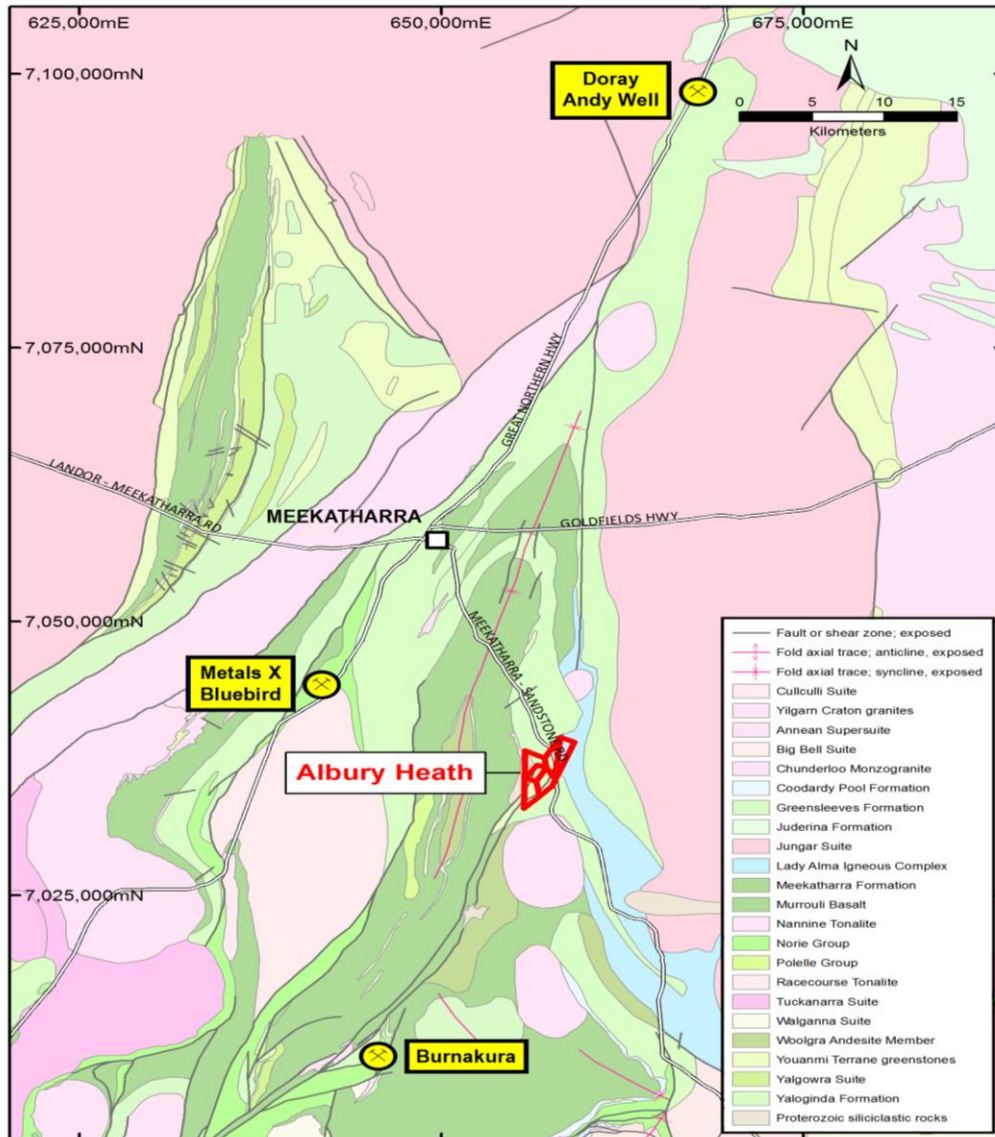


Figure 1. Location, Albury Heath Project

The drilling programme will also serve to provide fresh material for metallurgical testing and geotechnical information to assist in pit design. With fresh material and results from this exploration program, Cervantes expects to be in a stronger position to continue discussions with nearby mills regarding treatment of the ore.

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