

3 August 2018

Emerson Walker
Adviser, Listing Compliance
Australian Securities Exchange
152-158 St Georges Terrace
Perth WA 6000

By email: tradinghaltsperth@asx.com.au

Dear Dale

Cervantes Corporation Limited (“CVS” or “the Company”)

We refer to your letter of 31 July 2018 in relation to the Company’s Quarterly Cash Flow Report in the form of an Appendix 5B for the period ended 30 June 2018, released to ASX Limited on 31 July 2018.

The Company provides the following:

Question 1

Yes.

Question 2

Yes. The Company is currently finalising its plan to raise additional funds. The fund raising has the support of the Company’s major shareholders and the Directors are confident that the capital raising will be successfully completed.

Question 3

The Company continues to operate its costs prudently in relation to its current projects and in its current activities, for the benefit of shareholders.

CVS continues to have strong support of the major shareholders for the plans going forward, and with its low operating costs, probably the lowest of any listed companies on the ASX in accordance with Directors’ fiduciary duties, as outlined in the Company’s quarterly reports on a consistent basis.

The Board is concentrating on opportunities that will provide the best value for shareholders.

The Board continues to work with New York Securities Pty Ltd, who has been commissioned to seek out and assess projects in Australia and other countries and have commenced discussions with parties in various countries on extremely interesting projects and ventures.

The Board is consistently in talks and communications with potential investors for additional funds, joint ventures and equity, and when the Company is in a position to release any material information to the market, it will do so.



Question 4

The steps that the Company has taken and the steps that the Company proposes to take to enable it to continue to meet its business objectives, so that it is in compliance with the requirements of listing rule 12.2, are outlined in response to Question 3 above.

Question 5

The Company confirms that is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Question 6

The responses provided above have been authorised and approved by the Company's Board.

Yours sincerely



Patrick J O'Neill
Company Secretary





31 July 2018

Mr Patrick O'Neill

Company Secretary
Cervantes Corporation Limited
Shop 12, South Shore Piazza
85 The Esplanade
South Perth WA 6151

By email: pat@jacksongreeve.com.au

Dear Mr O'Neill

Cervantes Corporation Limited (the "Entity"): Appendix 5B Query

I refer to CVS's Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the "Appendix 5B").

ASX notes that CVS has reported:

- negative net operating cash flows for the quarter of \$440,000;
- cash at the end of the quarter of \$273,000; and
- estimated cash outflows for the next quarter of \$143,000.

It is possible to conclude, based on the information in the Appendix 5B that if CVS were to continue to expend cash at the rate indicated by the Appendix 5B, CVS may not have sufficient cash to continue funding its operations. In view of that, ASX asks CVS to respond separately to each of the following questions and requests for information:

1. Does CVS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CVS taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CVS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that CVS considers may be relevant to ASX forming an opinion on whether CVS is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that CVS is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that CVS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CVS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 7:00am AWST on Monday, 6 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CVS's securities under Listing Rule 17.3.

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Perth WA 6840

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You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CVS's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to CVS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CVS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CVS's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Emerson Walker

Adviser, Listings Compliance (Perth)