

5 September 2011

ASX Announcement/Media Release

Revised Agreement on Gold Operations

Cervantes Corporation Ltd (ASX: CVS) ("Cervantes" or the "Company") is pleased to announce that it has entered into a revised agreement with the owner of the Laverton Tailings project through its 100% owned subsidiary, Cervantes Gold Pty Ltd, on a gold tailing retreatment project it had previously announced to the market and has been assessing for some time.

Cervantes carried out a considerable amount of drilling, analytical work and metallurgical testing over the past few years on this gold project, which resulted in the net recovery not being sufficient to warrant the CAPEX based on the then price of gold and other factors at the time, and did not proceed with expected production.

The owner of the tailings and Cervantes have now revised that agreement to jointly pursue new technologies and treatment methods using a number of new and existing systems available globally and has commenced discussions with various consulting firms.

The higher gold price and emerging technological progress has resulted in this revision and the owner is actively involved with numerous companies, consultants and technological organisations, as to how to extract the maximum gold possible in the shortest possible time.

Cervantes and the owner have jointly commenced communications with various organisations and groups who specialise in these types of reprocessing systems.

Cervantes will keep the market informed of any material progress achieved.

In the meantime Cervantes continues to work with Zurich Securities Pty Ltd and associated groups in assessing numerous opportunities in Australia, Indonesia and elsewhere.

Cervantes is also receptive to investment opportunities offered to it by owners and principals wishing to work in conjunction with a listed company, with capital raising abilities to fund worthwhile, realistic projects on a joint venture basis in Australia or elsewhere.

END

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