

**ASX ANNOUNCEMENT/ MEDIA RELEASE**

31<sup>ST</sup> January 2018

**Cervantes progresses development of gold projects**

**Cervantes Corporation Limited (ASX: CVS) (Cervantes) or (the Company)** is pleased to report that it has completed a placement of 40,154,000 ordinary Shares together with 13,384,665 free-attaching Options to professional, sophisticated and other investors under the placement capacity available to the Company under ASX Listing Rule 7.1 to raise \$281,078.

These funds were raised with the support of the local Chinese community and will allow the Company to take a further step to progress the development of the 3 gold projects in Western Australia, and to also consider other potentially value adding assets.

The Company will shortly be calling a share holders meeting to, amongst other things, refresh its issue capacity under Listing Rule 7.1, as the facility was effectively exhausted, in order to allow for additional securities to be issued to further expedite the development of its projects.

Discussions are ongoing in relation to a potential joint venture on the Garden Gully Meekatharra project. Cervantes board will either bring this to a successful conclusion in the near future or progress the project in its own right.

The funds raised will allow the Company to commence drilling and potential expansion of the exciting and underexplored Payne's Find project, together with the Albury Heath project in Meekatharra. The formulation of drilling programs is currently underway and it is expected these will commence within the first quarter of 2018.

Further details regarding the placement and the terms of the Options are set out in the accompanying Appendix 3B.

**For Further information please contact:**

Collin Vost  
Executive Chairman  
(08) 6436 2300  
[cvost@cervantescorp.com.au](mailto:cvost@cervantescorp.com.au)  
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**SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS**

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of Issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cervantes Corporation Limited (Company)

ABN

79 097 982 235

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | 1. Ordinary Fully Paid Shares<br>2. Unquoted options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 1. 40,154,000 Shares<br>2. 13,384,665 Unquoted options  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Not applicable<br>2. Unquoted options exercisable at \$0.015 each on or before 30 June 2020. |

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+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p>	<p>1. Yes</p> <p>2. No, the unquoted options exercisable at \$0.015 each on or before 30 June 2020. Shares issued on the exercise of these options will rank equally with all other fully paid ordinary shares on issue.</p>
<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	
<p>5 Issue price or consideration</p>	<p>1. \$281,078</p> <p>2. NIL</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds will allow the Company to take further steps in the development of its 3 gold projects in Western Australia</p> <p>Discussion in relation to joint venture of the Garden Gully Meekatharra project or progress the project in its own right.</p> <p>Redrilling of the Albury Heath Meekatharra project and develop a drilling program for the Payne's Find venture.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p>	<p>No</p>
<p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

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+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	53,538,665 shares and options
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under LR7.1 will be 60,792 See Annexure 1.
7	<p><b>+Issue dates</b></p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<ol style="list-style-type: none"> <li>1. 31 January 2018</li> <li>2. 31 January 2018</li> </ol>

+ See chapter 19 for defined terms.

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	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	397,483,716	Ordinary Fully Paid

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	13,384,665	Options exercisable at \$0.015 on or before 30 June 2020
	7,000,000	Incentive Options exercisable at \$0.01 on or before 31 December 2022

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
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Part 2 - Pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

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+ See chapter 19 for defined terms.

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17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

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- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of +securities  
(tick one)
- (a)  +Securities described in Part 1
- (b)  All other +securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

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+ See chapter 19 for defined terms.



- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  
  
If the additional +securities do not rank equally, please state:  
• the date from which they do  
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now  
  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another +security, clearly identify that other +security)

+ See chapter 19 for defined terms.

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42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)

Number	<sup>+</sup> Class

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<sup>+</sup> See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:  
(Director)

Date: 31 January 2018

Print name: Collin Vost

**Appendix 3B**  
**New issue announcement**

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate "A", the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	299,379,716
<p><i>Add</i> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	17,950,000 (placement of shortfall 10/02/2017 from prospectus issued 11/10/2017) 6,000,000 (issued 4/05/2017 approved by shareholders 27/06/2017) 1,000,000 (issued 12/07/2017 approved by shareholders 27/06/2017) 25,000,000 (issued 22/12/2017 approved by shareholders 29/09/2017) 8,000,000 (issued 22/12/2017 approved by shareholders 29/09/2017)
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>"A"</b>	357,329,716

+ See chapter 19 for defined terms.

<i>Step 2: Calculate 15% of "A"</i>	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
<i>Multiply "A" by 0.15</i>	53,599,457
<i>Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used</i>	
<p><i>Insert number of +equity securities issued or agreed to be issued in that 12 month period not counting those issued:</i></p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	53,538,665 placement of share and option to be allotted
"C"	60,792
<i>Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1</i>	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	53,599,457
<i>Subtract "C"</i> <i>Note: number must be same as shown in Step 3</i>	53,538,665
<i>Total ["A" x 0.15] – "C"</i>	60,792 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
<p>"A"</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	<p>N/A</p>
Step 2: Calculate 10% of "A"	
<p>"D"</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
Multiply "A" by 0.10	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<p>"E"</p>	

+ See chapter 19 for defined terms.

<i>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</i>	
<i>"A" x 0.10</i> <i>Note: number must be same as shown in Step 2</i>	
<i>Subtract "E"</i> <i>Note: number must be same as shown in Step 3</i>	
<i>Total ["A" x 0.10] – "E"</i>	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.