

Dear shareholder

We are pleased to present to you, Notice of our Annual General meeting, and look forward to your attendance.

In spite of the very difficult market conditions for junior companies in the exploration industry over the last few years, we believe Cervantes has had a very successful year in regards to prudent acquisition of assets, and the initial exploration on those assets.

We have secured three very promising and strategically located projects, two of which are in the Meekatharra area, one of Western Australia's most prolific gold producing regions, and another in Payne's Find, effectively covering the majority of an historical goldfield discovered in 1911, containing over 37 historic mines which produced between 1oz and 5 oz's per ton in their heyday. (WAMEX records)

Cervantes carried out an initial drilling program on two of those project areas in 2018, and have additional drilling programs approved, and ready to go subject to tenders for the work programs, expected before the end of the year.

Our Albury Heath project southeast of Meekatharra has some 27,000 ozs of historically drilled resources as previously announced in our releases of the 8 Dec, 2016 and 7 Feb, 2017. Our first pass drilling carried out in March 2018 resulted in sensational 2 oz, 4 oz and 6oz per tonne drill results as follows, and released to the market on the 28 June, 2018 and 17 July, 2018:

17m @ **18.8 g/t** from 77m in AHP139, incl 4m @ **52.3 g/t** from 86m,
1m @ **14.1 g/t** from 58m in AHP120
2m @ **7.0 g/t** from 9m in AHP134, incl 1m @ **13.3 g/t** from 10m
2m @ **3.2 g/t** from 29m in AHP136
1m @ **15.2g/t** from 46m in hole 135
8m @ **23.1 g/t** from 87m in AHP135, incl 4m @ **30.1 g/t** from 87m,
2m @ **67.2 g/t** from 27m in AHP116, incl 1m @ **129.3 g/t** from 27m
4m @ 9.1 g/t from 19m in AHP119, incl 2m @ **16.5 g/t** from 19m
2m @ **18.2 g/t** from 4m in AHP127, incl 1m @ **31.4 g/t** from 4m
1m @ **31.4 g/t** from 36m in AHP128
4m @ 5.8 g/t from 45m in AHP129, incl 1m @ **19 g/t** from 45m
3m @ 9.0 g/t from 81m in AHP130, incl 1m @ **21.3 g/t** from 82m
5m @ **63.1 g/t** from 32m in AHP134, incl 1m @ **202.8 g/t** from 33m

We are returning to the Albury Heath project area as a priority for two purposes. One, to carry out additional drilling in and around the high grade results for additional geology before moving to a resource definition programme to lift the resource to a Measured Resource, and secondly a regional drilling program in the surrounding tenements we pegged at the time of acquiring the tenement containing the Albury Heath mine. These target areas in the surrounding tenements have been identified by our Exploration Manager as being possible analogues of the Albury Heath Mine that may replicate the high grade intercepts made in our last drilling program. If successful this project has the potential to be a very early cash earner for the company, as two mills are within close proximity.

Also this year we completed a geochemical exploration program at Payne's Find (now known as the Primrose Project) using Air Core drilling methods to identify possible deep drilling targets for both gold and nickel/cobalt/copper. RAB drilling, by the previous tenement owner, indicated the prospectivity of the area for base metals and cobalt as previously released to the market on the 12th June 2018

The Payne's Find (Primrose) Project area was described by a Government appointed Geologist E de C Clark, who inspected the area on behalf of the Government and the old miners of the day in 1920 as "*The gold bearing gneiss is east of the greenstone belt, and are of two lithological types 1) biotite dominant with quartz parallel to the foliation planes 2) mica subordinate to the hornblende. The geology as similar to Westonia (Edna May Mine) elsewhere in the State.*" (sourced: Mindat website "Paynes Find Goldfield (Goodingnow)"). The board will seek an independent report on this and will advise in due course.

Cervantes intends to drill a series of deep holes not previously carried out in the project area to test this hypothesis, and to also follow up on a Conceptual Gold Target as outlined in a map in our release of the 15th March 2018 created by CSA, that has indicated the gold from the 37 historic mines, may have a major source at depth along the Primrose Shear.

Previous drilling of the Primrose Project area also produced elevated Nickel/Cobalt and Copper that resulted in our Exploration Manager describing the surface results as analagous to the Maggie Hays/Emily May Nickel Mine.(12th June 2018 ASX release) The deep drilling program will also test this theory in the elevated nickel area to the south of the plunging Primrose Shear, as well as determining any large gold potential in that area. Previous RAB drilling also provided elevated gold results of .89g/t over 4m

Cervantes' Abbott Project is an exploration licence over which we have completed a series of soil sample lines; we will pursue the results in the near future. The main strategic benefit of this EL is that it is only some 22km north-north-west of the Meekatharra township, and it's southern boundary immediately adjoins the northern boundary of Thundelarra Ltd's exciting Garden Gully Gold project, which they presented at the RIU Resource Roadshow in September of this year. Synergies between Thundelarra's project and Abbotts may be exploited in the future as Thundelarra have recently acquired all of the ground to the West of our tenement previously owned by Doray Minerals Ltd

We hope you will support our current capital raising to assist in funding these programs, as any positive results could attract major players to the company and or the project. We have arranged for Cervantes shareholders to have priority to apply for shares via a prospectus. A prospectus does not limit applicants to be Section 708 (sophisticated) investors, and allows smaller investors to participate in this exciting phase of the company's plans.

Gold had a meteoric rise to US\$1,366 in April of 2018 and has been in a downturn since as a result of the "Trump Bump", and the rising US\$. With the various disruptions to peace in the Middle East, the China versus USA trade war and the European and Global debt issues, gold is making a comeback in recent times. In A\$ it is a particularly profitable commodity to produce. With gold there is never a lack of buyers and hedging or funding is considerably better than with most other commodities.

It is the Board's view that both the gold price and the market sentiment towards gold will be greatly enhanced in the near future, and will once again regain its mantle as a dominant metal of interest to not only Australian investors but Global investors.

What makes Cervantes projects more advantageous to other company's projects is their location and access to infrastructure. Sovereign Risk is negligible being in Western Australia as compared to Africa or other high risk nations.

Each project is located close to infrastructure and towns, so eliminating major CAPEX for camp and other facilities, and at this stage any need for a standalone Plant. Payne's Find is only 4.5 hours from Perth on a major highway, with a road house, accommodation, meals and earth moving contractor, and other services, including an airport adjoining the project area.

The previous owners of the Payne's Find tenements, the Taylor family who also worked underground at the old mines, live next door, and have made themselves available to provide firsthand knowledge and experience of the area.

The Meekatharra projects are within 22km of Meekatharra and, more importantly, in close proximity to two existing gold mills, the closest being only approximately 23km away. The owners of both mills are seeking mill feed and could process the ore or buy the projects outright.

We look forward to seeing you at the AGM and providing answers to any questions you may have.

Regards

Collin Vost
Chairman



CERVANTES CORPORATION LIMITED

ACN 097 982 235

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:30 pm (WST)

DATE: 30 November 2018

PLACE: Royal Perth Golf Club, Labouchere Road, South Perth WA 6151

DRESS POLICY: Royal Perth Golf Club requires all members, guests and visitors to be dressed in smart casual. **Denim, t-shirts, thongs and runners are not permitted.** Men's shirts must be tucked in. These dress standards also apply to service providers. Admittance to the venue will be refused to those not adhering to the dress policy.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:30pm (WST) on 28 November 2018.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JUSTIN VOST

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Justin Vost, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

Either Resolution 3 or Resolution 4 may be withdrawn during this Meeting. If no Shares under the Capital Raising have been issued prior to this Meeting then Resolution 3 will be withdrawn.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to 70,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – PLACEMENT – SHARES

Either Resolution 3 or Resolution 4 may be withdrawn during this Meeting. If all Shares under Capital Raising have been issued prior to this Meeting then Resolution 4 will be withdrawn.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to 70,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – PLACEMENT – OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 35,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 26th October 2018

By order of the Board

**Collin Vost
Managing Director**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6436 2300.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cervantescorp.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JUSTIN VOST

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Justin Vost, who has served as a director since 23 November 2011 and was last re-elected on 29 November 2016, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Justin Vost has a diploma in Financial Markets and is currently involved in the Capital Markets. Mr Justin Vost also has experience in mining, manufacturing and business management within Australia and overseas.

3.3 Independence

If elected the board considers Mr Justin Vost will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Justin Vost and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

4.1 General

Either Resolution 3 or Resolution 4 may be withdrawn during this Meeting. If no Shares under the Capital Raising (defined below) have been issued prior to this Meeting then Resolution 3 will be withdrawn.

Between the date of this Notice and the date of the Meeting, the Company intends to use part of its remaining placement capacity of 74,202,496 Shares under ASX Listing Rule 7.1 to issue up to 70,000,000 Shares at an issue price of \$0.01 per Share to raise approximately \$700,000 before raising costs (**Capital Raising**).

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares under the Capital Raising (**Ratification**).

In the event that the issue of any Shares under the Capital Raising has not occurred prior to the date of the Meeting, the Directors will withdraw Resolution 3 and instead seek Shareholder approval for the full issue of the 70,000,000 Shares under Resolution 4 below.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) it is anticipated that 70,000,000 Shares will be issued. If fewer than this number are issued, the Company will announce an addendum to this Notice before the Meeting specifying the number that have been issued;
- (b) the issue price will be \$0.01 per Share;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued to subscribers for Shares (and free-attaching Options) under the Capital Raising pursuant to a prospectus, who are yet to be identified by the Company. None of these subscribers will be related parties of the Company; and
- (e) the funds raised from this issue are being used for the following:
 - (i) continued exploration and drilling activities at the Company's 3 main project areas located near Meekatharra and Paynes Find (approximately \$350,000);
 - (ii) ongoing assessment and evaluation of projects (new, or complementary to current portfolio) (approximately \$100,000); and
 - (iii) general working capital requirements including costs of issue and payment of creditors (\$250,000).

5. RESOLUTION 4 – PLACEMENT – SHARES

5.1 General

Either Resolution 3 or Resolution 4 may be withdrawn during this Meeting. If all the Shares under the Capital Raising have been issued prior to this Meeting then Resolution 4 will be withdrawn.

Resolution 4 seeks Shareholder approval for the issue of up to 70,000,000 Shares, at an issue price of \$0.01 per Share to raise up to \$700,000 under the Capital Raising.

As mentioned above, Resolution 3 and Resolution 4 are interconnected on the basis that the maximum of Shares to be issued in respect of the Capital Raising (and the cumulative effect of Resolutions 3 and 4) is 70,000,000 Shares.

Accordingly, if the issue of all 70,000,000 Shares under the Capital Raising has occurred by the date of the Meeting, the Directors will withdraw Resolution 4 and Shareholder approval for the issue of the Shares under the Capital Raising will be sought by Resolution 3.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 4 will be to allow the Company to issue up to 70,000,000 Shares under the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 70,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be \$0.01 per Share;
- (d) the Shares will be issued to subscribers for Shares (and free-attaching Options) under the Capital Raising pursuant to a prospectus, who are yet to be identified by the Company. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised in accordance with the Section 4.2(e).

6. RESOLUTION 5 – PLACEMENT – OPTIONS

6.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 35,000,000 Options for nil cash consideration to subscribers in the Capital Raising on the basis of one (1) Option for every two (2) Shares subscribed for and issued (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 35,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Capital Raising on a 1:2 basis;
- (d) the Options will be issued to the subscribers in the Capital Raising the subject of Resolution 3 on the basis of one (1) Option for every two (2) Shares subscribed for and issued;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Option Placement as the Options are being issued for nil cash consideration.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising has the meaning given in Section 4.1.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Cervantes Corporation Limited (ACN 097 982 235).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire 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 on or prior to 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 with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

PROXY FORM

CERVANTES CORPORATION LIMITED
ACN 097 982 235

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 2:30 pm (WST), on Friday, 30 November 2018 at Royal Perth Golf Club, Labouchere Road, South Perth WA 6151, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

Resolution 1	Adoption of Remuneration Report
Resolution 2	Re-election of Director – Justin Vost
Resolution 3	Ratification of Prior Issue – Shares
Resolution 4	Placement – Shares
Resolution 5	Placement – Options

FOR

AGAINST

ABSTAIN

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail

in relation to this Proxy Form:

YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Cervantes Corporation Limited, PO Box 1196, South Perth WA 6951; or
 - (b) facsimile to the Company on facsimile number +61 8 9367 2450; or
 - (c) email to the Company at admin@cervantescorp.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.