Appendix 4D
Half-year report
Period ended 31 December 2012

Name of Entity
CERVANTES CORPORATION LTD (ASX code: CVS)
ACN 097 982 235

1	Financial Year ended (current period)	31 December 2012
	Financial Year ended (previous period)	31 December 2011

2 Results for announcement to the market

		Change %	Amount of Change $		$
2.1 Revenue	-				
2.2 Loss after Tax	down	41	131,509		322,075
2.3 Net Loss for the period attributable to Members	down	41	131,509		322,075

2.4 Dividends

Dividends	Amount per Security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil

2.5 Record date for determining entitlement to the dividend
Not Applicable

2.6 Brief explanation of figure reported above to enable the figures to be understood.
A decrease in fair value of held-for-trading investments and the impairment in intangible assets at reporting date contributed to the recording of a net loss after tax.

3 Net tangible asset per security.

Reporting period	0.106c
Previous corresponding period	0.044c

4 Gain or loss of control of entities
Not Applicable

5 Details of dividends
Not Applicable

6 Details of dividend reinvestment plans
Not Applicable

7 Details of associates & joint ventures
Not applicable

8 Foreign entities
Not applicable

9 Audit/review status
The review of the half-year financial statements has been completed by Rothsay. The half-year financial statements are not subject to a review dispute or qualification.

Company Secretary

Dated 28 February 2013

Cervantes Corporation Ltd

A.B.N. 79 097 982 235

And Controlled Entity

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER, 2012

Contents

Your directors submit the financial report of the consolidated group for the half year ended 31 December 2011.

Directors

The names of directors who held office during and since the end of the half-year

Mr Collin Vost	Chairman/Managing Director (Appointed 9 October 2007)
Mr Justin Vost	Non Executive Director (Appointed 23 November 2011)
Mr Timothy Clark	Non Executive Director (Appointed 3 July 2012)
Mr Graeme Armstrong	Non Executive Director (Appointed 16 January 2008 Resigned 3 July 2012)

Review of Operations

A review of the operations of the Group for the half-year ended 31 December is as follows:

The Lobster pots licences have recently been re-leased for a further 15 months and continue to be a source of income for the group during the Lobster Season.

The Group continues to assess, and where appropriate, buy and sell shares in the market and continues to assess the various projects, including projects in the Resources and Energy sector, for a possible diversification of the Group's operations.

The Group continues to carry out various tests and assessments of methods to maximise the recovery, treatment and exploration of the gold tailings project in Western Australia containing substantial gold values, which the Group have been involved in, and reporting on since 9 January 2009. Whilst this project is currently suspended due to litigation, Cervantes continues to meet its obligations in accordance with the agreement by seeking and reviewing treatment methods and other options to generate a fair and equitable revenue to both Cervantes shareholders and the joint venture partner.

Cervantes has been approached by a nearby miner to transport the tailings for treatment at their premises on a royalty basis as an alternative to self processing. These discussions are ongoing, however the licence holder has attempted to terminate the agreement on what the Board consider to be unlawful conditions. The Company has lodged a caveat over the licences, the subject of the agreement, and may need to force the Licence holder to arbitration in accordance with the agreement or pursue legal action. Legal action is now being prepared and will reluctantly be pursued in the near future to protect Cervantes shareholders interests and investment to date.

Cervantes was recently offered an opportunity to provide interim financial assistance to a group in a distressed situation involving a very prospective iron sands project, but could not comply within the immediate time frame. The Company did however arrange for a listed company to take up this opportunity, in return for a possible financial reward to Cervantes subject to the venture being successful. In addition, Cervantes was granted first right of refusal in the event that the party wished to joint venture or dispose of part or all of the venture in the near future, on terms that are mutually acceptable to both parties. The third party has now invited Cervantes to enter into discussions with regard to the possible exercise of its "First Right of Refusal" over the funding and profit sharing agreement the third party has finalised on an Iron Sands project, and to participate in the due diligence process for a possible participation in due course.

The Board will continue to assess projects, offers and opportunities which it believes will add value to Cervantes shares, based on market conditions, sector activity and ASX compliance requirements as well as ensuring the risk to reward ratio favours the Company and its shareholders.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors:

Collin Vost
Director and Chairman
Dated: 28 February 2013

ROTHSAY
Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Cervantes Corporation Ltd
PO Box 190
South Perth WA 6951

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2012 interim financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 28th February 2013

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
Continuing Operations		**31 December 2012**	**31 December 2011**
			0
Revenue			
Interest income	2a	15	448
Other income	2b	5,760	3,040
Impairment reversal of intangible assets	3	-	4,000
		5,775	**7,488**
Loss on sale of other financial assets		-	(125)
Decrease in fair value of other financial assets		(141,510)	(85,211)
Employee benefits expenses		(36,000)	(36,000)
Occupancy expenses		(22,295)	(19,939)
Depreciation		(19)	(24)
Exploration & evaluation expenditure written off		(10,197)	(1,195)
Licences		(2,216)	(2,015)
Administration expenses		(66,247)	(48,603)
Impairment of intangible assets		(44,000)	-
Other expenses		(4,969)	(4,942)
Profit (Loss) from ordinary activities before related Income Tax benefit		**(322,075)**	**(190,566)**
Income tax benefit relating to ordinary activities		**-**	**-**
Profit (Loss) from ordinary activities after related Income Tax benefit		**(322,075)**	**(190,566)**
Other comprehensive income		**-**	**-**
Total comprehensive income		**(322,075)**	**(190,566)**

Earnings per share attributable to the ordinary equity holders of the company			
- Basic		(0.11)c	(0.06)c
- Diluted		(0.11)c	(0.06)c

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	Consolidated Group	
		As at 31 December 2012	As at 30 June 2012
Current Assets			
Cash and cash equivalents		159,932	26,994
Trade and other receivables		551	1,502
Other financial assets		148,685	290,195
Total Current Assets		**309,168**	**318,195**
Non-Current Assets			
Property, plant and equipment		3,094	3,113
Intangible assets	3	144,670	188,670
Total Non-Current Assets		**147,764**	**191,783**
Total Assets		**456,932**	**510,474**
Current Liabilities			
Trade and other payables		15,794	17,260
Borrowings	4	520,000	250,000
Total Current Liabilities		**535,794**	**267,260**
Total Liabilities		**535,794**	**267,260**
Net Assets		**(78,862)**	**243,214**
Equity			
Issued capital		12,068,070	12,068,070
Reserves		23,282	23,282
Accumulated losses		(12,170,214)	(11,848,138)
Total Equity		**(78,862)**	**243,214**

The accompanying notes form part of these financial statements.

Cervantes Corporation Ltd ABN 79 097 982 235 and Controlled Entity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Consolidated Group	$	$	$	$
	Share Capital Ordinary	**Accumulated Losses**	**Reserves**	**Total**
Balance at *1.7.2011*	12,068,070	(11,602,228)	23,282	489,124
Total comprehensive income	-	(190,566)	-	(190,566)
Sub-total	12,068,070	(11,792,795)	23,282	298,557
Shares issued during the period	-	-	-	-
Balance at *31.12.2011*	12,068,070	(11,792,795)	23,282	298,557
Balance at *1.7.2012*	12,068,070	(11,848,138)	23,282	243,214
Total comprehensive income	-	(322,075)	-	(322,075)
Sub-total				
Shares issued during the period	-	-	-	-
Balance at *31.12.2012*	12,068,070	(12,170,214)	23,282	(78,862)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 December 2012	**31 December 2011**
Cash Flow from Operating Activities		
Cash receipts in the course of operations	5,760	3,040
Payments to suppliers and employees	(132,243)	(109,078)
Interests received	15	448
Interest paid	(397)	-
Net cash flows from (used in) operating activities	(126,865)	(105,590)
Cash Flow from Investing Activities		
Purchase of held for trading investments	-	(86,096)
Proceeds from held for trading investments	-	25
Proceeds from borrowings - non-related parties	270,000	250,000
Payments for exploration & evaluation	(10,197)	(1,195)
Net cash flows from (used in) investing activities	259,803	162,734
Cash Flow from Financing Activities		
Proceeds from issue of shares	-	-
Costs of share issue	-	-
Net cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	132,938	57,144
Cash and cash equivalents at the beginning of the period	26,994	67,089
Cash and cash equivalents at the end of the period	159,932	124,233

The accompanying notes form part of these financial statements.

Note 1: Basis of Preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Cervantes Corporation Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Accounting Policies

Revenue Recognition

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Going Concern

The group has a loss for the period of $320,075 and a deficiency of net assets of $78,862.

The directors are considering raising further equity capital through a share placement. Also, the Group has current assets, being held for sale investments, which could be sold to meet current financial obligations.

The directors continued to seek opportunities for the Group and the Board the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the interim report and accounts.

Notwithstanding these points the directors have concluded there is a material uncertainty that casts doubt upon the Group's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the interim financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment/Revaluation

Based on the Group's current use of the craypots the directors have estimated the recoverable amount of the craypots as the fair value of these pots less costs to sell which is higher than value in use. The fair value was determined by reference to information obtained from external industry sources on prices at which craypots are sold currently. The revaluation has led to an increase in the provision for impairment of intangible assets of $44,000 for the half-year ended 31 December 2012 (($4,000) for the half year ended 31 December 2011).

	Consolidated Group	
	31 December 2012	31 December 2011
	$	$
NOTE 2: Profit (Loss) for the Period		
2a. Interest revenues		
- other persons	15	448
	15	**448**
2b. Other income		
Lease revenue	5,760	3,040
	5,760	**3,040**

	Consolidated Group	
	31 December 2012	**30 June 2012**
	$	**$**
NOTE 3: Intangible Assets		
Licences and leases at valuation	490,000	490,000
Less - Provision for impairment	(346,000)	(302,000)
Company formation expenses	670	670
	144,670	**188,670**

Based on the Group's current use of the craypots licences the directors have estimated the recoverable amount of the craypots licences as the fair value of these pots licences less costs to sell, which is higher than the value in use. The fair value was determined by reference to information obtained from external industry sources. The change in fair value has led to an increase in the provision for impairment of intangible assets of $44,000 for the half-year ended 31 December 2012 (($4,000) for the half-year ended 31 December 2011).

The effective date for the revaluation of the licences and leases was 25 January 2013. The carrying amount that would have been recognised had licences and leases been measured using the cost model would have been $800,000. Refer to Note 1, Critical Accounting Estimates and Judgements for impairment consideration.

NOTE 4: Borrowings

Current		
Unsecured liabilities		
Short term loan	520,000	250,000
	520,000	**250,000**

A short term, unsecured loan facility was established with repayments to be monthly or quarterly in arrears or out of profits, at the discretion of the Board of Cervantes Corporation Ltd on interest terms of at the lesser of 5.6% pa or the 90 days term deposit rate of the National Australia Bank.

NOTE 5: Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on this basis.

Reportable segment disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and also similar with respect to the following:

- The product sold and/or services provided by the segment;
- The manufacturing process;

- The type or class of customer for the product or service
- The distribution method; and
- External regulatory requirements

Types of products and services by segment

Seafood and aquaculture
The seafood and aquaculture segment lease craypots and evaluates seafood and aquaculture projects.

Mineral exploration and evaluation
The mineral exploration and evaluation segment evaluated projects in the mining industry

Share trading
The share trading segment buys and sells Australian shares through the Australian Securities Exchange.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Assets by geographical region

The Group operated only in Australia.

NOTE 6: Contingent Liabilities

There has been no change in contingent liabilities since the end of the last annual reporting period.

NOTE 7: Event Subsequent to Balance Date

There are no matters or circumstances that have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

The directors of Cervantes Corporation Limited (the company) declare that:

1. The accompanying financial statements and notes:

(a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and

(b) give a true and fair view of the economic entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Collin Vost
Director and Chairman

Dated: 28 February 2012

ROTHSAY

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Independent Review Report to the Members of Cervantes Corporation Ltd

The financial report and directors' responsibility
The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Cervantes Corporation Ltd for the half-year ended 31 December 2012.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2012 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Cervantes Corporation Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Cervantes Corporation Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2012 and of the performance for the half-year ended on that date; and

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial statements wherein the Director's conclude that there is a material uncertainty that the consolidated entity has the ability to continue as a going concern and the ability therefore to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in the financial statements.

Rothsay

Rothsay

Graham R Swan
Partner

Dated 28th February 2012