Appendix 4 E

Financial Report

Name of Entity

CERVANTES CORPORATION LTD (ASX code: CVS)

ACN 097 982 235

1 Financial Year ended (current period) 30 June 2013
Financial Year ended (previous period) 30 June 2012

2 Results for announcement to the market

		$	Change	$ 30/06/2012		$ 30/06/2013
Revenue from ordinary activity		-	-		to	-
Profit (Loss) after tax	Up	16,952	6.9%	(245,910)	to	(228,958)
Net profit (loss) for the period attributable to members	Up	16,952	6.9%	(245,910)	to	(228,958)

2.6 Brief explanation of figure reported above to enable the figures to be understood.

The decline in the fair value of held-for-trading investments contributed largely to the loss for the year ended 30 June 2013.

3,4,5 (See preliminary financial statement attached)

6

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

7

Record date for determining entitlement to the dividend Not Applicable

8

For a statement of retained earnings showing movements see the Statement of Change in Equity contained in the preliminary financial statements attached.

9

Net tangible asset per security.

Reporting period	(0.06)c
Previous reporting period	0.02c

10

Not applicable

11

Not applicable

12

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position can be obtained from the preliminary financial statements attached.

13

Not applicable

14

A commentary on the results for the period can be obtained from the Directors' Report contained in the preliminary financial statements attached.

15

Audit Review Status.

The preliminary financial statements are based on financial statements which are in the process of being audited by Rothsay Chartered Accountants.

a This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

b This report, and the financial statements prepared under the Corporations Law (if separate), use the same accounting policies.

c This report does give a true and fair view of the matters disclosed.

d This report is based on the financial statements to which one of the following applies.

☐	The financial statements have been audited	☐	The financial statements have been subject to review
X	The financial statements are in the process of being audited or subject to review	☐	The financial statements have not yet been audited or reviewed

16

The financial statements are in the process of being audited and at the date of this report there is neither any dispute with the auditor nor any likelihood that the financial statements will be subject to qualification.

17

Not applicable

Company Secretary

Dated 30 August 2013

DIRECTOR'S REPORT

Your Directors present their report, together with the preliminary final report of the Group, being the Company and its controlled entity, for the year ended 30 June 2013.

Principal Activities and Significant Change in Nature of Activities

The principal activities of the Group during the financial year was operating in the seafood and aquaculture industry in Western Australia and the exploration and evaluation of mineral resource projects.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

The loss of the Group for the financial year after providing for income tax amounted to:

	Year ended 30 June 2013 $	Year ended 30 June 2012 $
	(228,958)	(245,910)

The consolidated loss of the Group amounted to $228,958, after providing for income tax. The significant reduction was largely due to the decrease in the value of the Company's financial investments. Further discussion on the Group's operation now follows.

Review of Operations

The Lobster pot licences have recently been re-leased for a further 12 months and continue to be a source of income for the Group during the Lobster Season, and whilst the valuations fluctuate, the Group believes that when and if they are able to be disposed of, they will provide a source of cash for other projects with greater returns.

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 value of all listed securities has been substantially written down by necessity over the previous year, but the Board believes this period may be coming to a close and valuations could improve substantially over the next 12 months.

The Group continues to carry out various tests and assessments of methods to maximize 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 listed mining company to transport the tailings for treatment to their new proposed plant 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 has commenced by way of only letters at this stage and will reluctantly be pursued in the near future to protect Cervantes shareholders interests and investment to date, if an amicable settlement cannot be resolved.

Quite obviously the recent gold price has reduced enthusiasm by all parties in pursuing this venture, but the Group expect these activities to recommence when the gold price rises to a price that enable all parties to mutually benefit from the tailings deposit.

Cervantes was 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 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 favors the Company and its shareholders.

Cervantes continues to be one of the lowest operating cost and expenditure companies on the ASX, together with the support of its Directors who continue to support the company on minimal directors fees, to allow the company to seek out projects that could in the coming years generate an income for shareholders without major dilution of the company's shares.

Subject to market conditions a rearrangement and revaluation of its assets and liabilities could well achieve this, over the coming year with support of its major and other shareholders.

Financial Position

The net assets of the Group have decreased by $228,920 from $243,214 at 30 June 2012 to $14,294 at 30 June 2013. This decrease was largely due to the increase in borrowings of $270,000 and a decrease in the realisable value of financial assets.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

The Company arranged an extension to its loan facility of up to $520,000, and whilst this loan can be secured over assets it is currently unsecured, at lesser of 5.5%pa or the 90 days term deposit rate of the National Australia Bank capped at 7% and potential to share in profits. These funds have been used to acquire listed securities, assess various projects, pursue a final treatment method for its gold tailings project and additional working capital.

Dividends Paid or Recommended

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the Reporting Date

No matters or circumstances have arisen since the end of the financial 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.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental Issues

The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Information on Directors

Collin Vost	EXECUTIVE CHAIRMAN (Executive) (from 23 November 2011) QualificationsDiploma of Financial Services, Licenced Securities Dealer.
Experience	Mr Vost has been involved in public companies for the past 30 years and has served on the Board of several, mostly junior resource companies as well as being involved in the securities dealing business since 2001. Mr Vost was appointed to the Board on 9 October 2007.
Interest in shares and options	48,570,000 ordinary shares and options to acquire a further 5,000,000 shares.
Special responsibilities	Mr Vost is a member of the audit committee
Directorships held in other Listed entities during the three years prior to the current year	Baraka Energy & Resources Ltd (appointed 18 May 2009) JV Global Ltd (appointed 29 May 2009)
Graeme Armstrong	DIRECTOR (Non-executive) (resigned 3 July 2012)
Experience	Mr Armstrong was appointed to the Board on 16 January 2008. From 1990 to 1997 he was a director and shareholder of Scarboro Toyota and when this entity purchased Galleria Toyota, Mr Armstrong was appointed dealer principal and director, a position he held until retirement in March 2007.
Interest in shares	5,550,000 ordinary shares.
Special responsibilities	Mr Armstrong was a member of the audit committee
Directorships held in other Listed entities during the three years prior to the current year	None.
Justin Vost	DIRECTOR (Non-executive) (appointed 23 November 2011) Qualifications: Diploma of Financial Markets
Experience	Mr Justin Vost has experience in mining, manufacturing and capital markets.
Interest in shares	10,337,223 ordinary shares.
Special responsibilities	Mr Vost is a member of the audit committee
Directorships held in other Listed entities during the three years prior to the current year	Baraka Energy & Resources Ltd (appointed 23 November 2011) JV Global Ltd (appointed 19 April 2011)
Timothy Clark	DIRECTOR (Non-executive) (appointed 3 July 2012) Qualifications: Bcomm. Econ and Finance

Experience	Mr Clark was appointed to the Board on 3 July 2012. Mr Clark has experience in capital markets.
Interest in shares	348,000 ordinary shares.
Special responsibilities	Mr Clark is a member of the audit committee
Directorships held in other Listed entities during the three years prior to the current year	JV Global Ltd (appointed 6 July 2011)

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Patrick O'Neill – Bachelor of Business, Chartered Accountant. Mr O'Neill is a partner in the accounting firm Jackson Greeve. He has acted as Company Secretary for several public companies. Mr O'Neill was appointed Company Secretary on 16 January 2008.

Meetings of Directors

During the financial year, no meetings of directors were held.

There were nine of circular resolution.

Options

At the date of this report, the unissued ordinary shares of Cervantes Corporation Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
2 December 2010	31 December 2013	$0.03	5,000,000
			5,000,000

Option holders do not have any rights to participate in any issue of shares or other interests in the company or any other entity.

There have been no unissued shares or interests under options of any controlled entity within the Group during or since the end of the reporting period.

For details of option issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

Rothsay did not provide non-audit services to the Group during 2013.

CERVANTES CORPORATION LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated Group	
		2013	**2012**
Continuing Operation		**$**	**$**
Revenue			
Interest income	2a	65	565
Other income	2b	13,040	9,840
Impairment reversal of intangible assets	13	12,000	24,000
Impairment reversal of exploration and evaluation assets		211,484	-
		236,589	34,405
Net loss on revaluation of other financial assets	3	(202,630)	(73,526)
Loss on share trading		(18,190)	-
Employee benefits expenses		(72,000)	(72,000)
Financing cost		(25,397)	-
Depreciation expenses		(38)	(47)
Occupancy expenses	3	(44,604)	(39,226)
Exploration & evaluation expenditure written off	3	-	(10,164)
Administration expenses		(101,730)	(82,326)
Travel expenses		(39)	-
Other expenses		(919)	(3,026)
Profit/(Loss) before income tax		**(228,958)**	**(245,910)**
Income tax (expense) / benefit	4	**-**	**-**
Profit/(Loss) after tax		**(228,958)**	**(245,910)**
Other comprehensive income		**-**	**-**
Total comprehensive income net of income tax		**(228,958)**	**(245,910)**
Basic loss per share (cents per share)	7	(0.078)c	(0.084)c
Diluted loss per share (cents per share)	7	(0.078)c	(0.084)c

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
PRELIMINIARY FINAL REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	Consolidated Group	
		2013	2012
		$	$
Current Assets			
Cash and cash equivalents	8	38,993	26,994
Trade and other receivables	9	877	1,502
Other financial assets	10	78,250	290,195
Total Current Assets		**118,120**	**318,691**
Non-Current Assets			
Property, plant and equipment	12	3,075	3,113
Exploration and evaluation	13	224,941	-
Intangible assets	14	200,670	188,670
Total Non-Current Assets		**428,686**	**191,783**
Total Assets		**546,806**	**510,474**
Current Liabilities			
Trade and other payables	15	12,550	17,260
Borrowings	16	520,000	250,000
Total Current Liabilities		**532,550**	**267,260**
Total Liabilities		**532,550**	**267,260**
Net Assets		**14,256**	**243,214**
Equity			
Issued capital	17	12,068,070	12,068,070
Reserves	25	23,282	23,282
Accumulated losses		(12,077,096)	(11,848,138)
Total Equity		**14,256**	**243,214**

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

Consolidated Group	Share Capital	Accumulated Losses	Reserves	Total
	$	$	$	$
Balance at 1 July 2011	12,068,070	(11,602,228)	23,282	489,124
Shares issued during year	-	-	-	-
Transaction costs	-	-	-	-
Options issued to employees	-	-	-	-
Net loss attributable to members of the parent entity	-	(245,910)	-	(245,910)
Balance at 30 June 2012	12,068,070	(11,848,138)	23,282	243,214
Shares issued during year	-	-	-	-
Transaction costs	-	-	-	-
Options issued to employees	-	-	-	-
Net loss attributable to members of the parent entity	-	(228,958)	-	(228,958)
Balance at 30 June 2013	12,068,070	(12,077,096)	23,282	14,256

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated Group	
		2013	2012
		$	$
Cash Flows from Operating Activities			
Receipts from customers		13,040	9,840
Payments to suppliers and employees		(248,774)	(195,526)
Interests received		65	565
Net cash used in operating activities	21	(235,669)	(185,121)
Cash Flows from Investing Activities			
Proceeds from held for trading investments		-	-
Proceeds from the sale of equipment		-	-
Purchase of held for trading investments		(8,875)	(99,233)
Payments for exploration & evaluation		(13,457)	(5,741)
Net cash used in investing activities		(22,332)	(104,974)
Cash Flows from Financing Activities			
Proceeds of issue of shares		-	-
Costs of share issue		-	-
Proceeds from borrowings		270,000	250,000
Net cash provided by financing activities		270,000	250,000
Net outflow in cash held for the year		11,999	(40,095)
Cash at the beginning of the year		26,994	67,089
Cash at the end of the year	8	38,993	26,994

The accompanying notes form part of these financial statements

Note 1: Basis of Preparation

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary final report does not include all of the notes of the type normally included in an annual report. Accordingly, this report should be read in conjunction with the last annual report issued for the year ended 30 June 2012 and any public announcements made by Cervantes Corporation Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The full annual report for the year ended 30 June 2013 will be available on or before 30 September 2013

	Consolidated Group	
	2013	**2012**
	$	**$**
NOTE 2: Revenue and Other Income		
2a. Interest revenues		
- other persons	65	565
	65	**565**
2b. Other income		
Lease revenue	13,040	9,840
	13,040	**9,840**
NOTE 3: Loss for the Year		
The profit for the year included the following expenses:		
Fair value adjustment	202,630	73,526
Rental expense on operating leases		
- rental expense for sublease	44,604	39,226
Exploration and evaluation expenditure written off	-	10,164

	Consolidated Group	
	2013	2012
	$	$
NOTE 4: Income Tax		
Prima facie tax benefit on profit/(loss) before income tax @ 30%.	(68,687)	(73,773)
Add tax effect:		
Non-allowable items		
Impairment of intangible assets	(3,600)	(7,200)
Fair value adjustment	60,789	22,058
Impairment of exploration and evaluation assets	(63,445)	-
Allowable items		
Capital raising cost	(1,368)	(4,968)
Project assessment cost	(4,038)	
Tax losses not brought to account	80,349	63,883
Income tax attributable to entity	**-**	**-**
Unrecognised deferred tax balances:		
Unrecognised deferred tax asset losses	2,826,089	2,750,633
Unrecognised deferred tax asset other	81,692	187,480
Unrecognised deferred equity adjustment	-	-
Unrecognised deferred tax liabilities	-	-
Net deferred tax asset not brought to account	**2,907,781**	**2,938,113**

Unrecognised deferred tax asset losses include deferred tax asset losses relating to Cervantes Gold Pty Ltd in the amount of $456,290 (2012: $422,483). These are available for offset against the unrecognised deferred tax loss in Cervantes Gold Pty Ltd.

The Unrealising deferred tax assets will only be available if:
a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
b) the conditions for deductibility imposed by the tax legislation continue to be complied with; and
c) no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5: Interests of Key Management Personnel (KMP)

Refer to the remuneration report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2013 $	2012 $
Short-term employment benefits	162,649	156,310
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
	162,649	156,310

KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2013

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year
Collin Vost	5,000,000	-	-	-	5,000,000
	5,000,000	-	-	-	5,000,000

30 June 2012

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year
Collin Vost	5,000,000	-	-	-	5,000,000
	5,000,000	-	-	-	5,000,000

NOTE 5: Interests of Key Management Personnel (KMP) (cont'd)
KMP Shareholdings
The number of ordinary shares in Cervantes Corporation Ltd held by each KMP of the Group during the financial year is as follows:

30 June 2013

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercised of options during the year	Other changes during the year	Balance on resignation / appointment	Balance at end of year
Collin Vost	47,320,000	-	-	1,250,000	-	47,320,000
Graeme Armstrong	5,550,000	-	-	-	(5,550,000)	-
Justin Vost	10,337,223	-	-	-	-	929,206
Timothy Clark	-	-	-	-	348,000	348,000
Patrick O'Neill	400,000	-	-	-	-	400,000
	63,207,223	-	-	1,250,000	(5,202,000)	59,665,223

30 June 2012

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercised of options during the year	Other changes during the year	Balance on resignation / appointment	Balance at end of year
Barry MacKinnon	250,000	-	-	-	(250,000)	-
Collin Vost	47,320,000	-	-	-	-	7,175,000
Graeme Armstrong	5,550,000	-	-	-	-	5,550,000
Justin Vost		-	-	-	10,337,223	10,337,223
Patrick O'Neill	400,000	-	-	-	-	400,000
	53,270,000	-	-	-	10,087,223	23,462,223

Other KMP Transactions
There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP refer to Note 23: Related Party Transactions.

	Consolidated Group	
	2013	**2012**
	$	**$**
NOTE 6: Auditors' Remuneration		
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	12,100	17,800

	Consolidated Group	
	2013	**2012**
	$	**$**

NOTE 7: Earnings per Share

(a) Reconciliation of earnings to profit or loss

	2013 $	2012 $
Profit(Loss)		
Earnings used to calculate basic EPS	(228,958)	(245,910)
Earnings used in the calculation of dilutive EPS	(228,958)	(245,910)

	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	294,271,112	294,271,112
Weighted average number of dilutive options outstanding	5,000,000	5,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	299,271,112	299,271,112

NOTE 8: Cash and cash Equivalents

	$	**$**
Cash at bank & in hand	1,276	5,566
Interest bearing deposit	37,717	21,428
	38,993	**26,994**

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Cash & cash equivalents	38,993	26,994
	38,993	**26,994**

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
NOTE 9: Trade and Other Receivables			
Current			
Amounts receivable		550	1,100
Input tax credits		327	402
		877	**1,502**

The terms of the amounts receivable are non-interest bearing, payable on 30 day terms. At the date of this report all amounts outstanding at the 30 June 2013 had been received.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, all the Group credit risk exposure is in Australia.

At the date of this report all the amounts receivable had been repaid in full.

	Note	2013 $	2012 $
Financial assets classified as loans and receivables			
Trade and other receivable			
- Total current		877	1,502
- Total non-current		-	-
Financial assets	**24**	**877**	**1,502**

	Note	2013 $	2012 $
NOTE 10: Other Financial Assets			
Current			
Opening balance		290,195	264,488
Purchase		8,875	99,233
Less: Cost of sales		(18,190)	-
Fair value adjustment		(202,630)	(73,526)
Financial assets at fair value		**78,250**	**290,195**
Financial assets at fair value through profit and loss			
Held for trading listed shares		78,250	290,195
Other financial assets		**78,250**	**290,195**

Shares held for trading are traded for the purpose of short term profit taking. Changes in fair value are included in the statement of comprehensive income.

NOTE 11: Controlled Entities

	Country of Incorporation	Percentage Owned (%) 2013	2012
Subsidiary of Cervantes Corporation Ltd:			
Cervantes Gold Pty Ltd	Aust	100	100

	Consolidated Group 2013 $	2012 $
NOTE 12: Property, Plant and Equipment		
Plant & equipment		
- At cost	423	423
- Less: accumulated depreciation	(248)	(210)
	175	**213**
Office equipment		
- At cost	2,900	2,900
- Less: accumulated depreciation	-	-
	2,900	**2,900**
Total Property, Plant & Equipment	**3,075**	**3,113**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment.

Consolidated Group	Plant & Equip.	Office Equip.	Total
Year ended 30 June 2012			
Balance at the beginning of year	260	2,900	3,160
Revaluation increment	-	-	-
Additions	-	-	-
Depreciation expense	(47)	-	(47)
Carrying amount at the end of the year	213	2,900	3,113
Year ended 30 June 2013			
Balance at the beginning of year	213	2,900	3,113
Revaluation increment	-	-	-
Additions	-	-	-
Depreciation expense	(38)	-	(38)
Carrying amount at the end of the year	175	2,900	3,075

	Consolidated Group 2013 $	2012 $
NOTE 13: Exploration and Evaluation		
Non-Current		
Exploration and evaluation phases	435,942	422,483
Impairment	(211,001)	(422,483)
	224,941	**-**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of respective mining areas of interest. At the date of this report the Group has sufficient reason to believe that the exploration in specific areas of interest will lead to the discovery of viable quantities of mineral resources and the Group has decided to continue such activity in the specific areas while alternative treatment methods are being investigated. Such capitalised expenditure is carried at reporting date at $224,941 and the amount written off through the statement of comprehensive income as exploration and evaluation written off for projects abandoned amounted to $nil (2012: $10,164).

	2013 $	2012 $
Reconciliation		
Balance at beginning of year	422,483	422,483
Exploration expenditure incurred	13,459	10,164
Impairment of exploration expenditure	(211,001)	-
Exploration expenditure written off	-	(10,164)
	224,941	422,483

	2013 $	2012 $
NOTE 14: Intangibles Assets		
Non-Current		
Licences and leases		
At valuation	490,000	490,000
Less provision for impairment	(290,000)	(302,000)
Company formation expenditure	670	670
	200,670	**188,670**

Consolidated Group	Licences & leases	Company formation expenditure
Year ended 30 June 2012		
Balance at the beginning of the year	164,000	670
Reversal of impairment	24,000	-
	188,000	670

Note 14: Intangible Assets (cont'd)	Licences & leases	Company formation expenditure
Year ended 30 June 2013		
Balance at the beginning of the year	188,000	670
Reversal of impairment	12,000	-
Closing value at 30 June 2013	200,000	670

The effective date for the revaluation of the licences and leases was 19 July 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 Judgments for impairment considerations.

	Consolidated Group	
	2013	2012
	$	$
NOTE 15: Trade and other payable		
Current	12,550	17,260
Unsecured liabilities		
- Trade creditors	**12,550**	**17,260**
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total Current	**12,550**	**17,260**
NOTE 16: Borrowings		
Current		
Borrowings	520,000	250,000
	520,000	**250,000**

The Company arranged to extend its loan facility of up to $520,000, from an ASX listed company of which the company's directors Mr Collin Vost and Mr Justin Vost are also directors. The lender has the option to secure the loan but has not done so to date. Interest is at the rate of 5.5%pa or the equivalent of the NAB 90 day deposit rate whichever is the lesser with a cap of 7%, for the exposure period and loan period, plus a profit on each venture as mutually agree between the parties-. These funds have been used to acquire listed securities, assess various projects including the gold tailings and additional working capital.

	Consolidated Group	
	2013	2012
	$	$
NOTE 17: Issued Capital		
294,271,112 (2012: 294,271,112)		
Fully paid ordinary shares	12,068,070	12,068,070
	12,068,070	**12,068,070**

	2013	2012
	No.	No.
Ordinary shares		
At the beginning of reporting period	294,271,112	294,271,112
Shares issued during the year:	-	-
At the end of reporting period	**294,271,112**	**294,271,112**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Options

On 2 December 2010 the Company issued 5,000,000 unlisted options to a director as a share based payment.

	2013	2012
	No.	No.
Options		
Opening number of options issued	5,000,000	5,000,000
Number of options issued during the year	-	-
Number of option exercised during the year	-	-
Number of options lapsed during the year	-	-
Closing Number of Options Issued	**5,000,000**	**5,000,000**

Capital Management

Management control the capital of the Group in order to maintain a good debt to equity ratio and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Groups financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues. Total borrowings below represents trade and other payables.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

	Consolidated Group	
	2013	2012
	$	$
NOTE 18: Capital and Leasing Commitments		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable: minimum lease payments		
- not later than 12 months	63,000	54,000
- between 12 months and 5 years	-	-
- greater than 5 years	-	-

A serviced office including bookkeeping service and business premises are provided by New York Securities Pty Ltd at a fee of $5,250 per calendar month (2012:$4,500).

NOTE 19: Contingent Liabilities

There are no contingent liabilities as at balance date or as at the date of the report.

NOTE 20: Segment Reporting

Segment Information

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 type or class of customer for the product or service; and
- the external regulatory requirements

Types of products and services by segment

Seafood and Aquaculture

The seafood and aquaculture segment lease craypot licences and evaluates seafood and aquaculture projects.

Mineral exploration and evaluation

The mineral exploration and evaluation segment evaluates projects in the mining industry.

Share Trading

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

Basis of accounting for the purposes of reporting by operating segment

NOTE 20: Operating Segments (cont'd)

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.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- derivatives
- impairment of assets and other non-recurring items of revenue or expense
- other financial liabilities
- intangible assets

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the standard.

NOTE 20: Operating Segments (cont'd)

(i) Segment performance

	Seafood & aquaculture $	Exploration & evaluation $	Share trading $	Corporate $	Total $
Year ended 30.06.2013					
Revenue					
External sales	13,040	-	-	-	13,040
Revaluation of intangible asset	12,000	-	-	-	12,000
Revaluation of exploration asset	-	211,484	-	-	211,484
Interest revenue	-	-	-	65	65
Total segment revenue	25,040	211,484	-	65	236,589
Reconciliation of segment revenue to group revenue					
Total group revenue					236,589
Segment net profit before tax	22,824	211,484	(220,821)	(242,407)	(228,920)
Reconciliation of segment results to group net profit/(loss) before tax					
Amount not included in segment results but reviewed by the Board:					
Depreciation expenses	-	(38)	-	-	(38)
Write off of exploration & evaluation expenditure	-	-	-	-	-
Net loss before tax from continuing operations					(228,958)

NOTE 20: Operating Segments (cont'd)

(ii) Segment performance

	Seafood & Aquaculture $	Exploration & evaluation $	Share Trading $	Corporate $	Total $
For the year ended 30.06.2012					
Revenue					
External sales	9,840	-	-	-	9,840
Revaluation of intangible asset	24,000	-	-	-	24,000
Dividends	-	-	-	-	
Interest revenue	-	-	-	565	565
Total segment revenue	33,840	-	-	565	34,405
Reconciliation of segment revenue to group revenue					
Total group revenue					34,405
Segment net profit before tax	31,825	-	(73,526)	(193,998)	(235,699)
Reconciliation of segment results to group net profit/(loss) before tax					
Amount not included in segment results but reviewed by the Board:					
Depreciation & amortisation	-	(47)	-	-	(47)
Write off of exploration & evaluation expenditure	-	(10,164)	-	-	(10,164)
Net loss before tax from continuing operations					(245,910)

NOTE 20: Operating Segments (cont'd)

(iii) Segment assets

As at 30.06.2013	Seafood & Aquaculture $	Exploration & evaluation $	Share Trading $	Corporate $	Total $
Segment assets	200,000	224,941	78,463	43,440	546,844
Segment assets increased for the period					
Capital expenditure	-	13,457	-	-	13,457
Reversal of impairment of exploration	-	211,484	-	-	211,484
Reversal of impairment of intangible asset	12,000				12,000
Acquisitions/(disposals)	-	-	(10,035)	-	(10,035)
	12,000	224,941	(10,035)	-	226,906
Reconciliation of segment assets to group assets					
Total group assets					546,844

As at 30.06.2012	Seafood & Aquaculture $	Exploration & evaluation $	Share Trading $	Corporate $	Total $
Segment assets	188,000	213	290,195	32,048	510,474
Segment assets increased for the period					
Capital expenditure	-	10,164	-	-	10,164
Less capital expenditure written off	-	(10,164)	-	-	(10,164)
Impairment of intangible asset	24,000	-	-	-	24,000
Acquisitions/(disposals)	-	-	99,233	-	99,233
	24,000	(47)	99,233	-	123,186
Reconciliation of segment assets to group assets					
Total group assets					510,474

NOTE 20: Operating Segments (cont'd)

(iv) Segment liabilities

	Seafood & Aquaculture $	Exploration & evaluation $	Share Trading $	Corporate $	Total $
As at 30.06.2013					
Segment liabilities	-	-	-	532,550	532,550
Reconciliation of segment liabilities to group liabilities					
Total group liabilities					532,550
As at 30.06.2012					
Segment liabilities	-	-	-	267,260	267,260
Reconciliation of segment liabilities to group liabilities					
Total group liabilities					267,260

(v) Revenue by geographical region

All Group revenue attributable to external customers was generated in Australia.

(vi) Assets by geographical region

The Group operated only in Australia.

(vii) Major customers

The Group supplies a single external customer in the seafood and aquaculture segment who accounts for 100% of external revenue (2012: 100%).

	Consolidated Group	
	2013	**2012**
	$	**$**
NOTE 21: Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
Profit/(Loss) after income tax	(228,958)	(245,910)
Non-cash flows in profit/(loss) after income tax		
Impairment of intangible assets	(12,000)	(24,000)
Impairment of exploration assets	(211,484)	-
Loss on disposal of shares	18,190	125
Fair value adjustment	202,630	73,401
Depreciation	38	47
Write down of exploration & evaluation expenditure	-	5,741
Changes in Assets and Liabilities, net of the effect of purchase of subsidiary		
(Increase)/decrease in trade & term receivables	625	148
Increase/(decrease) in trade & other payables	(4,710)	5,327
Cash flow from operations	**(235,669)**	**(185,121)**

NOTE 22: Events After Balance Sheet Date

No matters or circumstances that have arisen since the end of the financial 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.

	Consolidated Group 2013 $	Consolidated Group 2012 $
NOTE 23: Related Party Transactions		
Transactions with related parties:		
Director or related entities		
i) Serviced office fees paid and accrued to New York Securities Pty Ltd, a securities dealing firm where Mr Collin Vost is the director	63,000	54,000
ii) Brokerage fees paid and accrued to New York Securities Pty Ltd, a securities dealing firm where Mr Collin Vost is a director	125	-

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 24: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans to subsidiary.

The totals for each category of financial instrument, measured in accordance with AASB: 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
Financial Assets			
Cash and cash equivalents	8	38,993	26,994
Financial assets at fair value through profit or loss			
-Held for trading	10	78,250	290,195
Loans and receivables	9	877	1,502
		118,120	318,691
Financial Liabilities			
- Trade and other payables	15	12,550	17,260
		12,550	17,260

NOTE 24: Financial Risk Management (cont'd)

Financial Risk Management Policies

The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors, in its function as Audit Committee, oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for the developing and monitoring the Group's risk management policies.

Interest rate risk

The Group has cash subject to interest and therefore the interest rate risk impact is minimal. Management continually monitors the exposure to interest rate risk. The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk.

	< 1 Year $	Total $	Weighted average effective interest rate
Year ended 30 June 2013			
Floating rate Cash assets	38,993	38,993	0.02%
Year ended 30 June 2012			
Floating rate Cash assets	26,994	26,994	1.2%

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group's overall objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

The Group also manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The table below summarises the maturity profiles of the Group's financial liabilities based on contractual undiscounted payments.

NOTE 24: Financial Risk Management (cont'd)

	Less than 3 months $	3 to 12 Months $	More than 12 months $	Total $
Year ended 30 June 2013				
Trade and other creditors	12,550	-	-	12,550
	12,550	**-**	**-**	**12,550**
Year ended 30 June 2012				
Trade and other creditors	17,260	-	-	17,260
	17,260	**-**	**-**	**17,260**

The Group also has an office service agreement. The future contracted commitments at year end are disclosed in Note 17.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In most cases, the Group requires full and final payment either prior to, or upon delivery of the goods to the customer. In limited cases where credit is provided, the Group trades on credit terms with recognised, creditworthy third parties. Customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivables balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

All amounts past due in excess of 30 days are individually assessed and provided for as doubtful if reasonable doubt as to collectability exists.

With respect to credit risk arising from financial assets of the Group, which comprise of cash and cash equivalents and receivables, the Group's maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, as disclosed in the balance sheet and notes to the financial statements.

Included in receivables is the amount for GST refundable, this amount is not past due nor impaired.

Net Fair Value

Fair Value Estimation

The fair values of the financial assets and financial liabilities are presented in the following can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information from markets that are actively traded. In this regard, fair value for listed securities are obtained from quoted market bid price
.

NOTE 24: Financial Risk Management (cont'd)

	2013		2012	
	Net Carrying Value	**Net Fair Value**	**Net Carrying Value**	**Net Fair Value**
	$	**$**	**$**	**$**
Consolidated Group				
Financial Assets				
Cash and cash equivalents	38,993	38,993	26,994	26,994
Financial assets at fair value through profit or loss				
-Held for trading	78,250	78,250	290,195	290,195
Loans and receivables	877	877	1,502	1,502
	118,120	**118,120**	**318,691**	**318,691**
Financial Liabilities				
- Trade and other payables	12,550	12,550	17,260	17,260
	12,550	**12,550**	**17,260**	**17,260**

The fair values disclosed in the above table have been determined based on the following methodologies.

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payable exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) For listed held-for-trading financial assets, closing quoted bid prices at reporting date have been used.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is exposed to securities price risk on investments held for trading or for medium to longer term. Such risk is managed through diversification of investments across industries and geographical location.

The Group's investments are held in the following sectors at reporting date.

	Consolidated Group	
	2013	**2012**
Energy	85%	61%
Materials	1%	6%
Capital Goods	14%	23%
Real Estate	-	10%
	100%	100%

NOTE 24: Financial Risk Management (cont'd)
Sensitivity Analysis

The following table illustrates sensitivity to the Group's exposures to changes in the interest rate. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Consolidated Group	
	Profit	**Equity**
	$	**$**
2013		
+/- 2% in interest rate	+/- 655	+/- 655
2012		
+/- 2% in interest rate	+/- 941	+/- 941

NOTE 25: Reserves

Option Reserve
The option reserve records item recognized as expenses on valuation of employee share options.

NOTE 26: Share-based Payments

(i) On 2 December 2010, 5,000,000 ordinary shares and 5,000,000 options were granted to a director for provide dedicated and ongoing commitment and effort to the Company. The options have an exercise price of $0.03 each and are exercisable on or before 31 December 2013. The options hold no voting or dividend rights are unlisted and are transferable.

(ii) Options granted to key management personnel are as follows:-

Grant Date	**Number**
2 December 2010	5,000,000

The options are issued with a strike price that was not discounted to the average market price of the underlying shares determined over the previous five trading days.

NOTE 26: Share-based Payments (cont'd)

A summary of the movements of all company options issued is as follows:	Consolidated Group Number	Consolidated Group Weighted average exercise price $	Parent Entity Number	Parent Entity Weighted average exercise price $
Options outstanding as at 30 June 2011	5,000,000	0.03	5,000,000	0.03
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Options outstanding as at 30 June 2012	5,000,000	0.03	5,000,000	0.03
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Options outstanding as at 30 June 2013	5,000,000	0.03	5,000,000	0.03

The weighted average remaining contractual life of options outstanding at year end was one and a half years. The exercise price of outstanding shares at the end of the reporting period was $nil (2012: $nil).

The fair value of the options granted to the director is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $nil (2012: $nil). These values were calculated using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price:	$0.03
Weighted average life of the option:	3 years
Expected share price volatility:	59%
Risk free interest rate:	4.50%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

(iii) Shares granted to key management personnel as share based payments are as follows:-

Grant Date	Number
2 December 2010	5,000,000

The weighted average fair value of those equity instruments, determined by reference to market price, was $nil (2012: $nil).

These shares were issued as compensation to key management of the Group. Further details are provided in the Directors' Report.

Included under employee benefits expense in the statement of comprehensive income is $nil which relates to equity settled share based payment transactions (2012: $nil).

NOTE 27: Company Details

The registered office and principal place of business of the Company is:

Shop 11 “South Shore Piazza”
85 South Perth Esplanade
South Perth WA 6151

NOTE 28: Parent Entity Information

Information relating to Cervantes Corporation Ltd:	2013 $	2012 $
Current assets	117,351	313,797
Total assets	551,603	504,698
Current liabilities	532,550	262,837
Total liabilities	532,550	262,837
Issued capital	12,068,070	12,068,070
Reserves	23,282	23,282
Retained earnings	12,072,299	(11,849,491)
Total shareholders’ equity	19,053	241,861
Profit or loss of the parent entity	(222,808)	(244,490)
Total comprehensive income of the parent entity	(222,808)	(244,490)

Provision for Impairment of Receivables

Non-current trade and other receivables are assessed for recoverability based on the successful exploration and sale of gold recovered from the retreatment projects currently being assessed by the Group. A provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. Refer to Note 1, Critical Accounting Estimates and Judgments for recoverability.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1.7.2012 $	Charge for the year $	Amount Written Off $	Closing Balance 30.6.2013 $
Parent Entity				
i) Non-current wholly owned subsidiary	441,405	(210,053)	-	231,352
	441,405	**(210,053)**	**-**	**231,352**

	Opening Balance 1.7.2011 $	Charge for the year $	Amount Written Off $	Closing Balance 30.6.2012 $
Parent Entity				
i) Non-current wholly owned subsidiary	430,058	11,347	-	441,405
	430,058	**11,347**	**-**	**441,405**

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.