

ASX/Media Release

10th October 2016

CERVANTES INCREASES ITS PORTFOLIO OF GOLD PROSPECTS.

Cervantes Corporation Ltd (ASX:CVS) (“Cervantes” or the company”) is pleased to announce that with the assistance of New York Securities Pty Ltd it has acquired a Prospecting Licence (“PL”) to add to its current Exploration Licence (“EL”) in the Meekatharra area.

The previously announced EL acquisition in Meekatharra adjoins the northern boundary of Thundelarra’s (ASX:THX) newly acquired Garden Gully prospect for which very positive drilling results have been announced.

In addition to acquiring the new PL for one million Cervantes shares and a production royalty of \$5 per net ounce produced and sold, provided that net production exceed 2,500 ounces, capped at \$500,000, Cervantes has applied for several other prospecting licences in the immediate area. The agreement is also subject to satisfaction of a number of conditions, including the tenement being in good order and standing, all native title agreements and obligations (if any) being satisfied and no existing remediation costs being applicable to or attached to the tenement. If Cervantes elects not to proceed with further exploration or activities on the tenement after keeping the tenement in good order, the seller has a pre-emptive right to buy-back the tenement for the price of \$1.00.

The issue of the shares is within the 15% limit which directors can issue without shareholders approval.

The acquired prospect has an historical mining history, and the company is now preparing a report on the prospect and the newly applied for surrounding prospecting licences. This will be released to the market when completed.

The Meekatharra prospects are all located within economical distance of two existing under-utilised gold mills.

Cervantes is developing a Portfolio of strategically located gold and nickel permits in the Meekatharra and the Fraser Range areas, both of which are currently receiving considerable exploration, market and media attention.

The board of Cervantes continues to assess and have discussions on more advanced Gold projects in WA and Queensland, to develop itself into a successful exploration and, ultimately, production company.

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For further information, please contact:

Collin Vost
Executive Chairman
Cervantes Corporation Ltd

Telephone +61 8 6436 2300
Email: admin@cervantescorp.com.au

