

ASX ANNOUNCEMENT/MEDIA RELEASE

6 March 2018

Potential for increased gold resources at Albury Heath identified; drilling planned

Cervantes Corporation Limited (ASX:CVS) (Cervantes) is pleased to advise it has completed a review of the Albury Heath Gold Project. Figure 1 shows the location of the tenement package 100% controlled by Cervantes (P51/2937, P51/2997 - 3001). The aim of the review was to identify opportunities to materially increase the gold resource and to validate ore block modelling.

- **Extensions to drilled gold mineralisation outlined at Albury Heath**
- **Mineralisation is open down dip**
- **High grade zones above, below, and in footwalls of old stopes not previously sampled**
- **17 RC holes for 1,040 metres planned**
- **Programme of Work (POW) submitted to the DMIRS**
- **Tenders for the drilling have been invited**
- **Regulatory approvals awaited**

A review of previous drilling at the historic Albury Heath Gold Mine resulted in an updated Indicated and Inferred Resource estimate of 390,000t at 2.15g/t gold for a total of 27,000oz gold (ASX announcement 2 August, 2017).

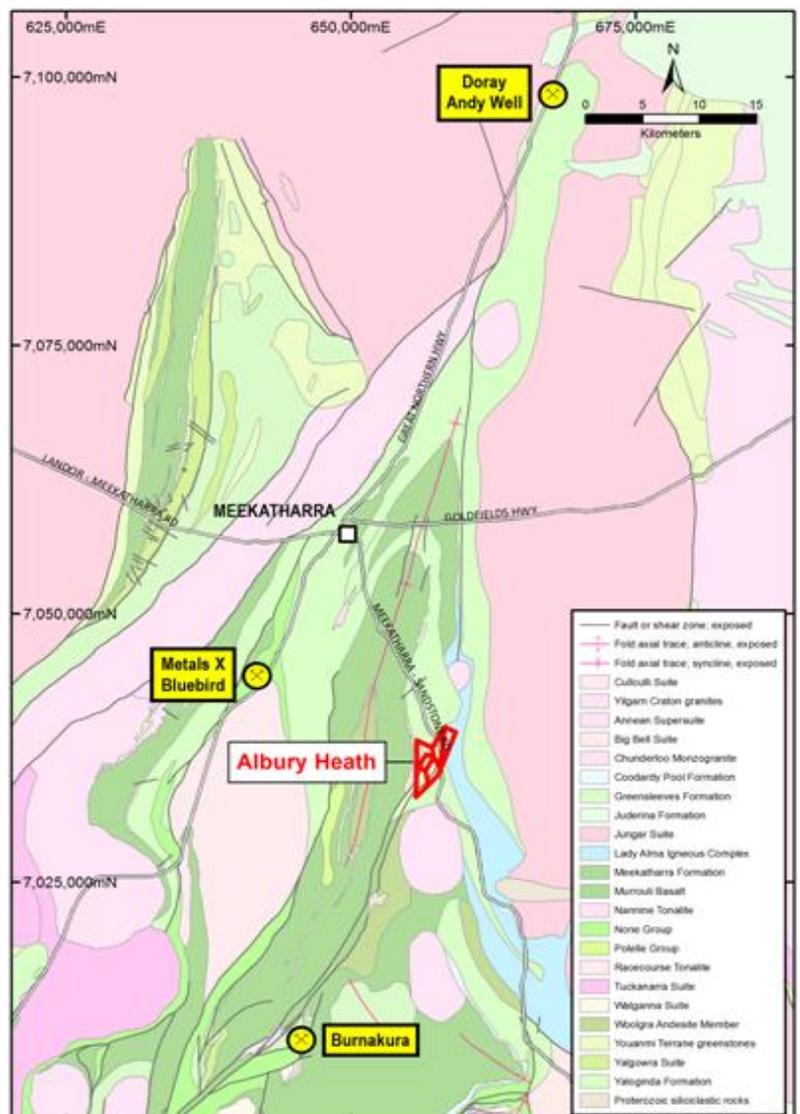


Figure 1: Albury Heath Gold Project Location. Cervantes controls 100% tenements P51/2937 and P51/2997 – 3001.

That work identified that the mineralisation, which occurs within fourteen separate en-echelon quartz lodes of varying grade and thickness, is open down dip of the drilled mineralisation. Two of these lodes were mined, with a mined head grade of the order of 27.5g/t. This high-grade mineralisation has not been adequately sampled by the historical drilling both up and down dip of the stopes and within their footwalls. The well sampled hanging wall contains significant gold grades.

A programme of 17 Reverse Circulation drill holes, for a total of 1,040m is planned. Figure 2 shows the ore block model for Section 20016N and illustrates an example of the targets being tested: poorly defined near-surface resources (Tested by AH18P01), untested footwall position (AH18P03), and downdip continuation of high grade zones (AH18P04 and 05).

The work will be conducted on existing grid lines around the historic workings with minimal ground disturbance required. Cervantes has invited tenders for this drilling and is awaiting regulatory approvals.

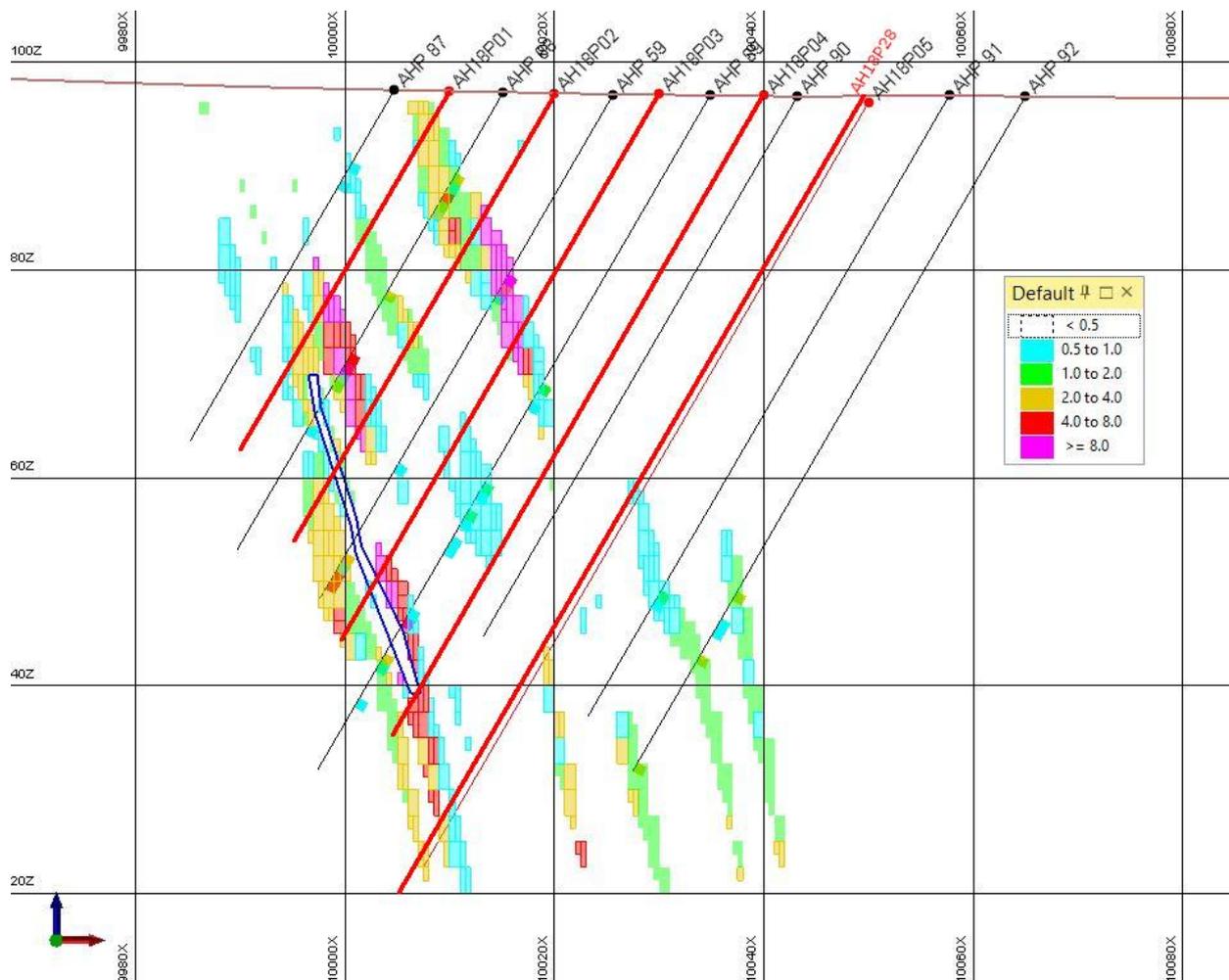


Figure 2 Section 20016N, Albury Heath Gold Project. Proposed holes are in red, existing holes in black. Coloured blocks are the ore block model with red having highest gold grades, blue lowest, no colour signifying no assays or below cutoff. Historic stope position shown in blue outline. Proposed drill hole names will be changed when drilled.

COMPETENT PERSON STATEMENTS

The information contained in this report that relates to Mineral Resources of the Albury Heath Deposit is based upon information compiled by Mr John Doepel, an independent geologist, who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Doepel is a principal of Continental Resource Management and consults to Cervantes Gold Ltd on a part time basis. He has sufficient experience that is relevant to style of deposit under consideration and the type of activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Doepel consents to the inclusion in the report of the matters based on this information in the form and context in which they appear.

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