

5 April 2019

Elizabeth Harris
Principal Adviser, Listing Compliance
Australian Securities Exchange
152-158 St Georges Terrace
Perth WA 6000

By email: listingscomplianceperth@asx.com.au

Dear Elizabeth

Cervantes Corporation Limited (“CVS” or “the Company”)

We refer to your letter of 3 April 2019 Cervantes Corporation Limited (‘CVS’): Aware Query.

The Company provides the following response to each of the separate questions and requests for information:

12 March Announcement

1. Does CVS consider the new assay results for drill holes AHP 140 – AHP 146 released in the 12 March Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, for completeness, but as the results were follow-up drilling of the previous intercepts, and if they were considered in isolation and not in conjunction with the previous results could be considered insufficient and misleading to present to the shareholders and market without combining the two programs, and providing a consolidation of historical drilling and those two programs carried out by Cervantes in a visual manner by section maps and 3D diagrams. The intent of the 3D and section maps was to provide the shareholders and market with a fully comprehensive visual display of all drilling results in different formats and an overall display of assay results from all previous programs and hence for completeness.

2. If the answer to question 1 is “no” please advise the basis for that view.

Not applicable.

3. When did CVS first become aware of the new assay results for drill holes AHP 140 – AHP 146?

The Company first became aware of the new assays results for drill holes AHP 140 – AHP 146 on 23 January 2019. The drilling was a follow-up program on previous intercepts, so that the Board could compare historical data with this new data, including intercepts. The Board considered that a reasonable person would prefer a holistic view of the project rather than information that could be misleading or insufficient. The Board took the view that interpreting the results required a more detailed analysis of the overall results in conjunction with the new assay results prior to release, and a resource estimation, together with 3D maps and modelling, would be considerably more helpful to the shareholders and market to comprehend an understanding of the project results to date. The Company believes that the new assay results, including



results from holes AHP 140 – AHP 146, indicated that while the lode zones are generally continuous, the gold grades tend to be variable, so prudently, the Company elected to classify the entire resources as an Inferred Resource. The Company engaged an independent geologist to use professional software to consolidate all of the known data, to create the cross sections and 3D maps and ensure that the Company has a comprehensive detailed data room for guidance on any future work programs or production or sale of the project; hence a further slight delay to ensure shareholders and the market received a fully detailed disclosure and comprehensive presentation.

The Company's capital raising was closed on 18 January 2019, having already been extended, in expectation of the assay results, which were not received until 23 January 2019. Had the Company extended the period beyond the 18 January 2019, the Company could not have issued shares to the existing applicants in accordance with the Listing Rules.

7 January Announcement

4. Does CVS consider the information contained in the 7 January Announcement, being the completion of drill testing at Albury Heath and reporting visual estimates of quartz lodes, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, as many previous gold results were contained within quartz lodes, but this was qualified in the release, and whilst materiality is a subjective word, a reasonable person would have expected the Company to release that information based on that qualification, as contained in point 7 below.

5. If the answer to question 4 is "no", please advise the basis for that view.

Not applicable

6. When did CVS first become aware of the visual estimates contained in the 7 January Announcement? In answering this question please confirm

The Company first became aware of the visual estimates contained the 7 January Announcement on 7 January 2019, when the geologist's logs were received.

- 6.1 when drilling commenced at the Albury Heath Project.

The drilling on Albury Heath Project commenced on 23 November and finished on 24 November 2018.

- 6.2 when were the drill holes relating to the visual estimates completed

The drill holes relating to the visual estimate were completed on 23 and 24 November 2018. Drilling was completed over two days by the Company's contract geologist. The geologist's logs were not inspected until those logs were received on 7 January 2019. The delay was caused by the contract geologist having to fly out to fulfil a pre-existing obligation, followed by Christmas/New year and their requirement to finalise the logs to ensure systematic codes, lithological interpretations among other activities.



- 6.3 when did CVS receive the information regarding the visual estimates and comment specifically on why the visual estimates were not reported at the completion of drilling in the 4 December Announcement.

The Company received the information regarding the visual estimate on 7 January 2019. The visual estimate was not reported at the completion of the drilling in the 4 December Announcement because the geological logs had not been received (see above 6.2).

7. Why has CVS not released any new assay results to date to verify the visual estimates of the quartz lodes reported in the 7 January Announcement? In answering this question please advise when CVS expects to release the new assay results to verify the visual estimates.

The Company has released all the assay results pertaining to the recent drilling campaign that includes the visual estimate of quartz occurrences. The reported quartz lodes, while significant in being quartz vein dominated intercepts, and so colloquially referred to as a quartz lodes, actually carried no significant gold mineralisation and as stated in the 7 January Announcement on page 4 at Table 2 “Summary of significant quartz zone intersected in the recent drilling campaign. Intervals are downhole measurements; true width is unknown at this state. The presence of quartz does not, in itself, indicate auriferous mineralisation. Gold assays are pending.” This was again repeated in the 12 March Announcement on page 2 at point 4. “Gold is not necessarily restricted to quartz lodes, though it is mainly hosted by the lodes”. There will be no other assay release in relation to this drilling.

8. Why did CVS report previous drill results from 28 June 2018 as ‘newly discovered gold zones’ in the 7 January Announcement?

The intercept announced on 28 June 2018 described gold zones not known from previous drilling and were referred to as ‘newly discovered gold zones’. That term for those zones was simply carried forward to the 7 January announcement, as is common practice. Drilling undertaken during 23-24 November 2018 was as a follow-up to the “newly discovered gold zones” previously announced; it is logical to reference that reason for the follow-up drilling.

Compliance with the Listing Rules

9. The Company confirms that is in compliance with the Listing Rules and in particular Listing Rule 3.1.

10. The responses provided above have been authorised and approved by the Company’s Board.

Yours sincerely



Patrick J O'Neill
Company Secretary





3 April 2019

Mr Patrick O'Neill
Company Secretary
Cervantes Corporation Limited
Shop 12 South Shore Piazza, 85 The Esplanade
SOUTH PERTH WA 6151

By email: Pat@jacksongreeve.com.au

Dear Mr O'Neill

Cervantes Corporation Limited ('CVS'): Aware Query

ASX refers to the following:

- A. CVS's announcement entitled "*Capital Raising*" lodged on the ASX Market Announcements Platform ("MAP") on 24 October 2018 in which CVS announced a capital raising of \$700,000 by way of a prospectus for the issue of 70,000,000 shares at an issue price of \$0.01 per share together with, subject to shareholder approval one free attaching option for every two shares subscribed for and issued.
- B. CVS's announcement entitled "*Extension of Closing Date under Prospectus & Addendum of NOM*" lodged on MAP on 29 November 2018 in which CVS announced that the closing date for the capital raising had been extended to 28 December 2018.
- C. CVS's announcement entitled "*Cervantes completes Drilling at Albury Heath*" lodged on MAP on 4 December 2018 (the '4 December Announcement'), disclosing the completion of drilling at Albury Heath and reporting previous assay results from 28 June 2018.
- D. CVS's announcement entitled "*Assay results delayed & Prospectus Closing Date Extended*" lodged on MAP on 21 December 2018 (the '21 December Announcement'), which stated as follows:

"Due to the Christmas & New Year delay of any assay results and reports following from the recent RC Drilling program at Albury Heath, as announced 4 December 2018, the board considered it only fair to allow investors and shareholders time to review the results prior to the closing date of the prospectus. In consideration of this, CVS advises that the Closing Date for the above capital raising has been extended to 18 January 2019 to allow shares and options to be issued by 24 January 2019.

We recommend shareholders and investors review the CVS 4 December 2018 release."
- E. CVS's announcement entitled "*Drill testing of gold zones at Albury Heath intersect impressive quartz lodes*" lodged on MAP on 7 January 2019 (the '7 January Announcement'), disclosing the completion of drill testing at Albury Heath, including visual estimates of quartz lodes intersected at the Albury Heath project and again reporting the previous assay results from 28 June 2018.
- F. CVS's announcement entitled "*Prospectus Closed & Update*" lodged on MAP on 18 January 2019 in which CVS announced that the prospectus for the capital raising announced on 8 January 2019 had closed with CVS raising total funds of \$38,825.
- G. CVS's announcement entitled "*Albury Heath resource and exploration update*" lodged on MAP on 12 March 2019 (the '12 March Announcement') which updated the mineral resource for CVS's Albury Heath Mine deposit which disclosed the results of the drilling undertaken at Albury Heath and updated the inferred resource to 528,000 tonnes at 2.09 gold gms per tonne. The 12 March Announcement included the drill hole table and new assay results for drill holes AHP140- AHP146.

H. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

I. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

K. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks CVS to respond separately to each of the following questions and requests for information:

12 March Announcement

1. Does CVS consider the new assay results for drill holes AHP 140 – AHP 146 released in the 12 March Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no" please advise the basis for that view.
3. When did CVS first become aware of the new assay results for drill holes AHP 140 – AHP 146?

7 January Announcement

4. Does CVS consider the information contained in the 7 January Announcement, being the completion of drill testing at Albury Heath and reporting visual estimates of quartz lodes, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
5. If the answer to question 4 is “no”, please advise the basis for that view.
6. When did CVS first become aware of the visual estimates contained in the 7 January Announcement? In answering this question please confirm
 - 6.1 when drilling commenced at the Albury Heath Project.
 - 6.2 when were the drill holes relating to the visual estimates completed
 - 6.3 when did CVS receive the information regarding the visual estimatesand comment specifically on why the visual estimates were not reported at the completion of drilling in the 4 December Announcement.
7. Why has CVS not released any new assay results to date to verify the visual estimates of the quartz lodes reported in the 7 January Announcement? In answering this question please advise when CVS expects to release the new assay results to verify the visual estimates.
8. Why did CVS report previous drill results from 28 June 2018 as ‘newly discovered gold zones’ in the 7 January Announcement?

Compliance with the Listing Rules

9. Please confirm that CVS is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that CVS’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CVS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 3:00 PM AWST on Friday 5 April 2019.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CVS’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CVS to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CVS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CVS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in CVS's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Elizabeth Harris
Principal Adviser, Listings Compliance (Perth)