CERVANTES
Corporation Limited

ASX ANNOUNCEMENT/MEDIA RELEASE

8 August 2018

Pansy Pit keeps giving gold

HIGHLIGHTS:

- **Shallow gold mineralisation intercepted at the historic Pansy Pit**
- **Significant gold intercepts include (down hole widths, true width unknown):**

Hole	Interval m	Gold grade g/t	From m	Within broader interval m	Gold Grade g/t	From m
CVSRCP001	2	1.63	10	5	1.03	7
CVSRCP001	2	**6.32**	34	**7**	2.33	34
CVSRCP002	1	**5.83**	11	4	2.46	8
CVSRCP003	2	1.64	10			
CVSRCP004	1	2.82	31	5	1.22	29
CVSRCP005	1	2.53	7			
CVSRCP005	2	2.08	15			
CVSRCP006	1	**6.31**	13	3	3.58	13
CVSRCP007	1	**5.06**	9	4	2.11	8
CVSRCP007	2	**9.14**	15	**15**	2.74	14
CVSRCP008	2	2.40	5			
CVSRCP008	1	**4.28**	10	3	1.98	9
CVSRCP008	2	2.20	15			
CVSRCP008	1	1.94	27			
CVSRCP009	2	**4.29**	15	**6**	2.41	15
CVSRCP010	2	**5.53**	13	3	4.30	12
CVSRCP011	1	1.73	4			
CVSRCP011	1	1.3	22			

- **<u>Gold mineralisation is much more pervasive than indicated in historic drilling and not restricted to quartz veins</u>**
- **Total hole gold grade averages, reflect the auriferous nature of this area**
- **Gold grades may be amenable to a heap leach operation that would access bulk tonnage, rather than the narrow veins previously considered, although enquiries from a mill in the district have been persistent.**
- **Ability to grow the area of the gold mineralisation through additional drill testing recognised**

All assays from the recently completed RC drilling campaign in the historic Pansy Pit in the Primrose Project, M59/662, (**Figure 1**) have been received. Eleven RC holes were completed for 336m (**Figure 2, Table 1**). The campaign was curtailed due to some inaccessibility near the pit walls.

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Historic drilling at the Pansy Pit intersected up to **8m at 7.08g/t gold** (ASX announcement 28 March 2018). The recently completed campaign was designed to test extensions of this mineralisation updip, downdip, and along strike, and provide fresh material for possible metallurgical testing and geotechnical information to assist in its evaluation.

Geology

Regionally, the Pansy Pit is hosted in undifferentiated amphibolites between two splays of the Primrose Shear (**Figure 3**). Drilling intercepted a package of altered mafics in which auriferous and, in places, sulphidic quartz lodes have developed, possibly in response to shearing. Alteration, mainly chloritic-fuchsitic, but also goethitic, sulphidic, and carbonate alteration, is highly variable.

A number of quartz lodes were intercepted. These ranged from one to ten metres in width downhole and are frequently associated with local shearing. Whilst often auriferous, not all intercepted quartz lodes carried significant gold grades. Similarly, pyrite was often, but not ubiquitously associated with these quartz lodes.

In the north-west of the drilled area an altered felsic unit was intersected and seen to interfinger with the altered mafic unit. This felsic may have been the driver for the quartz-gold mineralisation.

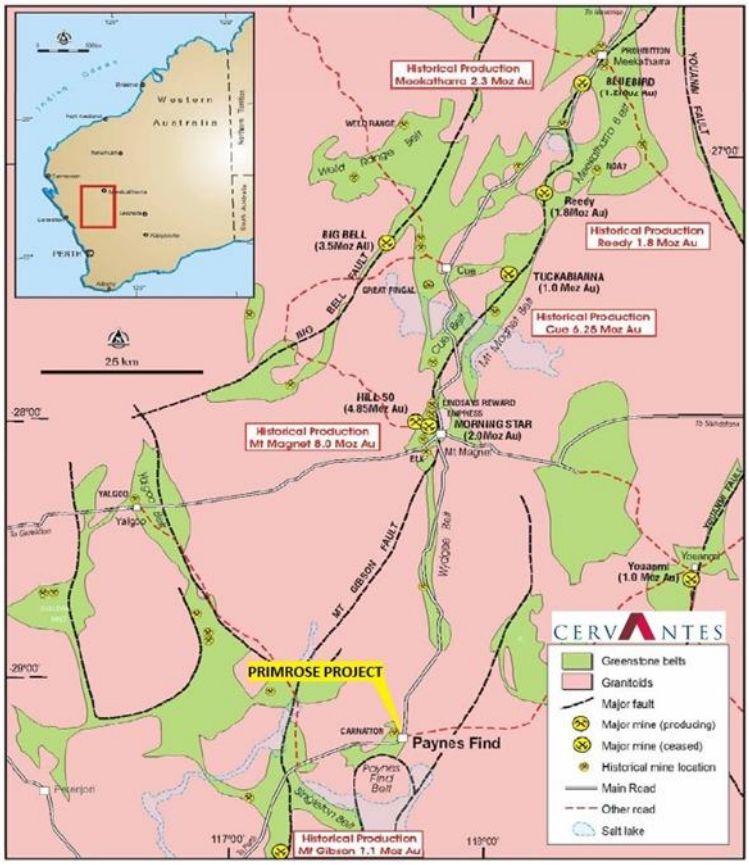

Figure 1: Primrose Project location on regional geology; showing regional historical gold production

The base of oxidation is generally around 30m though not intersected.

Mineralisation

Insufficient drilling has been undertaken to unambiguously identify specific quartz lodes from section to section. Gold is often hosted by these quartz lodes. For example, in hole CVSRCP001 the intercept of **3m at 4.91g/t gold** from 34 metres (downhole width, true width is unknown) is wholly within a pyritic quartz lode. Elsewhere, however, gold grades are hosted within shearing – eg, in hole CVSRCP006 an intercept of **1m at 6.31g/t gold** from 13m is hosted entirely within a sheared mafic. In hole CVSRCP007 an intercept of **2m at 6.13g/t gold** from 22m is hosted by unsheared, massive mafics with no noted quartz content (all quoted depths are downhole depths).

These observations are significant: historic drilling only sampled obvious (logged) quartz veins. This drilling campaign has demonstrated that there exists substantial gold mineralisation in the host

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rocks, so giving the area a higher potential than previously thought. Whilst of moderate grade, the gold mineralisation remaining in the Pansy Pit may be amenable to cheap extraction, eg, by heap leach, given it is shallow and predominantly in the oxide zone, although expressions of interest from a mill in the district have been persistent.

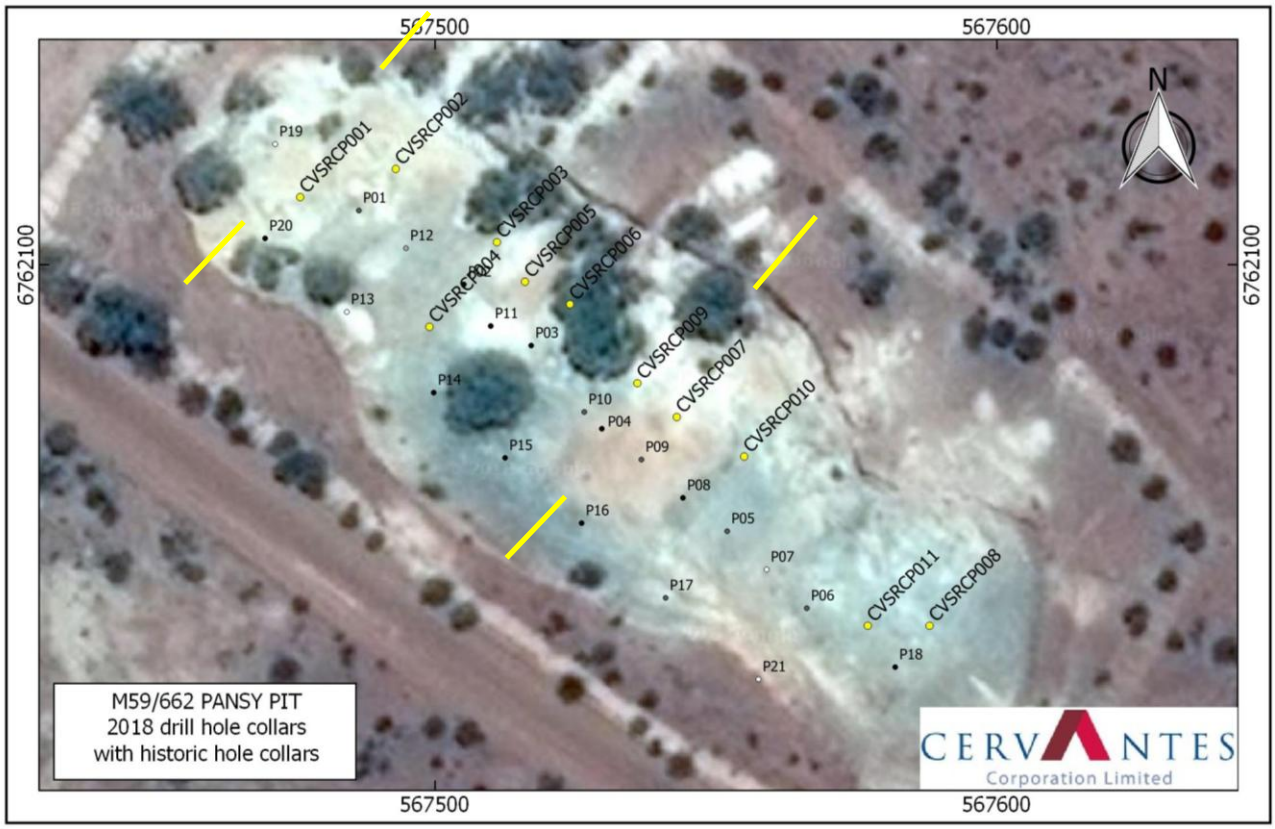

Figure 2: Collar locations in the Pansy Pit. The CVSRCP00x series are from the 2018 drilling campaign, the Pxx series are historic collars. All holes are drilled to the north west (40° TN) at a 60° dip. Location of cross sections indicated by yellow lines. Co-ordinate system is GDA94 Zone 50.

Hole ID	Easting GDA94	Northing GDA94	Depth (m)	Azimuth (TN)	Dip
CVSRCP001	567476	6762112	40	40°	60°
CVSRCP002	567493	6762117	20	40°	60°
CVSRCP003	567511	6762104	20	40°	60°
CVSRCP004	567499	6762089	40	40°	60°
CVSRCP005	567516	6762097	30	40°	60°
CVSRCP006	567511	6762104	30	40°	60°
CVSRCP007	567543	6762073	30	40°	60°
CVSRCP008	567588	6762036	30	40°	60°
CVSRCP009	567536	6762079	36	40°	60°
CVSRCP010	567555	6762066	24	40°	60°
CVSRCP011	567577	6762036	36	40°	60°

Table 1. Drill hole collars, RC drilling at Pansy Pit, Primrose Project. Co-ordinate system used is MGA / GDA94, Zone 50. Co-ordinates determined from hand held GPS with approximately +/-3m accuracy. RL data not presented as of insufficient accuracy at this stage. The area is generally flat.

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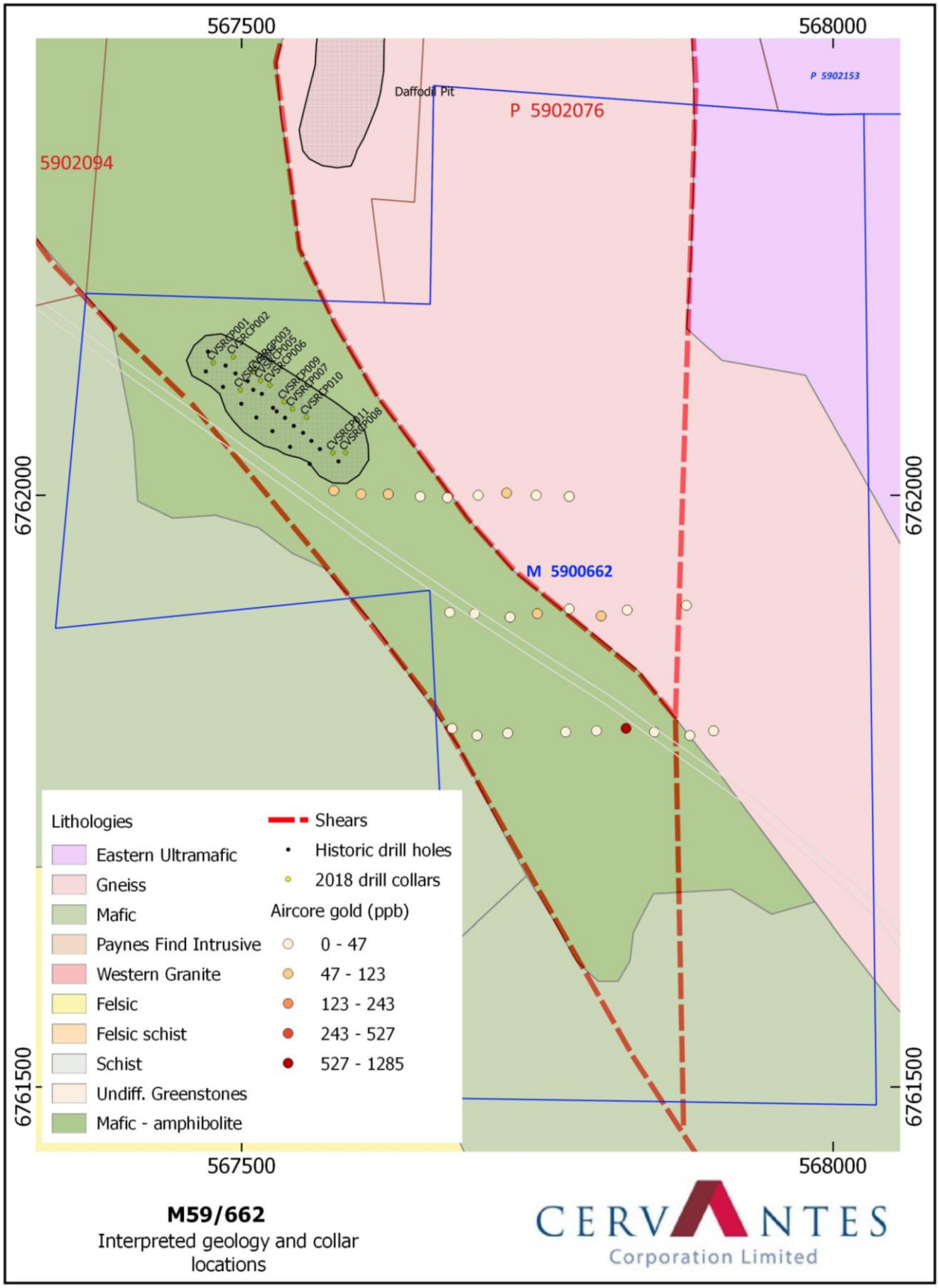

Figure 3: Interpreted geology and hole collar locations, M59/662. Co-ordinate system is GDA94 Zone 50.

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A feature of the area drilled is that it is almost universally auriferous. No samples from this drilling reported below the detection limit of the assaying technique (0.005g/t gold). **Table 2** is a listing of the significant gold intercepts from this drilling (see the JORC table for agglomeration parameters.)

Hole	Interval m	Gold grade g/t	From m	Within broader interval m	Gold Grade g/t	From m
CVSRCP001	3	1.49	9	5	1.03	7
	3	**4.91**	34	**12**	1.43	28
CVSRCP002	1	**5.83**	11	4	2.46	8
				10	1.17	8
CVSRCP003	2	1.64	10			
CVSRCP004	1	2.82	31	5	1.22	29
CVSRCP005	1	2.53	7			
	2	2.08	15	**10**	0.88	7
CVSRCP006	1	**6.31**	13	3	3.58	13
				11	1.17	9
CVSRCP007	3	**2.64**	8	4	2.11	8
	2	**9.14**	15	**15**	**2.74**	14
	2	**6.13**	22	**21**	2.38	8
CVSRCP008	2	2.40	5			
	1	**4.28**	10	3	1.98	9
			15	**12**	1.33	5
	1	1.94	27			
CVSRCP009	2	**4.29**	15	**8**	1.86	14
	34	**0.47**	0			
CVSRCP010	3	**4.30**	12	**12**	1.35	12
CVSRCP011	1	1.73	4			
	1	1.3	22			

Table 2. Significant gold intercepts, RC drilling at Pansy Pit, Primrose Project. High grade intercepts were restricted to continuous runs of higher gold grades and have an arbitrary cutoff. Broader intervals were averaged over intercepts greater than 0.5g/t gold with intercepts below that of less than one metre width included if bracketed by greater than 0,5g/t gold assays. Co-ordinate system used is MGA / GDA94, Zone 50.

Representative cross-section

Insufficient drilling has been undertaken to unambiguously identify specific quartz lodes from section to section. The historic drilling is devoid of meaningful geologic observations and so is of limited use in gaining an understanding of the Pansy Pit geological setting. Representative interpreted geological section is shown in **Figure 4** and **5**, the location of which is shown on **Figure 2**.

These sections show a transition from a steeply dipping quartz lode system near the centre of the pit to a more moderate and possibly flatly dipping system at the northern end of the pit. The transition is interpreted as a mineralised system that is wrapping around a possible felsic intrusive to the west of the pit, an interpretation that needs to be tested by further drilling. That felsic

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intrusion may be the driver for mineralisation in the Pansy area and may constitute a drilling target in its own right

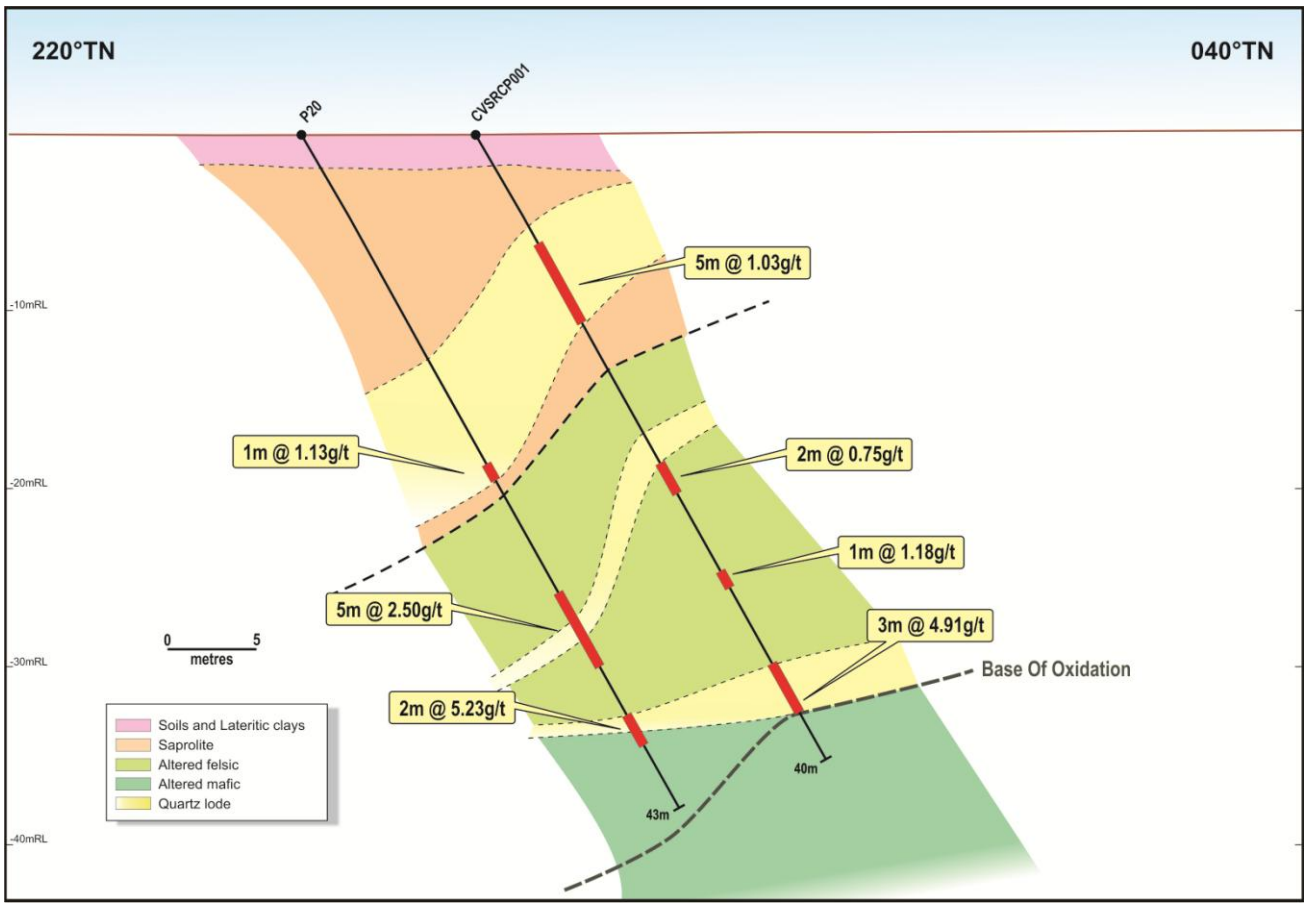

Figure 4: Interpreted geological section P20-CVSRCP001. Section location is shown on Figure 2. RL is arbitrary.

Next Steps

A fuller assessment of these drilling results will be undertaken to better understand the controls on gold mineralisation. The historic hole collars no longer exist; Cervantes may decide to redrill those holes to more fully test the area for gold mineralisation in the light of the conclusions drawn from this drilling campaign. Holes unable to be drilled during this campaign will be re-assessed for possible future completion.

A more regional assessment of the Pany mineralisation will be undertaken, particularly in light of the gold anomalism seen in aircore drilling to the south east of the pit (ASX announcement 11 July, 2018.)

Cervantes is now in a position to review all the completed drilling programs carried out on all the relevant projects and prepare new drilling programs, budgets and submit work programs. At this stage it is expected we would commence with expansion drilling at Albury Heath in Meekatharra, where spectacular 2oz, 3oz and up to 6oz results occurred.

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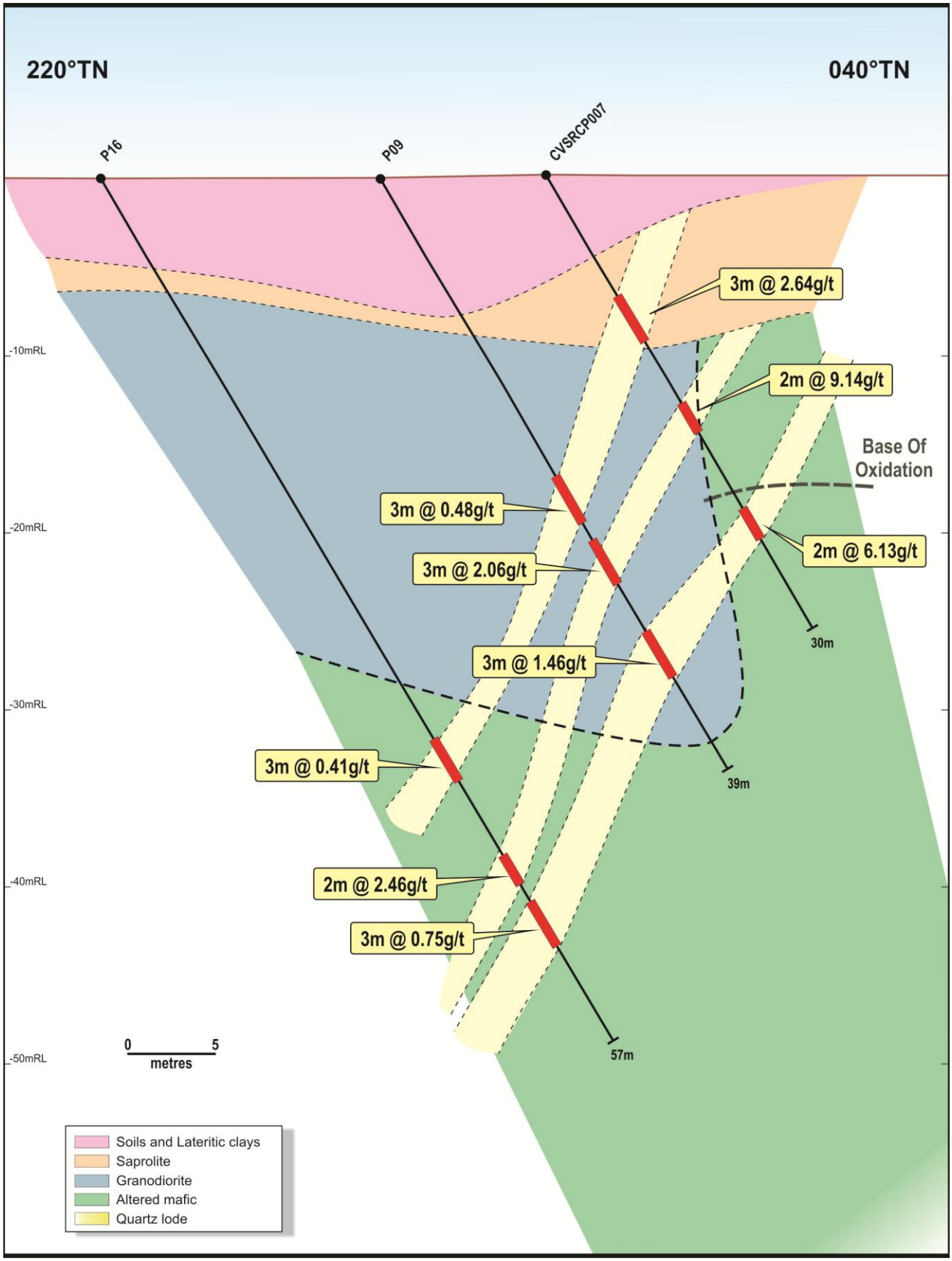

Figure 5: Interpreted geological section P16-CVSRCP007. Section location is shown on Figure 2. RL is arbitrary.

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About Cervantes Corporation Limited

Cervantes is an emerging gold explorer and aspiring gold miner. It has built up a portfolio of gold properties in well-known and historically producing gold districts with a strategy to apply novel exploration and development thinking. Cervantes has identified opportunities in those districts that were overlooked by previous explorers. The company is committed to maximizing shareholder value through the development of those opportunities.

Competent Person's Statement

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Marcus Flis, a Director and Exploration Manager of Cervantes Corporation Limited. Mr Flis is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Flis consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

Forward Looking Statement

This report contains forward looking statements concerning the projects owned by Cervantes Corporation Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation (RC) drilling samples were collected through a rig-mounted cyclone with cone splitter attachment and split in even metre intervals. Wet sample was speared or scoop-sampled. RC drill chips (from each metre interval) were examined visually and logged by the geologist. • Any visual observation of alteration or of mineralisation was noted on the drill logs. • Duplicate samples comprise approximately 4% of total samples taken (ie one duplicate submitted for every 25 samples). • A company contract geologist supervised the drilling and sampling to ensure representativeness. Drilling was done by industry standard techniques. • Duplicates, standards, and blanks were submitted to ensure assaying reliability and accuracy. • Hole locations were surveyed by hand held GPS. No downhole surveys were undertaken.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling was by Reverse Circulation (RC) with NQ sized bit and rods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC sample recovery and sample quality was recorded via visual estimation of sample volume and condition of the drill spoils. • RC sample recovery typically ranges from 90 to 100%, with only very occasional samples with less than 90% recovery. • RC sample recovery was maximised by endeavoring to maintain a dry drilling conditions as much as practicable; the RC samples were predominantly dry. • Relationships between recovery and grade are not evident and are not expected given the generally

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Criteria	JORC Code explanation	Commentary
		excellent and consistently high sample recovery. • RC results are not utilised for Mineral Resource estimations.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC chips were geologically logged at one metre intervals into a digital database that was kept with sample numbers. • Logging is qualitative.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• One metre samples were collected from a cyclone into a plastic bucket and then laid out on the ground in rows of 10. • No compositing was used. • All samples are pulverised at the laboratory to produce material for assay. • Mineralisation style is late stage quartz veins. The one metre samples are likely to downgrade actual grades intersected, but are commensurate with minimum mining requirements; sample size is considered appropriate for resource estimation work.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Fire assay is a total digest technique and is considered appropriate for gold. • Certified references material standards as 1 every 20 samples, duplicates 1 every 25 samples. • Lab using random pulp duplicates and certified reference material standards. • Accuracy and precision levels have been determined to be satisfactory after analysis of these QA/QC samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Analysis was by acqua regia using Interteck's FA50/OE procedure: samples were pulverised to minus 75 µm before a split of 10g was taken and analysed using standard Fire Assay procedures. The method is an accepted industry analytical process appropriate for the nature and style of mineralisation under investigation.

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Criteria	JORC Code explanation	Commentary
		• There were no twinned holes. • No adjustments were made to assay data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All samples sites have been located using a hand held GPS unit with an accuracy of +/-5m. The GPS recorded locations used MGA94/GDA zone 50 as the datum. • The drilling co-ordinates are all in GDA94 MGA Zone 50 co-ordinates. • Azimuth was set by hand held compass there being no intensely magnetic rocks in the area. • Drill hole inclination is set by the driller using a clinometer on the drill mast and checked by the geologist prior to commencement of drilling. • Camera survey points were at the top and bottom of each hole. • No RL data were collected; the area is generally flat at an RL of approximately 360m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• RC holes were drilled on an existing grid set up for resource drill out. Drill spacing was in fill only. • Together with historic data, *the data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling followed the geometry of existing holes. • Previous resource estimation defined the strike and dip of ore zones. Current drilling utilised that information. • It is not anticipated that, on current interpretation, any bias has been introduced to the sampling.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected in calico sample bags with sample number tickets included in each bag and the same identification posted externally. • Samples were delivered to the lab by

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Criteria	JORC Code explanation	Commentary
		a company representative.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Standards, blanks, repeats, and check assays are undertaken to ensure data robustness.

Section 2 Reporting of Exploration Results. (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration results relate to work carried out over a package of tenements comprising mining and prospecting leases. The tenements are 100% owned and controlled by Cervantes Corporation Limited. All tenements and leases are currently in good standing with DMP with no known impediments to further exploration or development.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical drill holes exist at the project area. • Falcon Australia Ltd undertook a 21 hole drilling campaign in 1987 from which they estimated a non-JORC Indicated Resource of 18,500t at 4.28g/t gold for approximately 2,500oz (DMP report A21516/M4741.)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation is seen as predominantly quartz veining in an undifferentiated mafic sequence. Felsic intrusives are the likely driver of the gold mineralisation.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• See tables in this release.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short*	• Simple averages are used where aggregates are provided. • Reported aggregated intervals have been weighted by length.

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Criteria	JORC Code explanation	Commentary
	lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No density weighting has been applied. • No top-cuts have been applied (unless specified otherwise). • Higher grade intervals of mineralisation internal to broader zones of mineralisation are reported as included intervals. • Metal equivalence is not used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The intervals reported are the initial drill intervals and intercepts. • No adjustment has been completed on the intervals to accommodate the declination of drilling. • Drilling is generally inclined at 60^{o}to the NW (TN). Ore shoots generally dip approximately 65^{o} to the SE.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Relevant location maps and figures are included in the body of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	This announcement includes the results of Au assays for the holes drilled as a follow-up programme to existing (reported) historic drilling.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The area is covered by a 50m line spaced aeromagnetic survey. Previous workers undertook sufficient drilling to define an Indicated Resource, though that is not now JORC compliant. No bulk samples, metallurgical results, groundwater or geotechnical studies have been carried out yet.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Work programmes currently under review include further drilling, metallurgical testing, resource estimation, and pit optimisation studies. Any interpreted extension of the existing resource is commercially sensitive.

Section 3 Estimation and Reporting of Mineral Resources

No Mineral Resources are being reported.

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