



CERVANTES CORPORATION LIMITED

ACN 097 982 235

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2.30pm WST

DATE: 18th June 2018

PLACE: Royal Perth Golf Club, Labouchere Road, South Perth WA 6151

DRESS POLICY: Royal Perth Golf Club requires all members, guests and visitors to be dressed in smart casual. **Denim, t-shirts, thongs and runners are not permitted.** Men's shirts must be tucked in. These dress standards also apply to service providers. Admittance to the venue will be refused to those not adhering to the dress policy.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm WST on 13th June 2018.

CHAIRMAN'S LETTER

Dear Shareholder,

The Board has great pleasure in advising that the Company raised \$281,397 from a placement in April 2018 as previously announced to the market, allowing the Company to pursue its current exploration programs and other activities.

Cervantes as a result has applied for three new Prospecting licences on the western side of the main Primrose Project area, and acquired two new prospecting licences on the eastern side of the project area around the Pansy Pit, to expand its footprint in the area for Gold and base metals. Cervantes is now entitled to the base metal rights on a considerable number of its permits and the effect of this will be the subject of further releases in the near future.

Cervantes has now completed the re-drilling of the **Albury Heath Project south east of Meekatharra**, and the results of this program will be released as soon as possible. The hope is that the new drilling program and onsite review of the surrounding permits owned by Cervantes, by our exploration manager Marcus Flis, will support the historical drilling results previously released, add additional tonnages, and geological data for discovery of similar structures in the immediate area.

Cervantes has also commenced the re-drilling of the **Pansy Pit** as well as Air Core drill sampling of the **Primrose Shear**. This shear is a prime untested target for a large tonnage gold host as outlined in the Company's March 2018 Quarterly Activity Report announced on 30 April 2018.

Soil sampling has been completed on the **Abbotts Project north-west of Meekatharra**. Abbotts adjoins the northern boundary of Thundelarra's successful gold exploration project at Garden Gulley. Results will be released in due course when assaying has been completed and assessed. Additional Soil sampling was carried out on a large exploration licence Cervantes acquired approximately 12 months ago called **Deep Well**. Whilst this is not a priority target it will assist in understanding any potential exploration targets outside of the main project area now referred to as the **Primrose Project**. The EL hosts the northern extension of the Primrose Shear.

Cervantes is seeking shareholders support to ratify the prior issue of shares and options of 40,199,593 fully paid ordinary shares and 13,399,864 free attaching options placed to professional investors under ASX Listing Rule 7.1 to raise \$281,397 on the 6th April 2018.

Your Board is also seeking approval to place up to 25m fully paid ordinary shares together with 1 free attaching option for every two shares placed on terms and conditions as outlined in the explanatory statement.

These facilities will be used if and when required for any additional funds to further progress the company's exploration activities and for working capital.

The Board looks forward to bringing you and the market further releases on our very active drilling and exploration programs on this Historic Goldfield, some of which are already completed and others are underway. Shareholders are invited to attend and review, and ask questions on the exploration programs to date.



Collin Vost
Managing Director

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – PLACEMENT – SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares, together with 1 free attaching Option for every 2 Shares subscribed for and issued, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,199,593 Shares and 13,399,864 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 15th May 2018

By order of the Board

**Collin Vost
Managing Director**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6436 2300.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – PLACEMENT – SHARES AND OPTIONS

1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 25,000,000 Shares, together with 1 free attaching Option for every 2 Shares subscribed for and issued (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares and Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 25,000,000 and the maximum number of Options to be issued is 12,500,000 (being equal to 50% of the number of Shares to be issued as the Options will be issued free attaching with the Shares on a 1:2 basis);
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur progressively;
- (c) the issue price of the Shares will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the issue price of the Options will be nil as they will be issued free attaching with the Shares on a 1:2 basis;
- (e) the Shares and Options will be issued to sophisticated and professional investors and other investors who fall within section 708 of the Corporations Act or to investors under a prospectus. The Directors will determine to whom the Shares and Options will be issued but these persons will not be related parties of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (h) the Company intends to use the funds raised from the Placement towards:
 - (i) working capital;
 - (ii) part or the remainder of the consideration for the acquisition of the Paynes Find Gold Project tenements from European Lithium Limited (as previously announced by the Company);
 - (iii) allowing the Company to take further steps in the development of its 3 gold projects in Western Australia; and
 - (iv) redrilling of the Albury Heath Meekatharra project and to proceed with the balance of the exploration programs as outlined in the Company's March 2018 Quarterly Activity Report announced on 30 April 2018.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out above are issued, the number of Shares on issue would increase from 487,683,309 (being the number of Shares on issue as at the date of this Notice) to 512,683,309 and the shareholding of existing Shareholders would be diluted by 4.88%. Further, in the event all the Options issued pursuant to the Placement were exercised the number of Shares on issue would increase to 525,183,309 and the shareholding of existing Shareholders would be diluted by 7.14%.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS

2.1 General

On 6 April 2018, the Company announced the completion of a capital raising of \$281,397 through the issue of 40,199,593 Shares at an issue price of \$0.007 per Share together with 1 free attaching Option for every 3 Shares subscribed for and issued (**Capital Raising**).

The Company issued the Shares and Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 40,199,593 Shares and 13,399,864 Options were issued;
- (b) the issue price per Share was \$0.007 and the issue price of the Options was nil as they were issued free attaching with the Shares on a 1:3 basis;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Shares and Options were issued to professional investors. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue were used for:
 - (i) redrilling of the Albury Heath Meekatharra project and to proceed with the balance of the exploration programs as outlined in the Company's March 2018 Quarterly Activity Report announced on 30 April 2018;
 - (ii) other exploration commitments as required;
 - (iii) working capital;
 - (iv) to meet acquisition costs of additional assets or assessment of new projects including finalising the acquisition of the Paynes Find Gold Project tenements from European Lithium Limited (as previously announced by the Company); and
 - (v) progressive reduction of creditors as required.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Cervantes or **Company** means Cervantes Corporation Limited (ACN 097 982 235).

Chair means the chair of the Meeting.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Paynes Find Gold Project has the meaning given in section 5.2 of the Explanatory Statement to the Notice of Meeting of the Company announced on the ASX on 27 October 2017.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 June 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.