

11 July 2018

Focused AC sampling delivers gold targets at Primrose

- **Regional air core sampling campaign completed and final assays received from Primrose Project**
- **Gold zones mapped out over areas of the Primrose Shear never before tested**
- **New gold and nickel drilling targets identified**
- **Significant results include (down hole length, true width not known):**
 - **1m at 1.285g/t gold from 1m in hole PS21**
 - **1m at 1.052g/t gold from 10m in hole BB11**
 - **4m at 0.527g/t gold from 5m in hole BB17**
 - **1m at 0.18% nickel from 2m in hole PM1**
 - **1m at 0.16% copper from 1m in hole PS21**
- **Future exploration will follow up these significant opportunities**

Final assays from the regional air core (AC) sampling programme on the Primrose Project (Figure 1), and announced on 21 May 2018, have been received. A total of 100 holes for 489 metres were completed (Appendix 1, AC collar data). The sampling programme aimed to:

- Test interpreted jogs in the Primrose Shear that may have focused gold mineralisation,
- Obtain samples from bedrock uncontaminated by more than a century of mining and gold extraction, and
- Sample areas for both gold and base metals that had not been previously tested by appropriate modern techniques.

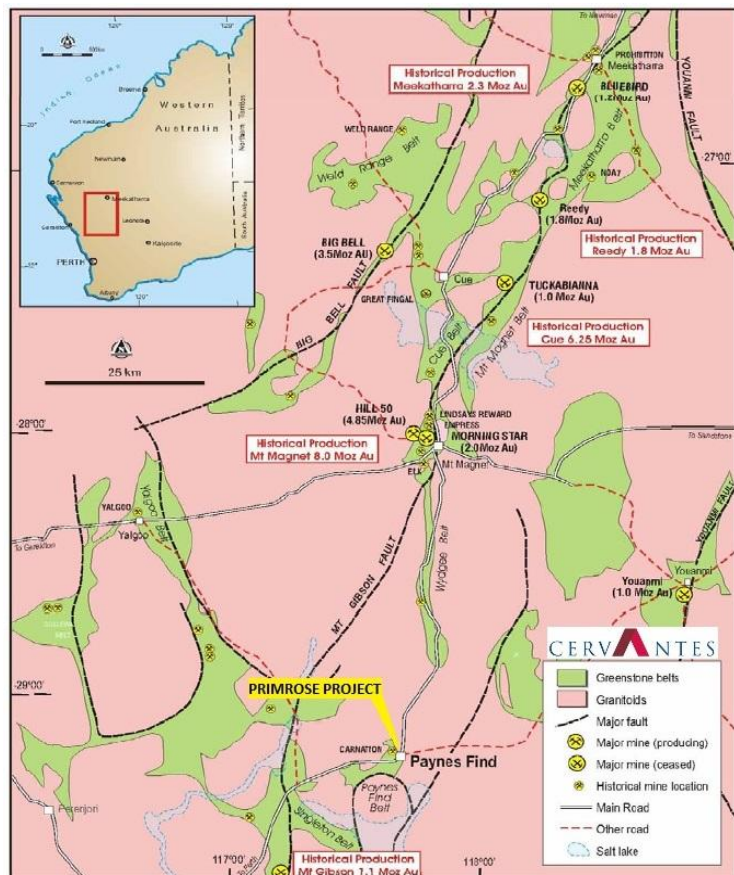


Figure 1: Primrose Project location on regional geology.

The AC sampling programme was reconnaissance in nature. AC drilling is a first-pass geochemical exploration method that tests the potential of an area. While results are often low grade, they indicate a higher likelihood for gold mineralisation to be at depth. Gold and pathfinder elements may be depleted in the oxide zone at, or close to, the surface which, depending on a variety of local geological, environmental, and morphological factors, can further affect grades. AC sampling avoids these issues by sampling the bedrock directly.



Figure 2: AC drilling on the Primrose Project, WA.

AC Programme Details

Five areas were sampled: Blue Bell, Princess Mary, Goodingnow Pansy South, and, added to the programme in the field, the Daffodil Shear. The holes were drilled at a 60° dip towards the east and were spaced between 25 and 50 m along east – west lines. Drilling was to “blade refusal” depth; holes ranged from 1m to 39m depth and averaged 5m. Figure 3 shows the hole locations.

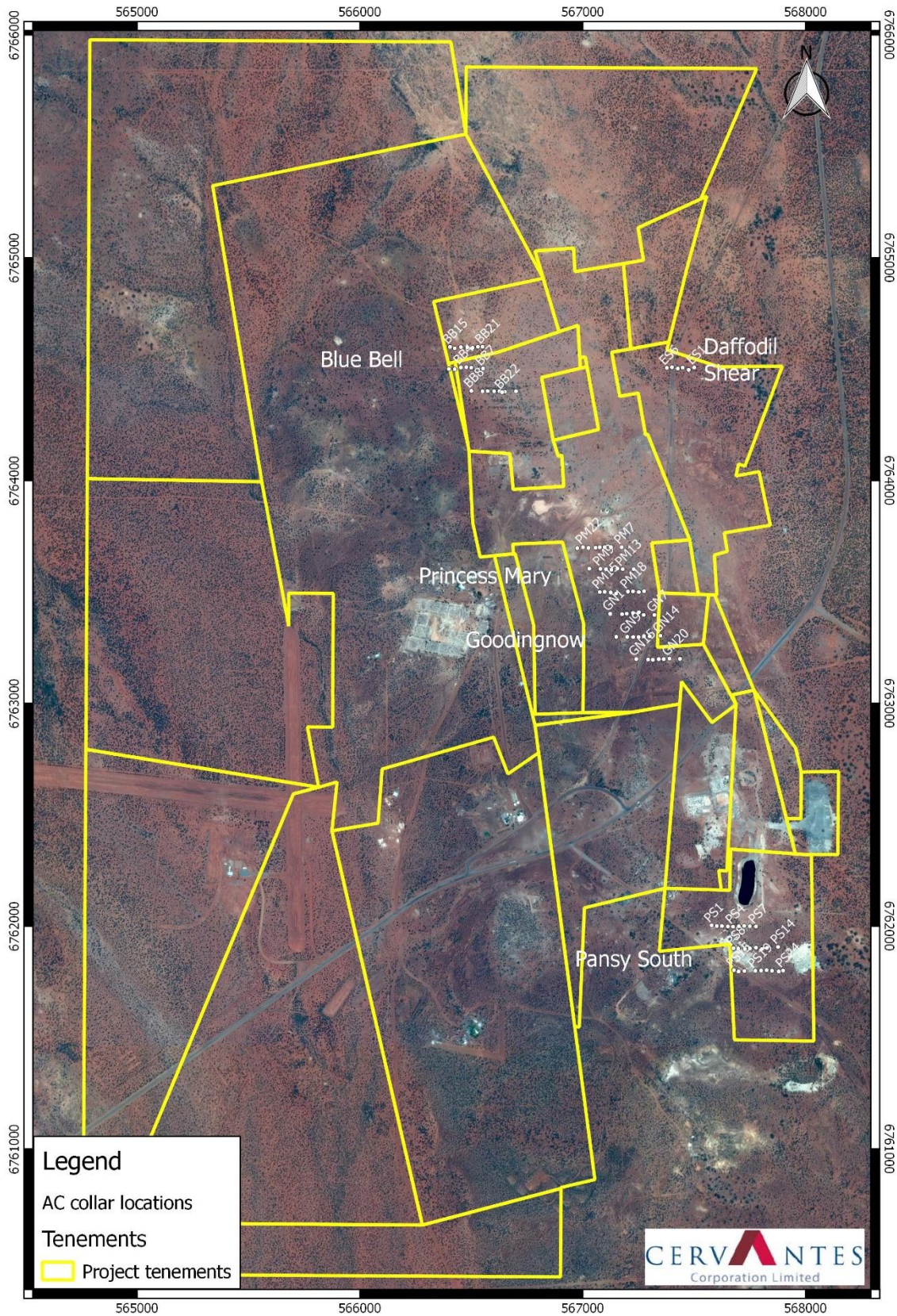


Figure 3: AC hole locations on tenement map, Primrose Project, WA.

AC Geochemistry Results

The results from the AC sampling show an elevated gold background. Usually, sampling of this style returns a general gold background of around 10 parts per billion (ppb) or less. This data has an average gold value of 62ppb, attesting to the auriferous nature of the geology on the Primrose Project.

Figure 4(a) is a summary of the maximum gold assays found at each sample point. Significant gold anomalism is associated with the Primrose Shear at Blue Bell (maximum 1,192.2ppb or **1.192g/t Au**), Princess Mary (1,826.9ppb or **1.826g/t Au**), and Pansy South (1,270.7ppb, or **1.27g/t Au**). Gold values were only moderate at Goodingnow. No significant gold assays were detected along the one line of holes testing the Daffodil Shear.

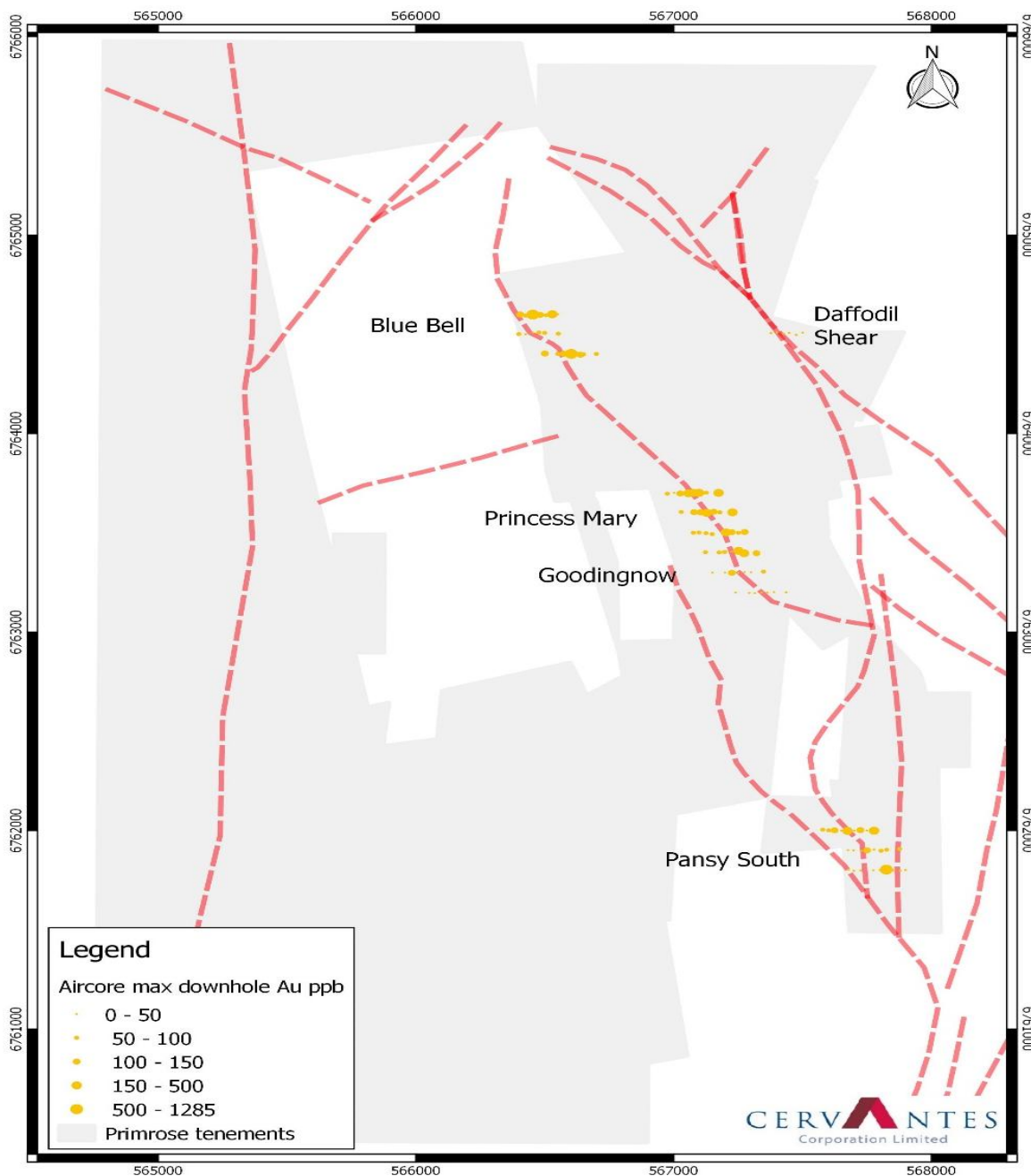


Figure 4(a): AC gold assays, parts per billion or ppb (1,000ppb = 1ppm = 1g/t). Maximum down hole values are shown. Maximum value is 1,285ppb or 1.285g/t Au. Red lines are interpreted shears.

Figure 4(b) is a summary of the nickel results. As was expected, high nickel values were detected in the amphibolite west of the Primrose Shear, particularly at the Blue Bell (1,192.2ppm, or **0.119%** Ni), Princess Mary (1,826.9ppm or 0.183% Ni), and Pansy South (1,270.7ppm or **0.127%** Ni) prospects.

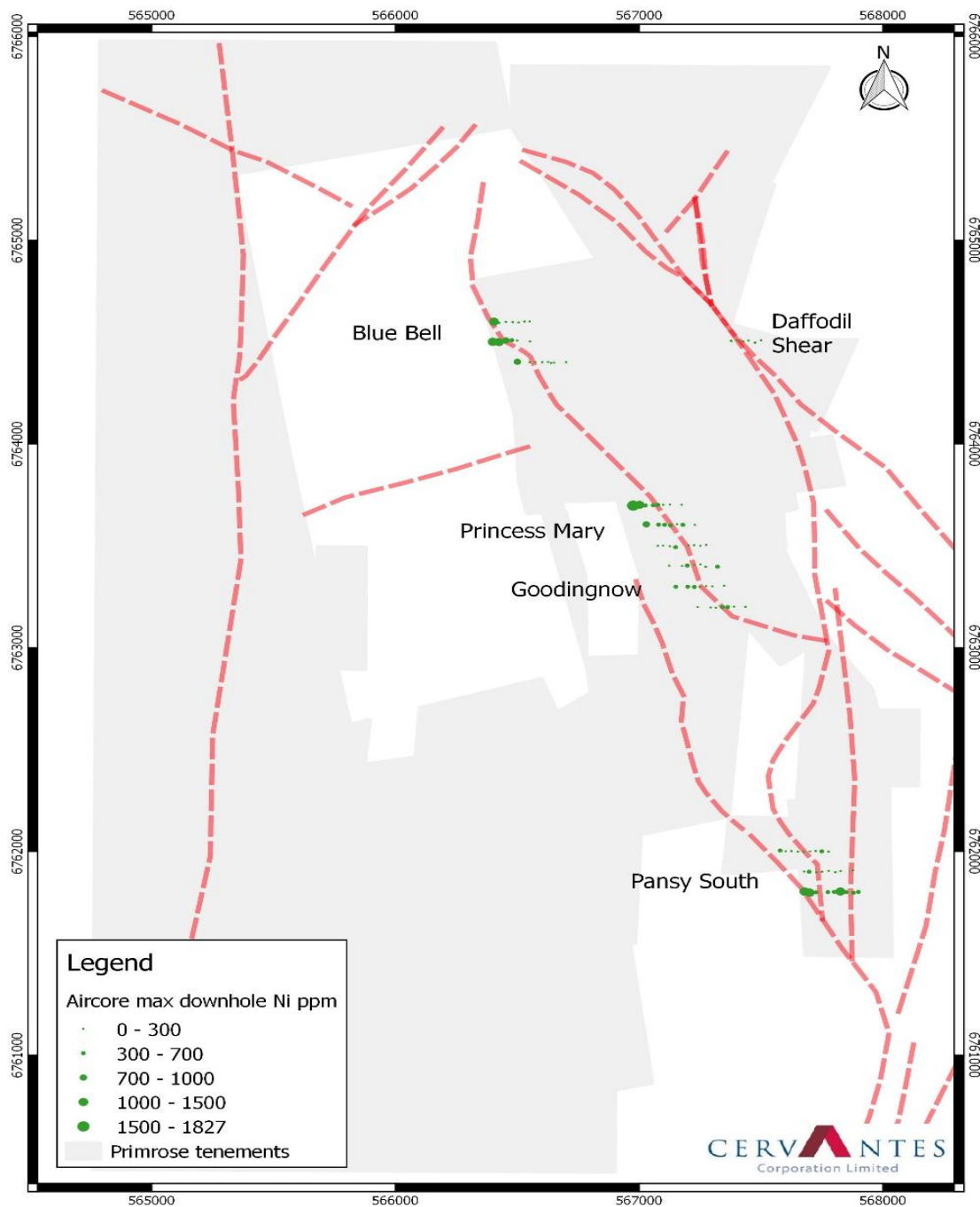


Figure 4(b): AC nickel assays, parts per million or ppm (10,000ppm = 1%). Maximum down hole values are shown. Maximum value is 0.1827% Ni. Red lines are interpreted shears.

Figure 5(a) is a summary of the maximum copper at each sample point. Noteworthy copper anomalism is detected at Pansy South where a maximum **0.156%** copper is detected in association with the anomalous nickel assays. Figure 5(b) shows the cobalt assays. Cobalt assays are generally low.

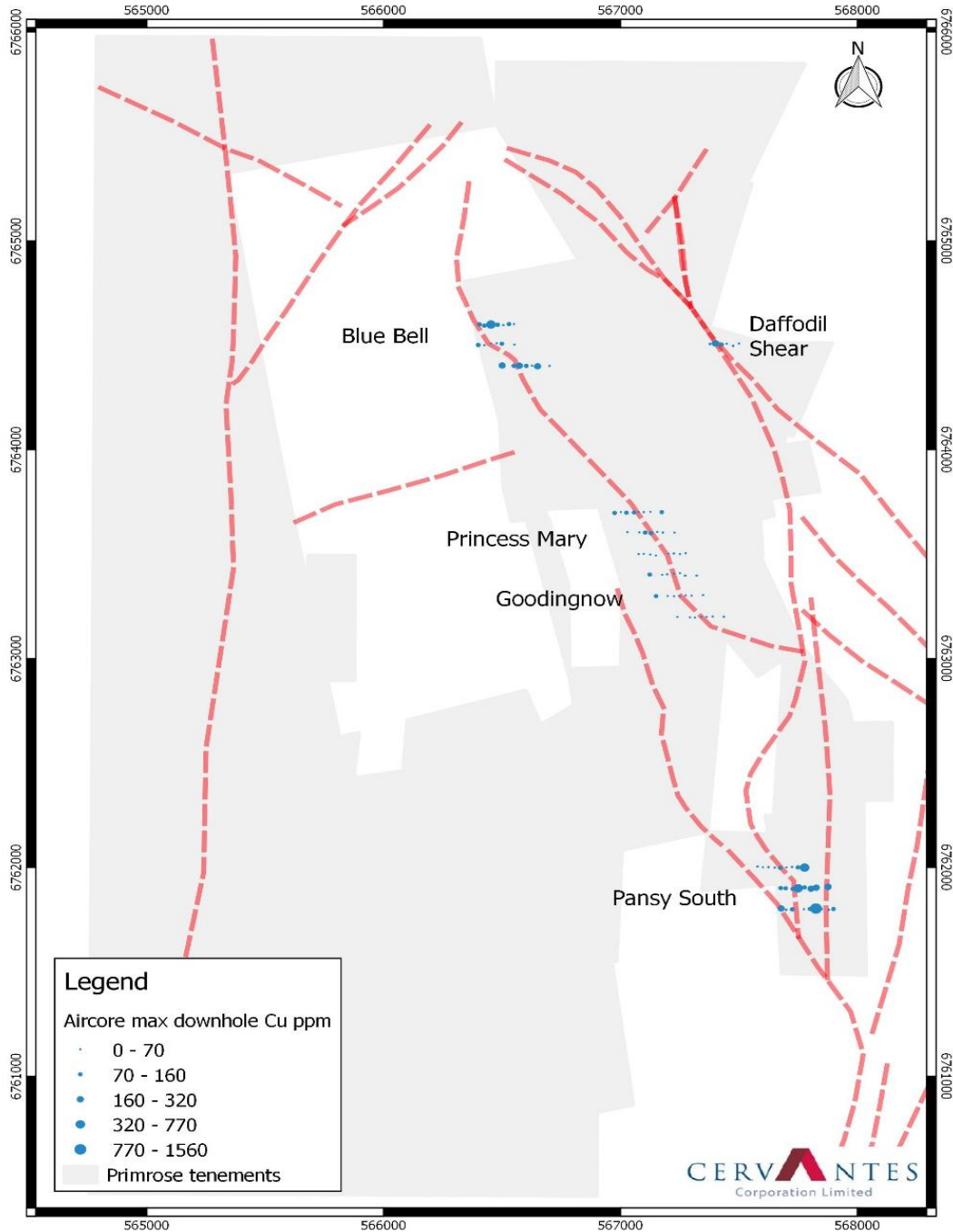


Figure 5a: AC copper assays, parts per million or ppm 10,000ppm = 1%. Maximum down hole values are shown. Maximum value is 1,560ppm or 0.156% Cu. Red lines are interpreted shears.

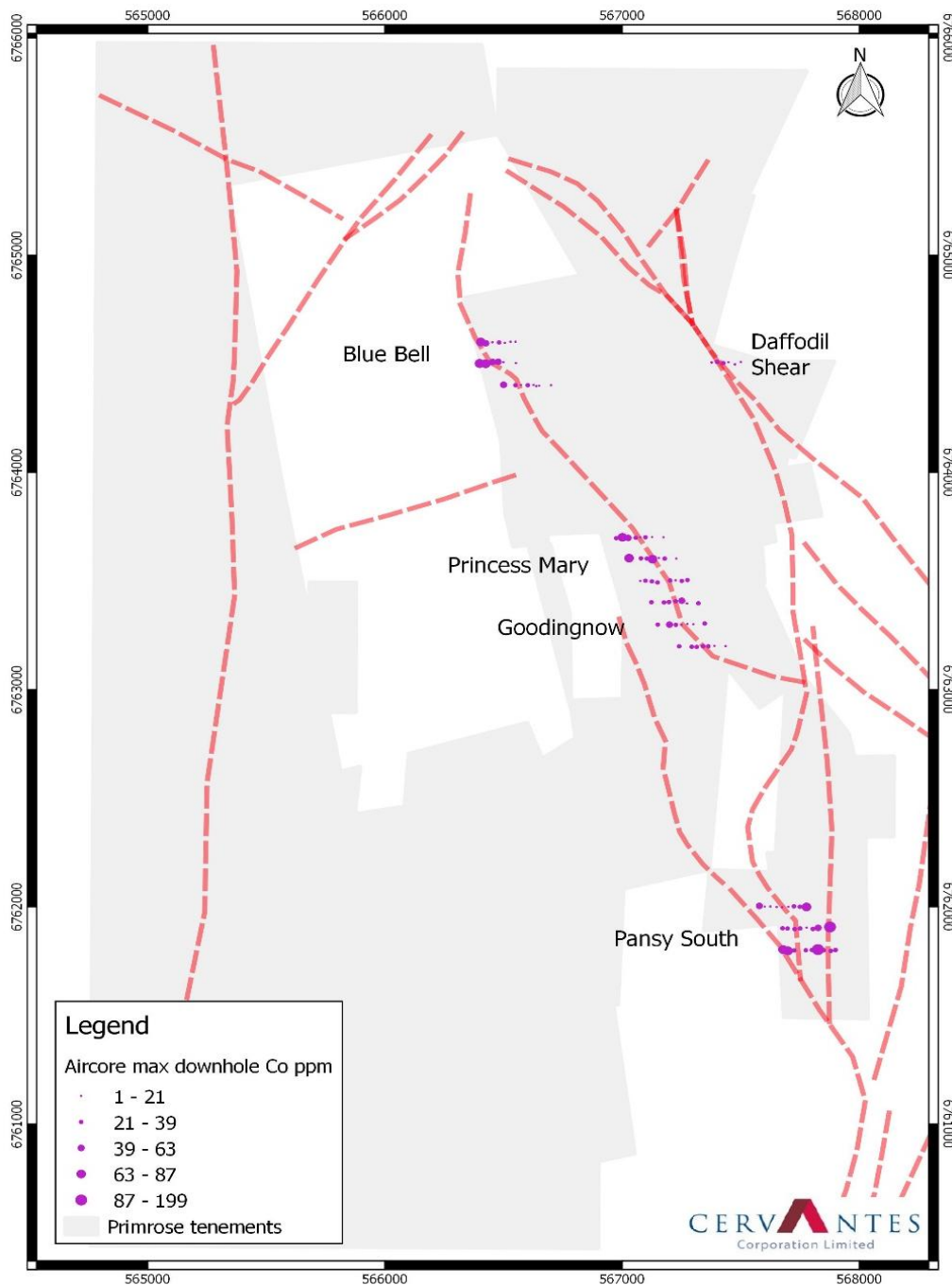


Figure 5b: AC cobalt assays, parts per million. 10,000ppm = 1%. Maximum down hole values are shown. Maximum value is 199ppm or 0.0199% Co. Red lines are

Follow-up

Additional interpretive work will be done to determine the host of the anomalism detected. Deeper drilling will be undertaken to test for the Primrose Shear hosted gold deposits that Cervantes is targeting, including the potential for deeper Nickel targets. The timing of that follow up is dependent on project prioritisation. The Pansy Pit drilling assays have been delayed but will be released when available.

Emily May/Maggie Hay nickel deposit analogue is postulated.

Please refer to Cervantes 12th June 2018 ASX release titled “Nickel – Cobalt Opportunity Identified in RAB data” for more details on the expanding nickel occurrences. This now adds a new two dimensional target approach to two of the most market attractive metals at the Primrose.

Cervantes really is delighted to be able to add base metals such as nickel, cobalt and copper as targets for exploration within the current holdings.

Albury Heath

Please refer to the Cervantes 28th June 2018 ASX release for more details of significant gold intersections of 4oz to 6oz. A follow up release on final assays from this exploration programme is expected shortly.

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.

About the Primrose Project

The Primrose Project covers in excess of 8km of the highly gold mineralised Primrose Shear in the Murchison District of the Eastern Goldfields, Western Australia. Over 37 gold mines, of various sizes, operated in this field from 1911 till 1982. Some 63,000 ounces of gold was mined at an average grade of 25g/t during this period. It is generally accepted that significantly more gold than this was won from alluvial and unreported production.

Cervantes now controls 25 mining leases, prospecting licences, and an exploration licence that cover the majority of this historic gold field. A large database of drilling, surface geochemistry, geological, and geophysical data has been assembled to allow the field to be better understood than at any time in its history.

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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Appendix 1 Air Core (AC) Collar Data

Collar data for AC drilling. Co- ordinate system is GDA94/MGA Zone 50. Hole locations were determined from GPS. The area is generally flat at around 360m RL. No RL data were collected.

Hole ID	Depth	Easting	Northing	Azim	Dip
BB1	39	566350	6764501	60	90
BB10	2	566573	6764402	60	90
BB11	11	566602	6764401	60	90
BB12	2	566626	6764402	60	90
BB13	1	566650	6764399	60	90
BB14	2	566700	6764401	60	90
BB15	5	566404	6764600	60	90
BB16	6	566425	6764594	60	90
BB17	17	566453	6764599	60	90
BB18	5	566481	6764598	60	90
BB19	7	566505	6764596	60	90
BB2	32	566399	6764501	60	90
BB20	4	566529	6764601	60	90
BB21	2	566550	6764601	60	90
BB22	2	566638	6764397	60	90
BB3	3	566425	6764500	60	90
BB4	1	566453	6764508	60	90
BB5	1	566477	6764509	60	90
BB6	15	566499	6764507	60	90
BB7	6	566552	6764503	60	90
BB8	2	566500	6764403	60	90
BB9	5	566550	6764401	60	90
ES1	3	567500	6764508	60	90
ES2	17	567475	6764497	60	90
ES3	9	567448	6764507	60	90
ES4	14	567426	6764503	60	90
ES5	17	567400	6764509	60	90
ES6	30	567377	6764506	60	90
GN1	1	567123	6763402	60	90
GN10	1	567226	6763298	90	60
GN11	1	567250	6763298	90	60
GN12	1	567274	6763302	90	60
GN13	1	567300	6763301	90	60
GN14	15	567348	6763304	110	60
GN15	1	567240	6763199	90	60
GN16	1	567293	6763197	90	60
GN17	1	567314	6763196	90	60
GN18	1	567341	6763199	90	60
GN19	2	567363	6763199	90	60
GN2	1	567176	6763401	60	90
GN20	1	567389	6763201	90	60
GN21	5	567436	6763200	90	60
GN3	2	567197	6763403	60	90
GN4	2	567225	6763406	60	90
GN5	6	567251	6763409	60	90
GN6	7	567273	6763397	60	90
GN7	3	567321	6763397	60	90
GN8	1	567150	6763299	90	60
GN9	2	567199	6763299	90	60
PM1	4	566975	6763697	60	90
PM10	1	567104	6763603	60	90
PM11	1	567128	6763600	60	90
PM12	1	567155	6763606	60	90

Hole ID	Depth	Easting	Northing	Azim	Dip
PM13	4	567179	6763603	60	90
PM14	2	567228	6763603	60	90
PM15	1	567076	6763500	60	90
PM16	1	567125	6763498	60	90
PM17	1	567149	6763493	60	90
PM18	2	567202	6763502	60	90
PM19	2	567225	6763503	60	90
PM2	1	567025	6763698	60	90
PM20	1	567251	6763500	60	90
PM21	2	567275	6763504	60	90
PM22	1	567001	6763701	60	90
PM23	1	567098	6763501	60	90
PM3	1	567057	6763699	60	90
PM4	1	567076	6763701	60	90
PM5	2	567098	6763701	60	90
PM6	1	567126	6763702	60	90
PM7	2	567174	6763701	60	90
PM8	3	567029	6763605	60	90
PM9	11	567079	6763604	60	90
PS1	2	567578	6762004	90	60
PS10	5	567750	6761900	90	60
PS11	4	567777	6761904	90	60
PS12	4	567804	6761898	90	60
PS13	8	567826	6761903	90	60
PS14	8	567876	6761907	90	60
PS15	11	567678	6761803	60	90
PS16	9	567699	6761797	60	90
PS17	2	567725	6761799	60	90
PS18	N/A	567749	6761800	60	90
PS19	1	567774	6761800	60	90
PS2	8	567624	6762001	90	60
PS20	1	567800	6761801	60	90
PS21	2	567825	6761803	60	90
PS22	2	567849	6761800	60	90
PS23	4	567879	6761797	60	90
PS24	10	567899	6761801	60	90
PS25	1	567697	6761900	60	90
PS26	1	567601	6762001	60	90
PS27	1	567749	6762000	60	90
PS28	3	567851	6761902	60	90
PS3	3	567651	6761999	90	60
PS4	5	567674	6761998	90	60
PS5	2	567700	6762000	90	60
PS6	2	567724	6762002	90	60
PS7	19	567777	6761999	90	60
PS8	1	567676	6761901	90	60
PS9	7	567727	6761897	90	60

JORC Code, 2012 Edition

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

Criteria	JORC Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Sampling was carried out under Cervantes Guidelines. Samples were collected from single metre spoils piles placed at surface beside the drilling rig. Scooped samples from each single metre comprising approximately 500gms each were composited where possible to 4 metre composites. The bottom full one metre sample was sampled uncomposited. • 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.
<i>Drilling techniques</i>	Drilling was by Air Core using an 85mm AC blade with a 375 CFM / 200 PSI Sullair Compressor.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • AC sample recovery and sample quality was recorded via visual estimation of sample volume and condition of the drill spoils. • AC sample recovery typically ranges from 90 to 100%, with only very occasional samples with less than 90% recovery. • AC sample recovery was maximised by endeavoring to maintain a dry drilling conditions as much as practicable; the AC samples were all dry. • Relationships between recovery and grade are not evident and are not expected given the generally excellent and consistently high sample recovery. • AC results are not utilised for Mineral Resource estimations.
<i>Logging</i>	<ul style="list-style-type: none"> • AC chips were geologically logged at one metre intervals into a digital database that was kept with sample numbers. • Logging is qualitative.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • One metre samples were collected from a cyclone into a plastic bucket and then laid out on the ground in rows of 10. • Compositing AC samples of between 2 to 4 m was undertaken via combining 'Spear' samples of the intervals to generate a 0.5 kg (average) sample. • All samples are pulverised at the laboratory to produce material for assay. • Mineralisation style is unknown; sample size is considered appropriate for reconnaissance work.

Criteria	JORC Commentary
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> As the drilling is of a reconnaissance nature no check or repeat samples have yet been submitted for analysis. Residues from the sampling process at site have been removed to comply with environmental conditions placed by the DMPR on the drilling activity. No specific quality control procedure has been adopted for the collection of the samples other than due care exercised to maintain an unbiased and uniform sample as possible. Samples were shipped to Minanalytical laboratories in Kalgoorlie, WA for drying and pulverising and splitting to prepare a pulp for analytical determinations. Internal checks have been completed on the data by the lab.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> Analysis was by aqua regia using Minanalytical's AR10MS procedure: samples were pulverised to minus 75 microns before a split of 10g was taken and analysed using by ICP MS. The method is an accepted industry analytical process appropriate for the nature and style of mineralisation under investigation. 8 repeats, 10 standards, and 5 blanks were used to check QA/QC There were no twinned holes.
<i>Location of data points</i>	<ul style="list-style-type: none"> 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 51 co-ordinates. Azimuth was set by hand held compass. 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. No downhole surveys are undertaken for AC drill holes. No RL data were collected; the area is generally flat at an RL of approximately 360m.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> AC holes were drilled on east-west lines spaced at approximately 100m. Drill spacing was generally 25m with 50m spacing used at the lines' extremes. The data will not be incorporated into any Mineral Resource or Ore Reserve estimation and is primarily an initial exploration reconnaissance sampling programme. As such the determination of data spacing and distribution is not relevant at this time.
<i>Orientation of data in relation to geological</i>	<ul style="list-style-type: none"> Geological orientations are presumed to be near vertical, drilling has been, where possible, at a -60° dip. Hole traverses were generally across strike as determined from

Criteria	JORC Commentary
<i>structure</i>	outcrop geology and aeromagnetic data.
<i>Sample security</i>	<ul style="list-style-type: none"> All samples were collected in calico sample bags with sample number tickets included in each bag and the same identification externally on the bag. Samples were delivered to the lab by a company representative. Given the very early stage of exploration combined with the limited number of field staff involved, the security over sample dispatch is considered adequate for these samples at this time.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> No audits or reviews have yet been conducted on the exploration data presented in this release.

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

Criteria	JORC Code Commentary
<i>Mineral tenement and land tenure status</i>	Exploration results relate to work carried out over a package of tenements comprising mining, prospecting and exploration leases considered collectively as the Primrose Project. The tenements are under the ownership of either European Lithium Limited or Cervantes Corporation Limited with a view to 100% ownership by Cervantes Corporation Limited following successful completion of the acquisition of all tenements. All tenements and leases are currently in good standing with DMP with no known impediments to further exploration or development.
<i>Exploration done by other parties</i>	Historical drill holes exist at the project area, however the current AC drilling has been targeted at areas not previously drilled. Paynes Find Gold Ltd did the majority of modern exploration in the area.
<i>Geology</i>	The mineralisation is seen as predominantly metavolcanics, metasediments and granitic Archaean rocks of Western Australian Yilgarn Craton. This is a recognised style of mineralisation and one that is common to the district.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> See tables and Appendices in this release.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> No data aggregation has been done. No bottom or top cuts have been applied. Higher grade intervals of mineralisation internal to broader zones of mineralisation are reported as included intervals. Metal equivalence is not used in this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	The intervals reported are the initial drill intervals and intercepts. No adjustment has been completed on the intervals to accommodate the declination of drilling and as a consequence the true widths of mineralisation are unknown at this stage
<i>Diagrams</i>	A table of co-ordinates, sample result, and sample numbers relevant to the drill holes along with a location map showing drill hole locations in regards to the explain target

Criteria	JORC Code Commentary
	reported.
<i>Balanced reporting</i>	The limited drilling programme is to seek to identify if there is any indication of mineralisation at the identified structural target zones. Anomalism reported is taken as a simple univariate statistical assessment. The reporting is to give an indication only of the presence or absence of anomalous concentrations of elements and as such will require follow up assessment to determine if there is any economic potential. To date no economic potential for consideration is implied or stated in regards to the drill results reported.
<i>Other substantive exploration data</i>	The area is covered by a 50m line spaced aeromagnetic survey. Insufficient geology has been done at prospect scale to understand the setting of the mineralisation.
<i>Further work</i>	Work programmes currently under review include further drilling and geophysical data acquisition to assist in delineating and verifying the exploration target cited along with ongoing desktop studies and literature reviews.

Section 3 Estimation and Reporting of Mineral Resources

No Mineral Resources are being reported.