

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Cervantes Corporation Limited

ABN

79 097 982 235

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter SA'000	Year to date (6 months) SA'000
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) staff costs	(18)	(36)
(b) advertising and marketing		
(c) research and development	-	(1)
(d) leased assets		
(e) other working capital	(37)	(73)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other –		
Net operating cash flows	(52)	(107)

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter SA'000	Year to date (6 months) SA'000
1.8 Net operating cash flows (carried forward)	(52)	(107)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(86)	(86)
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(86)	(86)
Net investing cash flows		
1.14 Total operating and investing cash flows	(138)	(193)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	250
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	-	250
Net increase (decrease) in cash held	(138)	57
1.21 Cash at beginning of quarter/year to date	262	67
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	124	124

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter SA'000
1.24	Aggregate amount of payments to the parties included in item 1.2	31
1.25	Aggregate amount of loans to the parties included in item 1.11	

**1.26 Explanation necessary for an understanding of the transactions**

Director's fees and serviced office rental.

**Non-cash financing and investing activities**

**2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows**

**2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest**

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available SA'000	Amount used SA'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	5	262
4.2 Deposits at call	119	-
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>124</b>	<b>262</b>

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /~~does not~~\* give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2012.  
 (Company secretary)

Print name: .....Patrick Joseph O'Neill.....

+ See chapter 19 for defined terms.

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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## Notes Attached to this Report

The Board is continuing to assess projects and ventures with potential early cash flow.

Cervantes continues to carry out technical and metallurgical tests on its gold tailings project in WA in conjunction with the Licence Holder of the tailings. Cervantes has been approached by a nearby miner to transport the tailings for treatment at their premises on a Royalty basis as an alternative to self processing. These discussions are ongoing and whilst this could generate a healthy return to Cervantes and the licence holder, Cervantes continues to seek a treatment process of its own, that could generate a substantially greater return to Cervantes if successful.

Cervantes' highly loyal shareholder base, extraordinary low operating costs and lack of debt and liabilities makes it a constant target for enquiries by brokers and vendors of projects and ventures and the Board vets all of these opportunities with a critical assessment as to the best value for shareholders.

The Company has cash and liquid assets in excess of \$649,000, being shares in listed companies, cash on hand and lobster pot licences, which are increasing in value, all of which can be progressively sold to meet commitments as and when required. The Company, based on its current assets and cash, has sufficient reserves to meet its costs and expenses for the next 2 quarters, as and when they fall due.

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