

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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	-	6
1.2	Payments for (a) staff costs	(18)	(73)
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(60)	(183)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other –		
	Net operating cash flows	(77)	(248)

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

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(77)	(248)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(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		376
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
		376
Net investing cash flows		
1.14 Total operating and investing cash flows	(77)	128
1.15 Cash flows related to financing activities		
Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	3	177
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
	3	177
Net financing cash flows		
Net increase (decrease) in cash held	(74)	305
1.21 Cash at beginning of quarter/year to date	384	5
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	310	310

+ 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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	72
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, bookkeeping 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 \$A'000	Amount used \$A'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	3	1
4.2	Deposits at call	307	383
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		310	384

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

- 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.
- This statement does ~~does not~~* give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2015
(Company secretary)

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

Notes

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.

Notes Attached to this Report

Since the disposal of the cray pots at maximum market prices in February, the board has assessed in excess of some thirty projects introduced by New York Securities Pty Ltd in a range of commodities including graphite, gold, nickel, copper and other commodities.

Whilst initial assessment offers on a number of these projects were rejected, the Company remains in discussion with a number of vendors of more advanced projects in pursuit of a favourable outcome for Cervantes shareholders, including the pursuit of a technical solution to the gold tailings venture in WA.

The board continues to be advised on the progress of the iron sands (Titanomagnetite) project in the Philippines, where Cervantes has an opportunity to participate via a secured loan, interest bearing and profit sharing arrangement over the project. Cervantes was granted first right of refusal, in the event that the party wished to joint venture or dispose of part or all of the venture in the future, on terms that are mutually acceptable to both parties. The grant came as a result of Cervantes introducing the project to a listed company who currently provides financial assistance to assess the technical and other merits of the project, via an unlisted public company that controls the project, which has since suffered financial difficulties. There is still some agonisingly slow progress on resolving legal disputes with the original vendors created by previous directors of the unlisted company. The recent decline in the iron ore price has presented a potential challenge to the projects viability, however Cervantes believes it remains worthy of continued consideration, and the weak market conditions present a favourable negotiating position.

Accordingly the board remain committed to the ongoing discussions in preparing an agreement over the venture when all outstanding issues are resolved, in conjunction with any other projects that may fit within Company guidelines.

Cervantes was alerted by New York Securities to an opportunity involving a strategic parcel of exploration ground in the Albany Fraser Range area that became vacant as a result of a financially distressed junior exploration company. Cervantes has lodged an application to secure that area via an Exploration Licence, and is awaiting the expiration of the objection period.

Cervantes continues to be one of the least expensive run companies on the ASX with minimal directors' fees, totalling some combined \$72,000 per annum with no direct staff, and office administration cost of some \$60,000 per annum. This austerity will continue until the Directors and management are able to be adequately rewarded for their time, and for the ever increasing liabilities and responsibilities attached to being directors of a public company imposed on them by politicians, the ASX and the ASIC.

Cervantes currently has some \$330,000 of cash and other liquid assets, which can be disposed of as and when required to meet ongoing expenditures, and when deemed appropriate, the Company will exchange assets from time to time for improving the medium to longer term goals and to diversify the operations and assets.

Cervantes, 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.

+ See chapter 19 for defined terms.