

Cervantes Corporation Ltd

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Cervantes Corporation adds oil/gas upside with Baraka Petroleum deal

Cervantes Corporation Ltd (ASX:CVS) and Baraka Petroleum Ltd (ASX:BKP) have entered into an agreement for the benefit of Cervantes and Baraka shareholders.

The agreement is for Cervantes to provide financial assistance to Baraka to allow it to proceed towards the recapitalisation of Baraka and to achieve the re-quotations of Baraka's ordinary shares at the earliest opportunity.

The Cervantes board has previously outlined that they would continue to seek opportunities to add value to the shares of Cervantes investors and where possible, offer them opportunities to participate in new ventures directly.

This opportunity is in the opinion of the Board one such opportunity.

This agreement offers an attractive opportunity for Cervantes by offering an extremely low entry point to an existing listed company involved in the Oil, Gas and Energy related sectors, which could offer substantial upside to Cervantes and Baraka shareholders as the global economy recovers.

The agreement entered into provides Cervantes shareholders, at the time of allocation of Baraka's new shares, priority rights to take up a proposed new issue of shares in Baraka Petroleum at a minimum price of 0.2 cents per share.

Zurich Securities Pty Ltd has been appointed by Baraka to lead manage the placement of the new shares. Following approval by Baraka shareholders of the agreement and other resolutions, a prospectus for the issue of the new shares will be made available to shareholders of Cervantes and Baraka and others who register an interest.

It is anticipated that on completion of raising the minimum funds required by the ASX for Baraka to be reinstated to official quotation, Baraka and Cervantes will be debt free, cashed up listed companies jointly seeking opportunities for their shareholders in their respective sectors.

Gold Project

Cervantes has been, via the 100% owned subsidiary Cervantes Gold Pty Ltd, financing a drilling, assaying, metallurgical and comminution study of a gold retreatment project on areas controlled by a private entity, over which Cervantes also has an agreement.

The results to date have all been favourable and the costs have been reduced from the initial cash flow projections. The Cervantes Board anticipate an increase in Cervantes cash position, subject to changing factors, greater than originally anticipated.

It is anticipated that, subject to formal agreements being amended and completed and final cash flow documentation being presented, the Board of Cervantes will be in a position to confirm commencement of the retreatment operations

Price: 0.004

Market Cap: \$1.99 m

1 Year Share Price Graph



Share Information

Code: CVS

Listing: ASX

52 week High Low
0.013 0.003

Sector: Gold & silver

Website: www.cervantescorp.com.au

Company Synopsis:

Cervantes Corporation Ltd (ASX:CVS) is an ASX listed company head quartered in South Perth, Western Australia.

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by the private entity within weeks and cash flow within 4-5 months.

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